

NEWS HIGHLIGHTS

Fintech panel suggest legal framework to protect digital services consumers

UPI dominance heats up payments race for cards

Fintech panel moots P2P lending marketplace

RBI extends KYC deadline for mobile wallets by 6 months

Today's View

JIT Insurance

Technology is breaking down barriers and re-defining business models. As per **Statista**, 30% of insurance companies are already using or considering using innovative technologies like robotic process automation (RPA) to review claims.

Apart from improving efficiency, insurance companies are also coming up with innovative customized products for changing needs for applicants. For instance, Just-in-time (JIT) insurance is a unique product designed by new-age insurance firms to provide flexible coverage to unorthodox needs of Gig Economy workers.

There are multiple commercial insurance companies who are positioning themselves to leverage the changes in how insurance policies/cover are devised. For instance, US-based **Trov** has developed a 'smart insurance' app which makes it possible to 'protect just the things you want, exactly when you want, entirely from your phone', with no need for an insurance agent or a long-term contract. Users create an online inventory of what they consider valuable and then swipe on the items that they'd like to protect and choose a price and deductible that's right for them.

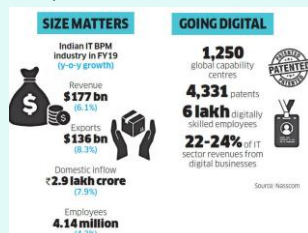
Similarly, **SureSure** has developed JIT Insurance products for people who, at the last minute, decide they want protection during airplane travel, from departure to landing. Its products also include baggage protection for a trip.

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Digitalization is now forcing NASSCOM to reinvent itself

NASSCOM, the non-profit set up 21 years ago to help scale up India's information technology and business process management industry, is changing its focus as digital disruption and US visa barriers hit the traditional outsourcing business model of member companies.



Source – The Economic Times

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Date – 3rd Sept 19

Travellers can be standing at the gate and download the app and get coverage instantly.

While **Grab** has partnered with Indonesia's virtual wallet firm **Ovo**, **Chubb Insurance**, and financial services firm **Credit Saison** to offer on-demand micro-insurance that is a seamless extension of rides. If the driver is enrolled, the premium is contributed from the revenue the ride generates. Similarly, **Dinghy Insurance** provides responsive, flexible, and 'there when you need it' insurance for freelancers. It provides cyber, general liability, equipment, and professional indemnity cover, which are charged as per the usage instead of a fixed package.

Minneapolis digital healthcare start-up **Bind Benefits Inc.** offers consumers the ability to add JIT healthcare coverage when they need. It has raised \$60 million from **Lemhi Ventures**, which primarily funds new healthcare start-ups. The premise of the company is to let health plan members use the mobile app to buy health insurance for a specific health condition only when they need it.

With the kind of flexibility being offered by tech-enabled JIT Insurance products, the time has come for a custom-made universe of insurance.

Today's News

Fintech panel suggest legal framework to protect digital services consumers

An inter-ministerial panel on fintech submitted its report to Finance Minister Nirmala Sitharaman suggesting a comprehensive legal framework to protect consumers of digital services. The Steering Committee headed by the Economic Affairs Secretary also recommended adoption of regulation technology (or RegTech) by all financial sector regulators to develop standards and facilitate adoption by financial services providers.

"Similarly, it has also suggested that financial sector regulators develop an institutional framework for specific use-cases of Supervisory technology (or SupTech), testing, deployment, monitoring and evaluation," the finance ministry said in a statement.

Source – *The Economic Times*

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UPI dominance heats up payments race for cards

Dominance of the Unified Payments Interface (UPI) continues to rise in India as it came close to the volumes of debit and credit card transactions in the financial year ending March 2019, shows latest regulatory data. Incidentally, as per data available with the Reserve Bank of India (RBI) and National Payments Corporation of India (NPCI) for the first three quarters of current fiscal, UPI payments by value have overtaken card-based payments. UPI is still largely used for peer-to-peer (P2P) transactions while credit or debit cards are used to make merchant payments.

Source – *The Economic Times*

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This News Letter has been prepared with the assistance of G Balakrishna and Manish Kulkarni

Fintech panel moots P2P lending marketplace

A high-level panel on Fintech has pitched for development of a marketplace model for peer-to-peer (P2P) lending, virtual banking to allow lenders to operate without branches, use of drones for field assessments and artificial intelligence (AI) to reduce frauds.

The committee made wide-ranging recommendations in its report, including a review of the existing regulatory framework in the financial sector with respect to data protection and privacy concerns, in keeping with emerging data privacy legislation in India. The panel pitched for moving small savings schemes such as the National Savings Certificates to dematerialized format and extensive digitization of land records.

Source – *The Economic Times*

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RBI extends KYC deadline for mobile wallets by 6 months

The Reserve Bank of India has given mobile wallet providers time till February 29, 2020 to fully comply with Know Your Customer (KYC) norms, in a major relief to companies such as Paytm, Amazon Pay and PhonePe just a day before the expiry of its earlier deadline.

These companies ran the risk of losing thousands of customers if they had failed to comply with the August 31 deadline to convert customer accounts authenticated through the minimum KYC route to full KYC wallets, ahead of the crucial festival season.

Source – *The Economic Times*

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How Bengaluru-based Recko spots payment anomalies

Like many good partnerships, Saurya Prakash Sinha and Prashant Borde's rapport goes back to college days. The two brains behind Bengaluru-based Fintech start-up Recko studied in the Indian Institute of Technology (IIT), Gandhinagar. Prashant was a batch ahead of Saurya. They took different paths, but both had significant exposure, and success, in entrepreneurship. Prashant started distributed commerce platform GridAnts (later Cubeit), which was acquired by Myntra, whereas Saurya co-founded delivery logistics firm Townrush, which was picked up by Grofers. Saurya previously worked at Flipkart and PhonePe, and Prashant was a part of Reliance Jio during its early days. The two sensed an opportunity in Fintech.

"Prashant and I saw the limitation of Excel and manual reconciliation processes during our corporate stints. We felt that the settlements and reconciliation procedure was very inefficient in the payment lifecycle across industries, including banking, insurance, telecom and ecommerce," Saurya told STOI. To offer a better process, they set up Recko in 2017. The firm enables artificial intelligence-powered reconciliation of digital transactions. But the platform materialised after much chopping and changing. It took them six months to finalise the product idea and another 12 to develop it.

Source – *The Economic Times*

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M&M to acquire 55% stake in Meru for cash consideration of up to Rs 201.5 crore

After picking up a significant stake in Zoom car, Mahindra & Mahindra has picked up a majority 55% stake in Meru cabs for a cash consideration of Rs 201 crore in a bid to participate in the growing shared mobility space. The first tranche of investment will be made in October of 2019, the company announced to Bombay Stock Exchange on Saturday night.

The investment in Meru is in addition to slew of shared mobility initiative mooted at the company right from Glyd, the EV ride sharing platform, Smart Shift, the tech enabled logistic solution provider and Mahindra Trringo, a market place that allows farmers to rent their tractors and equipment's.

Source – *The Economic Times*

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Binny Bansal sells Flipkart shares worth \$14 million to Tiger Global

Flipkart co-founder Binny Bansal has sold additional shares worth about \$14 million in the company to investor Tiger Global Management, company filings accessed through data intelligence platform Paper.vc show. The fresh share sale by Bansal comes after he had sold shares worth \$76 million in June this year and could be a part of accelerated share sale agreement at the time of his exit in November last year. The sale also comes as Bansal is putting more money into start-up investments after his exit from the group CEO role at Flipkart, where he continues to be a part of the board. Walmart had completed the deal to acquire 77% stake in Flipkart for \$16 billion in August last year.

Source – *The Economic Times*

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Drone tech to help in rescue & relief operations

A team of students at IIT Madras has developed a drone technology that can help in rescue and relief operations, especially after natural disasters. "The iterations to improve every feature would continue. The team's artificial intelligence (AI)-based solution is used in combination with drones that use swarm intelligence to collect data and analyze it in real-time. The project is being executed with data inputs from the National Disaster Response Force (NDRF). The drone, or unmanned aerial vehicle (UAV), will have a software that will be compatible with standard drones available in the market.

Source – *The Economic Times*

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Logistics and distribution start-up ElasticRun in talks to raise \$50-\$55M

Logistics and distribution start-up ElasticRun is in talks to raise \$50-\$55 million, led by South African internet and media group Naspers, valuing the company at \$250 million, multiple people aware of the matter said. Pune-based ElasticRun is an asset-light transportation network that caters to industries including consumer goods, online retail, manufacturing, automotive and hospitality.

The company, which is based on the shared economy concept, aggregates spare logistics infrastructure capacity from businesses like kirana (corner) stores, local couriers, and small and medium businesses to fulfil customer orders.

Source – *The Economic Times*

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