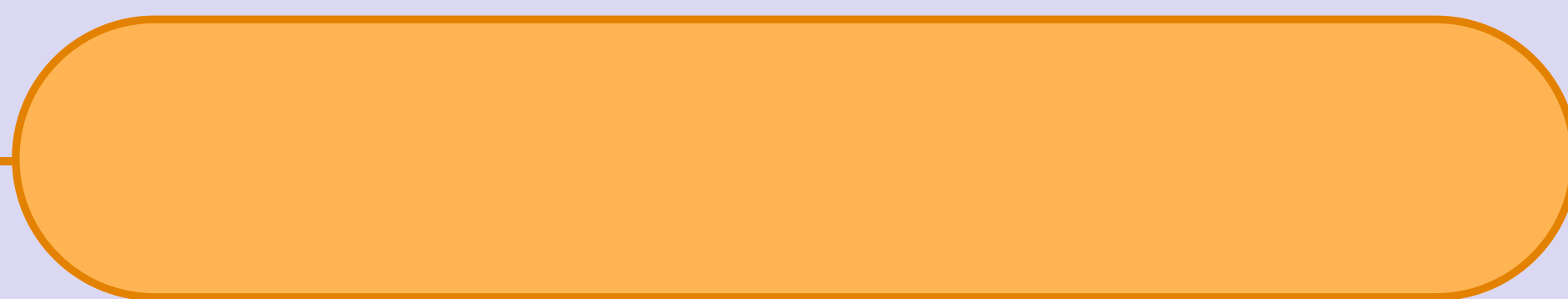
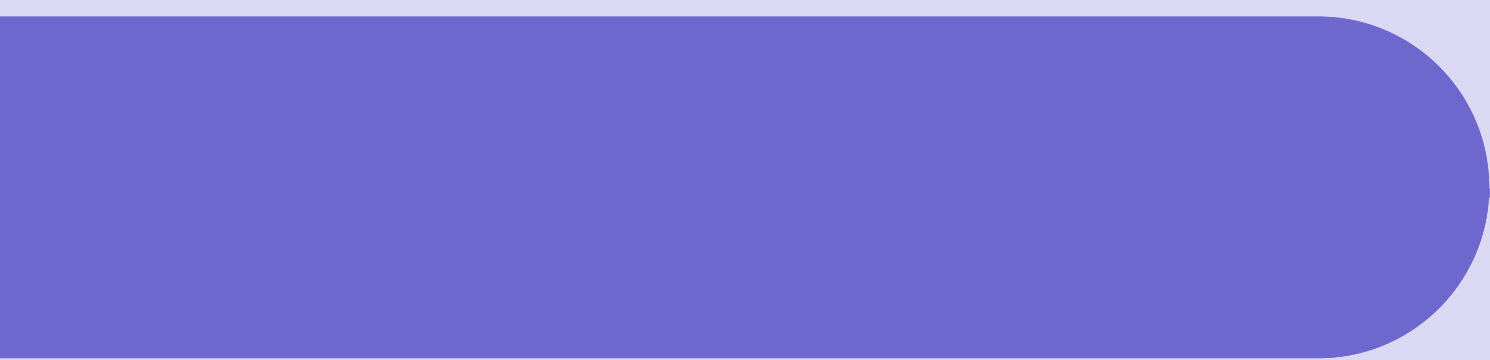


# Account Aggregator

## Industry-wise playbook



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*This comprehensive guide was written to highlight the multifaceted applications of the Account Aggregator (AA) infrastructure across a range of industries and regulated entities in the financial services domain.*

*The AA framework, a big component of India's digital financial landscape, is reshaping the dynamics of data sharing and utilisation in the financial sector. Recognising the innovative nature of this digital infrastructure and acknowledging the diverse levels of familiarity and understanding across industries, this playbook presents an extensive array of use cases.*

*Detailed insights accompany each use case, the benefits it offers, and the methodologies involved. The AA ecosystem, by enabling secure and consent-based financial data sharing, opens up a world of possibilities for personalised financial services, enhanced credit assessments, and innovative product offerings. This playbook delves into specific scenarios across various sectors, including banking, insurance, investment, and even non-financial companies that stand to benefit from enriched financial data insights.*

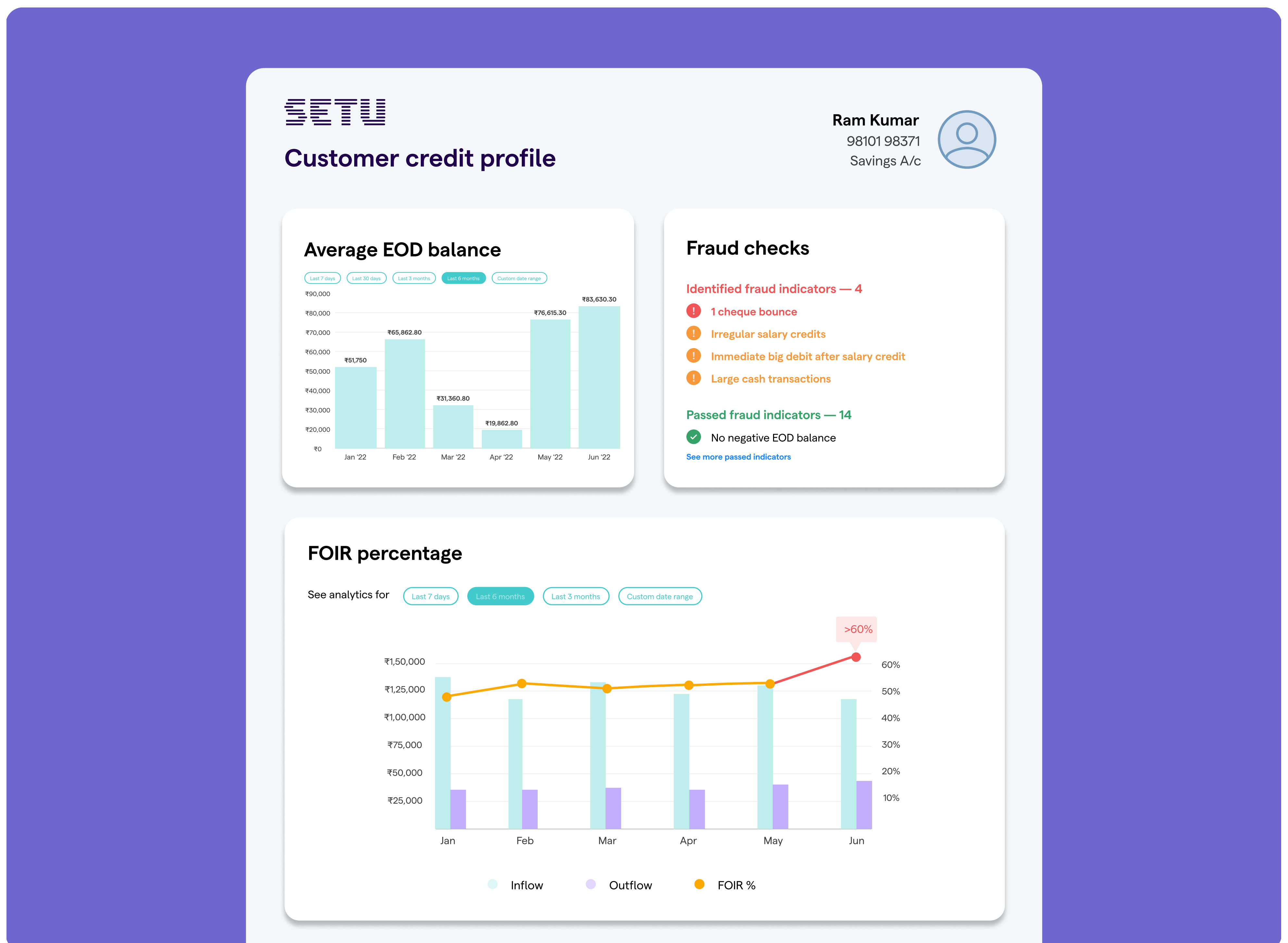


## 1.1 Credit risk assessment

### DESCRIPTION

In the realm of banking, the Account Aggregator (AA) framework is changing the approach of credit risk assessment. By leveraging AA, banks can access a more granular and comprehensive view of a customer's financial health. This is achieved through an in-depth analysis of various

financial data points, including account balances, loan histories, investments, and spending patterns. Such a detailed overview goes beyond traditional credit scoring methods, offering a multi-dimensional perspective of a borrower's financial stability and creditworthiness.



### BENEFITS

- 1. Enhanced risk profiling:** The AA framework enables banks to conduct a more precise risk assessment. By having access to a broader range of financial data, banks can identify potential risks and make more informed lending decisions.
- 2. Accelerated loan processing:** With the AA system, the process of gathering and analysing financial data is significantly streamlined. This acceleration in data processing leads to quicker loan approvals, benefiting both the bank and the customer.
- 3. Improved underwriting quality:** The depth and breadth of financial data available through AA allow for a more nuanced underwriting process. Banks can now underwrite loans with a higher degree of accuracy, reducing the likelihood of defaults.
- 4. Expanding credit access:** By utilising a more comprehensive set of data points, banks can extend credit to customers who might have been overlooked by traditional credit scoring models. This includes individuals with limited credit history but a healthy financial profile, as revealed by their banking and transaction data.
- 5. Fostering transparency:** The AA framework promotes a transparent financial environment where customers have control over their data. This transparency builds trust and encourages customers to share their data, knowing it will be used in a secure and consent-based manner.
- 6. Enhanced customer experience:** By understanding the customer's financial situation more thoroughly, banks can offer products and services that are better aligned with individual needs and circumstances. This personalised approach not only improves customer satisfaction but also aids in customer retention and loyalty.

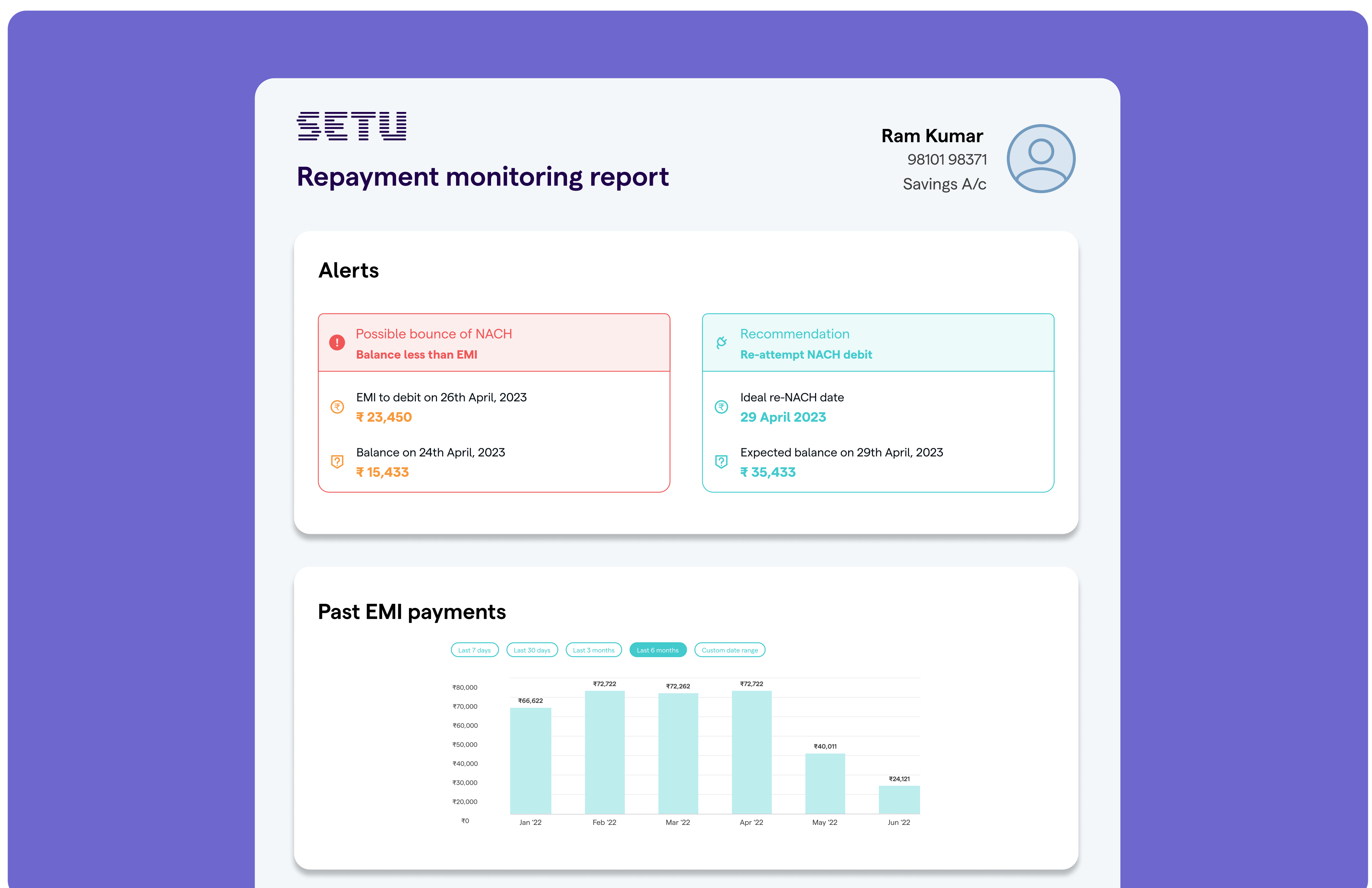


## 1.2 Loan monitoring

### DESCRIPTION

The Account Aggregator (AA) framework also significantly enhances the capabilities of banks and lenders in the realm of loan monitoring. This use case involves the continuous and proactive monitoring of loan accounts. By leveraging AA, banks can effectively track payment histories, account balances, and financial transactions of borrowers. This continuous

monitoring allows for the early identification of any anomalies or potential risks in loan accounts, such as delayed payments or unusual transaction patterns. The ability to detect such issues promptly enables banks to manage loans more proactively and take necessary actions to prevent NPAs.



### BENEFITS

- 1. Early detection of default risks:** By continuously monitoring loan accounts, banks can identify signs of potential default early on. This early detection is crucial in mitigating risks and implementing appropriate measures to prevent loan defaults.
- 2. Improved portfolio health:** Regular monitoring and analysis of loan data contribute to the overall health of the bank's loan portfolio. It allows for the identification of risk patterns and trends, enabling banks to make data-driven decisions to maintain a healthy portfolio.
- 3. Customised risk management strategies:** With access to real-time data, banks can develop more customised and dynamic risk management strategies. This tailored approach ensures that risk mitigation efforts are more effective and aligned with the specific characteristics of each loan account.
- 4. Strengthened customer relationships:** Proactive loan monitoring facilitates timely communication and support to customers. By engaging with customers at early signs of financial stress, banks can provide guidance and assistance, potentially helping customers avoid default and strengthening the overall customer relationship.
- 5. Enhanced collections through recurring data fetches:** Setu's integration with the AA framework includes a dual consent mechanism, which not only aids in better underwriting but also improves the collections process. By enabling recurring data fetches, lenders can maintain an up-to-date view of the borrower's financial situation, allowing for more effective and informed collection strategies.

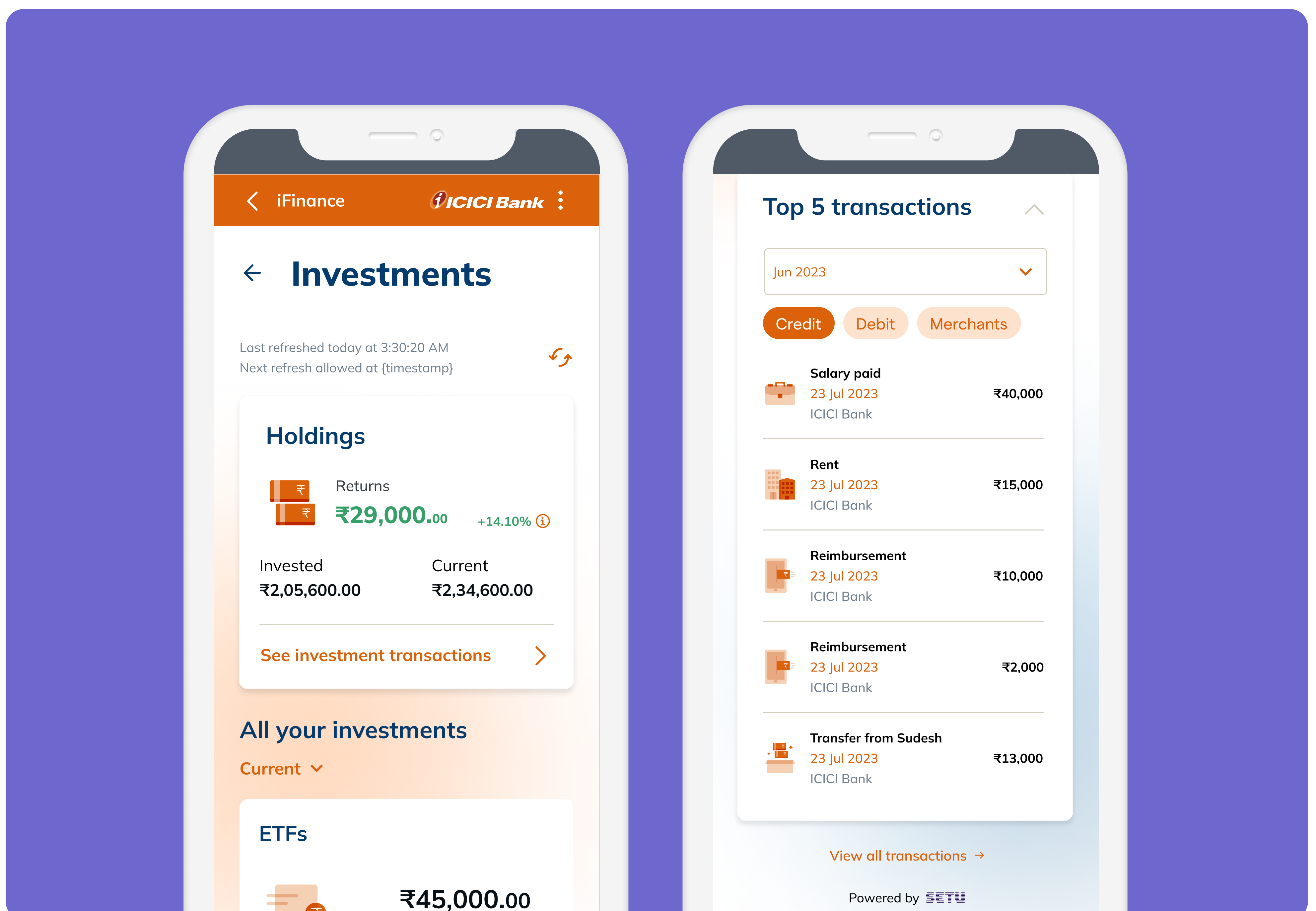


## 1.3 Personal Financial Management for Banks

### DESCRIPTION

The integration of Personal Financial Management (PFM) tools within banking services, powered by the Account Aggregator (AA) framework, represents a significant leap in customer engagement and cross-selling strategies. This use case revolves around utilising AA to facilitate an advanced cross-sell and

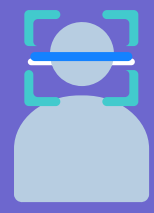
engagement engine, which is instrumental in instant account opening processes for savings accounts, fixed deposits, personal loans, and credit cards. By leveraging the AA system, banks can gain a comprehensive understanding of their customers' financial behaviours and preferences.





### BENEFITS

- 1. In-depth customer insights:** Banks can gain detailed insights into their customers' income and expense patterns through the AA framework. This data is invaluable in understanding the financial habits and needs of customers.
- 2. Affluence level assessment:** The comprehensive financial data available allows banks to assess the level of affluence of the customers. This assessment is crucial in tailoring financial products and services that match customer's financial status and needs.
- 3. Targeted cross-selling:** With a deeper understanding of customers' financial situations, banks can cross-sell relevant products more effectively. For instance, a customer with a growing savings account balance might be a prime candidate for fixed deposit offers, while someone with a high transaction frequency in travel might benefit from a credit card with suitable rewards.
- 4. Enhanced customer engagement:** By integrating PFM tools into their mobile and web applications, banks can offer more personalised and engaging user experiences. These tools can provide customers with valuable insights into their financial health, budgeting, savings, and investment opportunities, thereby increasing engagement and loyalty.
- 5. Needs-based product offerings:** The AA framework enables banks to identify specific financial needs and goals of their customers, allowing for the offering of products and services that are genuinely relevant and beneficial to them.



## 1.4 KYC and 60-second onboarding

### DESCRIPTION

The KYC and 60-second onboarding use case leverages the Account Aggregator (AA) framework to revolutionise the customer onboarding process in banking. This approach streamlines the onboarding experience, making it swift and user-friendly, while ensuring compliance and security. The process integrates several key steps in KYC like bank account verification, bank statement data via AA, PAN verification, and credit bureau checks.

### BENEFITS

- 1. Speedy onboarding:** This streamlined process reduces onboarding time dramatically, creating a 60-second onboarding experience that is highly efficient.
- 2. Enhanced fraud detection:** By integrating multiple checks and verifications, the process significantly enhances the ability to detect and prevent fraud.
- 3. Improved customer experience:** The quick and hassle-free onboarding process greatly improves the customer experience, making it more likely for new customers to complete the onboarding process.



## 2.1 Personalised loan products

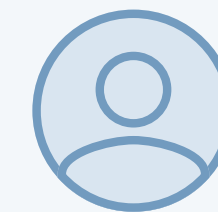
### DESCRIPTION

In the landscape of personal lending and NBFCs, the ability to offer personalised loan products is a game-changer. By leveraging the Account Aggregator (AA) framework, these financial institutions can create loan

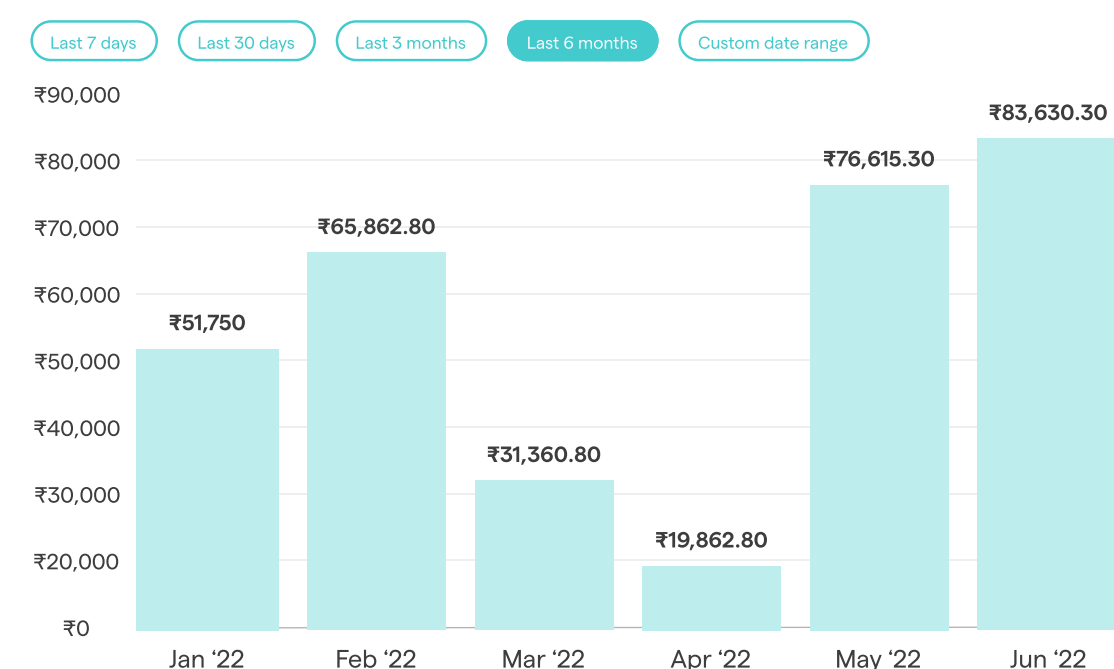
offerings that are precisely tailored to the financial status and needs of each individual borrower. This approach moves beyond the one-size-fits-all model, allowing for more nuanced and customer-focused product creation.

#### Customer credit profile

Ram Kumar  
98101 98371  
Savings A/c



#### Average EOD balance



#### Fraud checks

Identified fraud indicators — 4

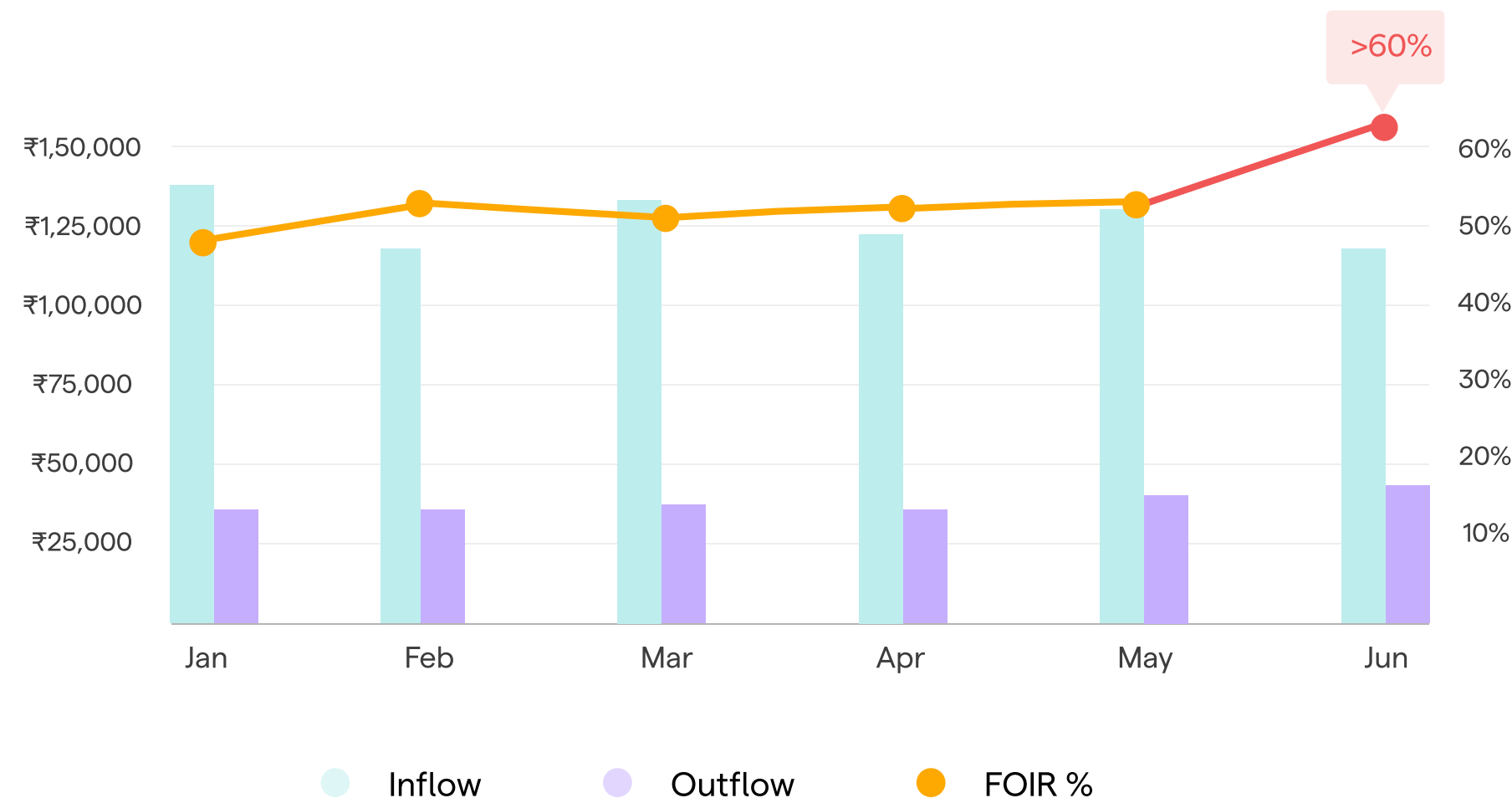
- ❗ 1 cheque bounce
- ⚠ Irregular salary credits
- ⚠ Immediate big debit after salary credit
- ⚠ Large cash transactions

Passed fraud indicators — 14

- ✅ No negative EOD balance
- [See more passed indicators](#)

#### FOIR percentage

See analytics for: Last 7 days, Last 6 months, Last 3 months, Custom date range



### BENEFITS

- 1. Accurate targeting:** With access to detailed financial data, lenders can accurately target potential borrowers with loan products that are specifically suited to their financial circumstances. This targeting not only increases the likelihood of loan acceptance but also enhances the relevance of the products offered.
- 2. Reduced default rates:** Personalised loan products take into account the borrower's ability to repay, leading to more responsible lending. By aligning loan terms and amounts with the borrower's financial capacity, lenders can significantly reduce the risk of defaults.
- 3. Increased customer satisfaction:** Tailoring loan products to individual financial needs and capacities leads to higher customer satisfaction. They are more likely to feel valued and understood, fostering loyalty and leading to business and referrals.
- 4. Data-driven decision making:** The use of AA data enables lenders to make informed decisions based on accurate and up-to-date financial information, reducing reliance on less precise traditional methods.
- 5. Dynamic product adjustment:** Lenders can continuously refine and adjust their loan products based on ongoing data analysis, ensuring that their offerings remain relevant and attractive to potential borrowers.
- 6. Risk assessment and management:** By having a comprehensive understanding of each borrower's financial situation, lenders can better assess and manage risk, tailoring their risk mitigation strategies accordingly.



## 2.2 Loan monitoring

### DESCRIPTION

Similar to the banking sector, personal lenders and NBFCs greatly benefit from the consistent observation of loan accounts for effective risk management, a use case previously elaborated in the banking context. Utilising the AA framework, these institutions can continuously monitor the financial behaviour of their borrowers, ensuring a proactive approach to risk management.

### BENEFITS

- 1. Timely risk detection:** Continuous monitoring allows for the early detection of potential risks, such as delayed payments or deteriorating financial health, enabling lenders to take preemptive action.
- 2. Maintaining lending quality:** Regular observation of loan accounts helps in maintaining the overall quality of the lending portfolio, ensuring that it remains healthy and profitable.
- 3. Enhanced customer engagement:** This process also opens avenues for engaging with customers, especially those who might be facing financial difficulties, allowing lenders to offer support or restructuring options proactively.

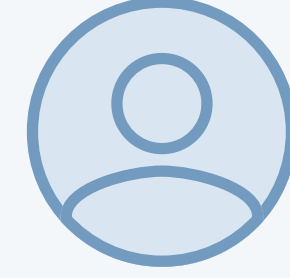


## Repayment monitoring report

Ram Kumar

98101 98371

Savings A/c



### Alerts

**! Possible bounce of NACH**  
**Balance less than EMI**

---

**₹ EMI to debit on 26th April, 2023**  
**₹ 23,450**

**₹ Balance on 24th April, 2023**  
**₹ 15,433**

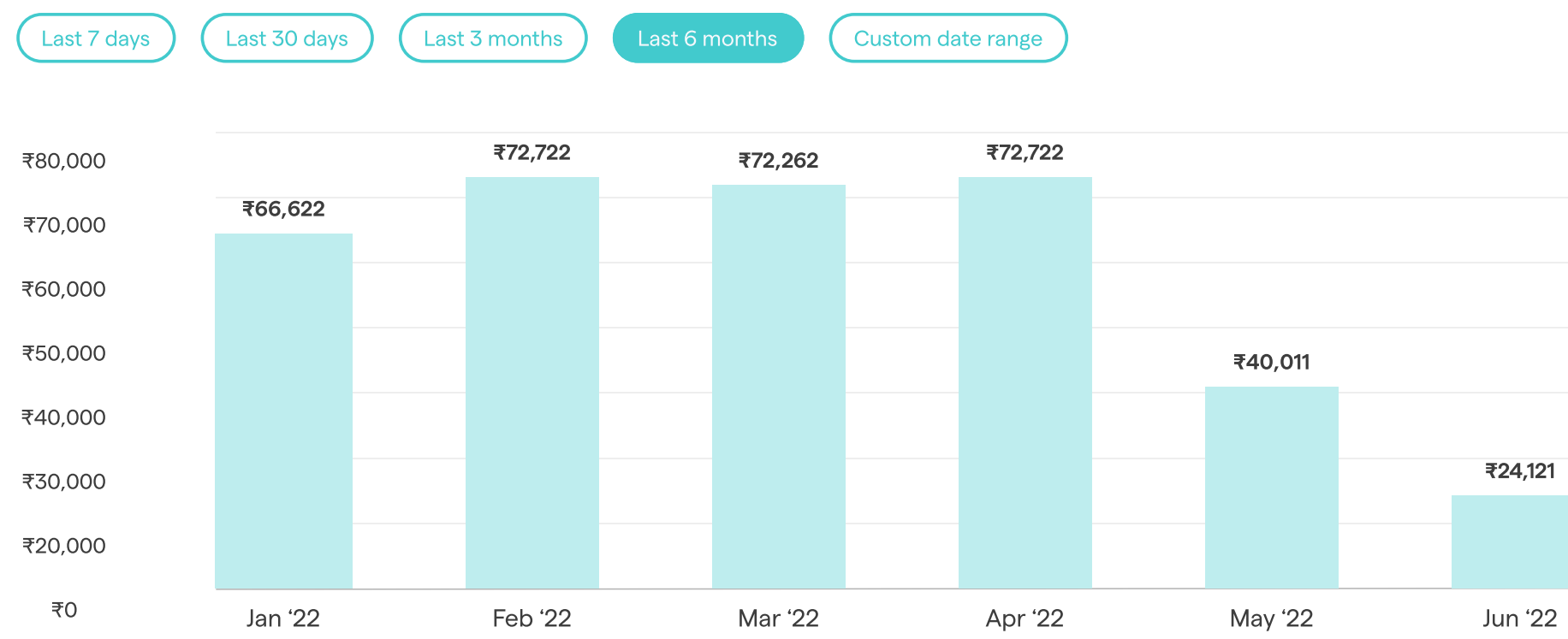
**Recommendation**  
**Re-attempt NACH debit**

---

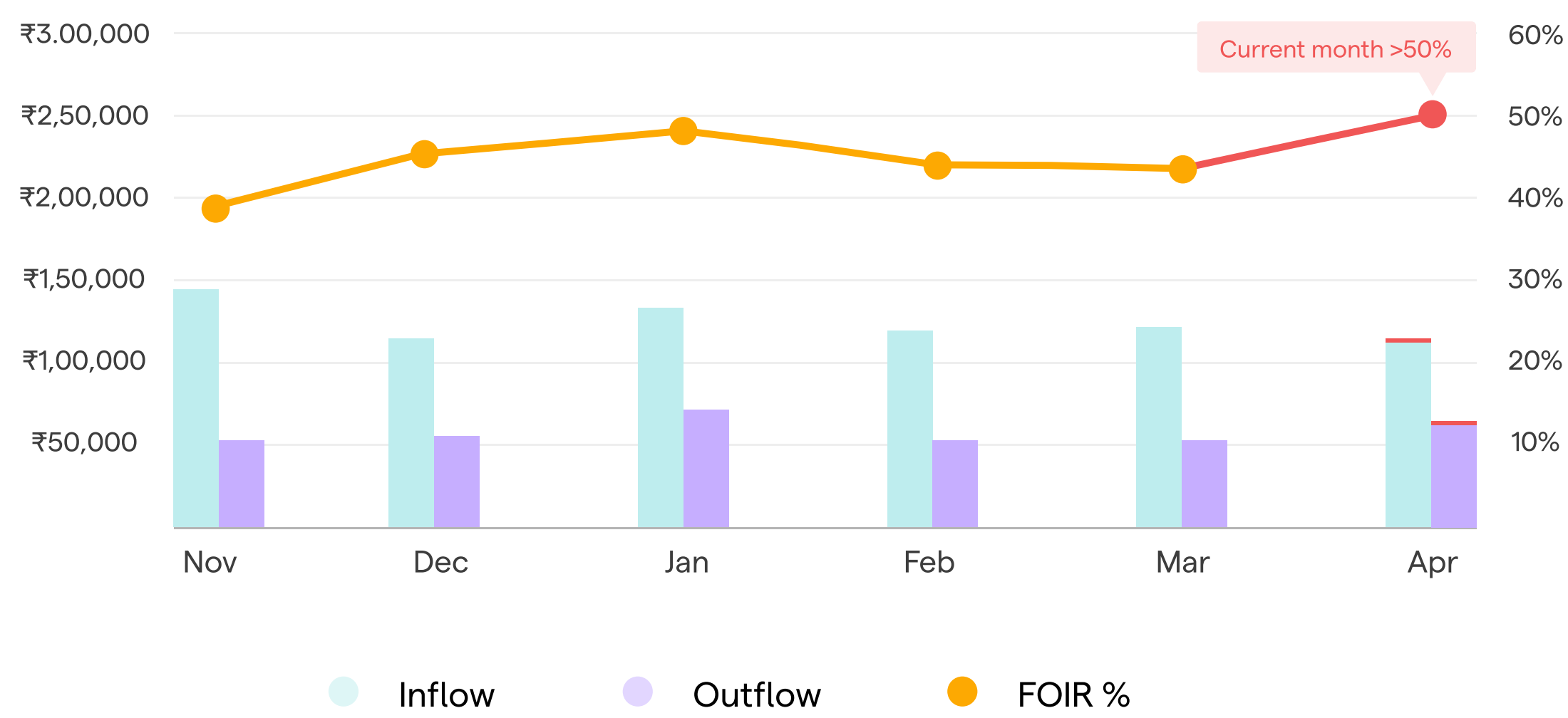
**₹ Ideal re-NACH date**  
**29 April 2023**

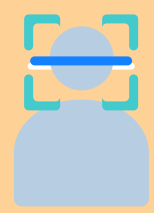
**₹ Expected balance on 29th April, 2023**  
**₹ 35,433**

### Past EMI payments



### FOIR percentage of last 6 months





## 2.3 KYC and 60-second onboarding

### DESCRIPTION

Echoing the KYC and 60-second onboarding process outlined in the banking sector, personal lenders and NBFCs can implement a swift and efficient onboarding process using the Account Aggregator (AA) framework. This approach streamlines the customer's entry into the financial system, emphasising speed, security, and compliance.

### BENEFITS

- 1. Speedy onboarding:** The process facilitates a rapid onboarding experience, typically under 60 seconds, through streamlined data collection and verification.
- 2. Enhanced Fraud Detection:** Incorporating multiple layers of verification, including eKYC, RPD (Risk Profiling and Due Diligence), and PAN verification, significantly bolsters fraud detection capabilities.
- 3. Improved customer experience:** The quick and hassle-free onboarding process enhances the overall customer experience, encouraging more sign-ups and fostering trust.
- 4. Onboarding process:** The process involves eKYC, RPD, integration with AA for data aggregation, PAN verification, and credit bureau checks, similar to the banking sector's approach.



## 2.4 Loan against securities

### DESCRIPTION

The Loan against securities use case represents a significant innovation in lending, made possible through the integration of the Account Aggregator (AA) framework. This approach allows lenders to offer loans secured against a borrower's investment portfolio, including equities and mutual funds, with a swift and secure onboarding process. The key advantage here is the ability to continuously monitor the value and status of the securities that are held as collateral, ensuring a dynamic and responsive lending approach.

### BENEFITS

#### 1. Comprehensive risk assessment:

For the first time, lenders can create a loan against securities with a complete view of the associated risks. This includes not only the borrower's financial capacity to repay the loan but also the real-time value and stability of the securities offered as collateral.

#### 2. Dynamic collateral monitoring:

The continuous monitoring of the securities under lien throughout the loan period allows lenders to dynamically assess their risk exposure. If the value of the securities drops below a certain threshold, lenders can also set notifications to take proactive measures.

#### 3. Enhanced loan structuring:

With detailed insights into the borrower's financial situation and the value of their securities, lenders can structure loans more effectively. This might involve adjusting loan-to-value ratios, interest rates, or repayment terms based on the specific details of each case.

#### 4. Streamlined onboarding process:

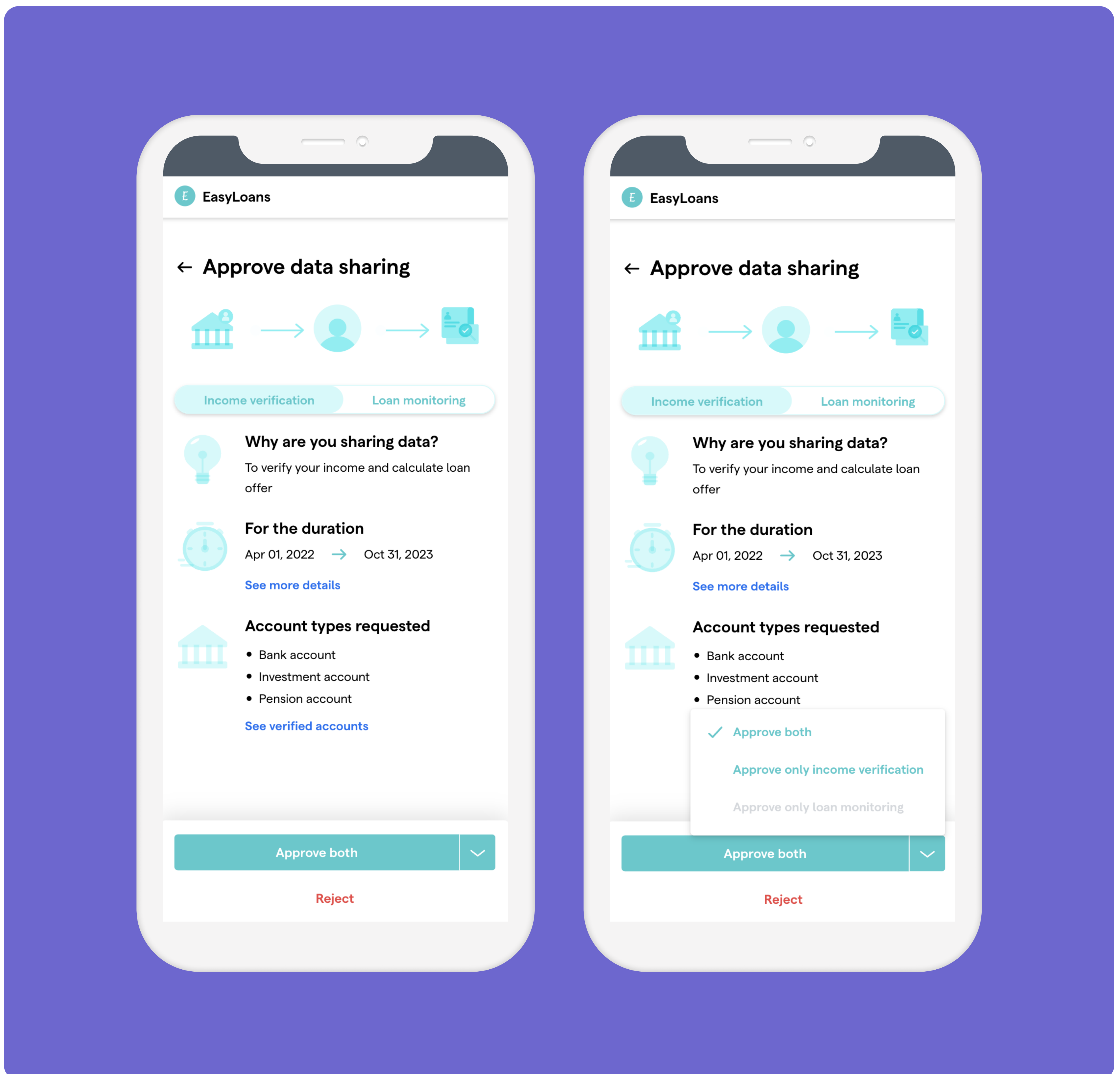
The use of AA for data aggregation streamlines the onboarding process, making it faster and more



efficient. This is particularly beneficial in the context of loans against securities, where timely execution can be crucial.

efficient loan process and the potential for more favourable loan terms, based on a clearer understanding of their financial situation and the value of their securities.

**5. Improved customer experience:**  
Borrowers benefit from a more





### 2.5 MSME financing and underwriting

#### DESCRIPTION

The MSME financing and underwriting use case is pivotal for MSME lenders and NBFCs focused on this sector. Leveraging the Account Aggregator (AA) framework, these financial institutions can access in-depth business financial statements, transaction histories, and tax returns of MSMEs. This comprehensive financial data enables lenders to offer financing solutions that are precisely tailored to the unique needs and circumstances of each MSME.

#### BENEFITS

- 1. Simplified credit evaluation:** The AA framework streamlines the credit evaluation process by providing easy access to a wealth of financial data. This simplification reduces the time and effort required for loan processing, making it more efficient.
- 2. Supporting MSME growth:** By reducing borrowing barriers and

offering more customised financing options, lenders can significantly contribute to the growth and sustainability of MSMEs. Tailored financial solutions can address the specific challenges and opportunities faced by these businesses.

- 3. Enhanced access to capital:**

Understanding the unique financial needs and profiles of MSMEs allows lenders to design more accessible and appropriate capital offerings. This enhanced access is crucial for MSMEs, which often face challenges in securing funding through traditional banking channels.



### 3.1 Enhanced merchant onboarding

#### DESCRIPTION

In the domain of PPI, including wallets and prepaid cards, the use case of enhanced merchant onboarding is crucial for managing risk and ensuring compliance. This process involves a swift onboarding procedure that incorporates several checks to assess if a new merchant poses a high risk or shows indications of potential fraud. The Account Aggregator (AA) framework plays a pivotal role in streamlining this process while maintaining a high standard of risk assessment.

significantly improves the ability to detect fraudulent merchants, thereby protecting the PPI ecosystem.

- 3. Improved customer experience:** A quick and efficient onboarding process enhances the overall experience for new merchants, encouraging more sign-ups and fostering trust in the platform.

#### BENEFITS

- 1. Speedy onboarding:** The integration of AA with eKYC, bank account verification, and PAN verification processes allows for a rapid onboarding experience, typically completed within 60 seconds.
- 2. Enhanced fraud detection:** The multi-layered verification process



## 3.2 Auto-reload feature

### DESCRIPTION

The auto-reload feature for PPIs represents a significant advancement in enhancing user convenience and operational efficiency. By integrating the Account Aggregator (AA) framework with UPI Auto-pay, PPI providers can offer a smart and automated wallet reloading service. This feature is designed to maintain an optimal balance in the user's wallet by automatically reloading it from their linked bank account, based on predefined criteria and thresholds.

### BENEFITS

#### 1. Higher revenue and float potential:

By ensuring that wallets are always sufficiently funded, PPI providers can see an increase in transaction volumes and float revenue.

#### 2. Prevents Auto-Pay failures: Auto-

reloading helps in avoiding transaction failures due to

insufficient wallet balance, thereby enhancing the reliability of the service.

#### 3. Zero-effort reload for customers:

Customers benefit from the convenience of not having to manually reload their wallets, making for a seamless payment experience.

#### 4. Simple onboarding: The process of

setting up the auto-reload feature is straightforward, encouraging more users to opt-in for this service.

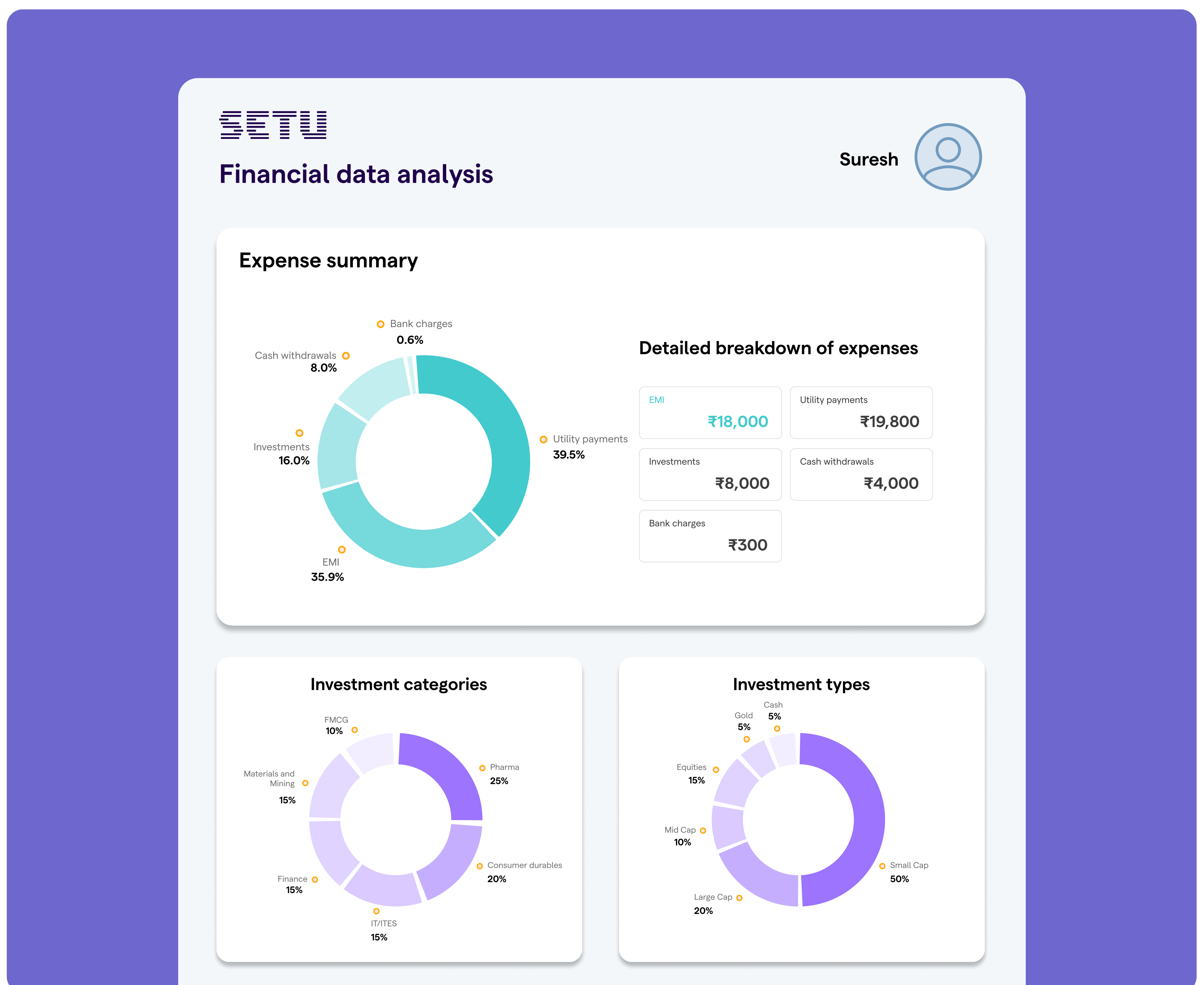


## 4.1 Investment advisory

### DESCRIPTION

In the realm of stock brokerage, the use case of investment advisory is increasingly vital. Leveraging the Account Aggregator (AA) framework, stock brokers can access a wealth of financial data to provide personalised

investment advice. This service utilises an individual's comprehensive investment portfolio, savings, and income data to craft investment strategies that are in line with their financial goals and risk tolerance.



### BENEFITS

#### 1. Real-time financial health

**summary:** An Integration with Setu's AA enables investment advisors, wealth managers, and banks to present customers with an up-to-date summary of their financial health, including spending patterns, investments, and other key financial metrics.

#### 2. Personalised investment services:

By having access to comprehensive financial data, advisors can tailor their services to align precisely with each individual's financial profile. This personalisation ensures that investment advice is relevant, practical, and achievable.

#### 3. Informed investment decisions:

The depth and breadth of financial data available support more informed and well-reasoned investment decisions, helping clients to navigate the complexities of the financial markets with greater confidence.

#### 4. Improved client retention:

Personalised and effective investment advice leads to increased client satisfaction and loyalty, which is crucial for client retention in the competitive field of investment advisory.

#### 5. Benchmarking investments:

Advisors can benchmark their clients' investments against industry standards, Asset Management Companies (AMCs), and relevant indexes, providing clients with a clear understanding of their investment performance relative to broader market trends.

#### 6. Risk assessment:

The AA framework allows for a detailed risk score based on the client's fund allocation across different investment instruments. This risk profiling helps in aligning investment strategies with the client's risk appetite.

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## 4.2 F&O activation

### DESCRIPTION

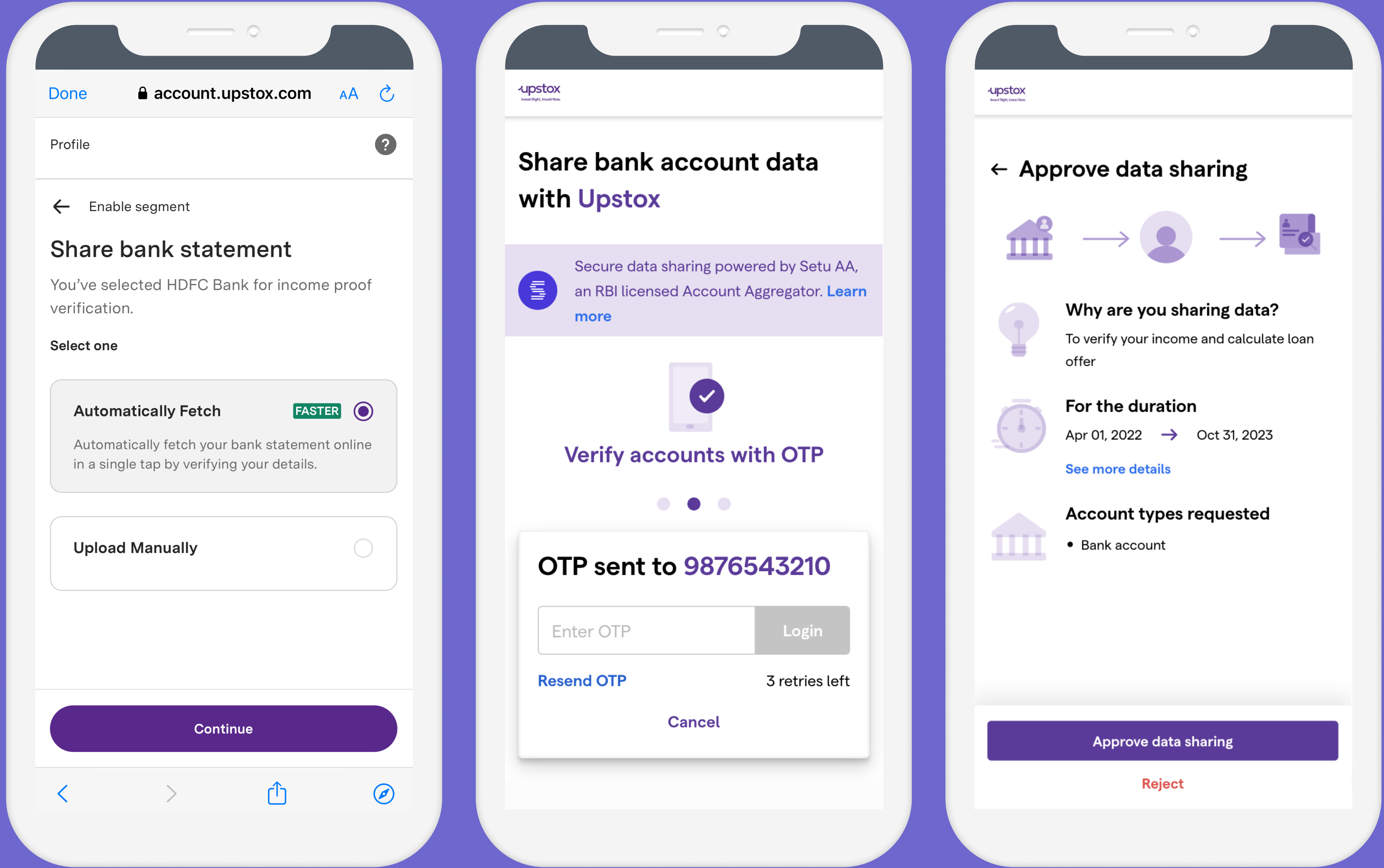
The F&O activation use case is a critical function for stock brokers, enabling them to offer their clients the ability to trade in Futures & Options. This process involves a thorough analysis of the client's trading history, risk profile, and available capital to ensure they are well-suited for the complexities and risks associated with F&O trading. By leveraging the Account Aggregator (AA) framework, brokers can streamline this activation process, making it more efficient and secure.

### BENEFITS

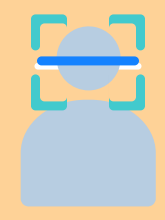
- 1. Real-time risk management:** The AA framework allows for real-time monitoring and management of risk, ensuring that clients are trading within their capacity and that their portfolio is aligned with their risk tolerance.
- 2. Seamless account verification:** The integration of AA simplifies the account verification process,

making it quicker and more reliable. This is particularly important for F&O trading, where financial credibility is crucial.

- 3. Income verification:** Verifying the client's income is a key step in assessing their suitability for F&O trading. The AA framework facilitates this by providing accurate and up-to-date salary information.







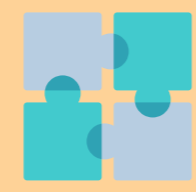
### 4.3 KYC and 60-second onboarding

#### DESCRIPTION

Following the precedent set in the banking and NBFC sectors, stock brokers can also implement a swift and efficient KYC and 60-second onboarding process using the Account Aggregator (AA) framework. This streamlined approach is designed to quickly and securely onboard clients, enabling them to start trading in the shortest time possible while ensuring compliance with regulatory requirements.

#### BENEFITS

- 1. Speedy onboarding:** The process facilitates rapid onboarding, typically completed within 60 seconds, through streamlined data collection and verification.
- 2. Enhanced fraud detection:** Incorporating multiple layers of verification significantly improves the ability to detect and prevent fraud.
- 3. Improved customer experience:** A quick and hassle-free onboarding process enhances the overall customer experience, encouraging more sign-ups and fostering trust.



## 4.4 Portfolio optimisation

### DESCRIPTION

Portfolio optimisation stands as a cornerstone use case for Portfolio Management Services and Alternative Investment Funds. This process involves a deep analysis of an individual's or entity's financial landscape, including assets, liabilities, income, expenses, and risk tolerance. The goal is to construct and manage an investment portfolio that not only aligns with the client's short-term and long-term financial goals but also optimises their financial resources for maximum efficiency and return.

### BENEFITS

- 1. Efficient capital allocation:** By having a complete view of the client's financial situation, advisors can allocate capital more efficiently, ensuring that investments are made in a way that maximises returns while considering liquidity needs and other financial commitments.
- 2. Enhanced risk management:** Understanding the client's risk tolerance allows for the creation of a portfolio that balances potential returns with an acceptable level of risk, thereby managing the client's exposure to market volatility.
- 3. Alignment with financial objectives:** Tailoring the portfolio to align with both short-term and long-term goals ensures that the client's financial objectives are met, whether it is wealth accumulation, or income generation and so on.
- 4. Ongoing financial planning and adjustment:** The dynamic nature of financial markets and personal circumstances necessitates continuous monitoring and adjustment of the portfolio, ensuring it remains relevant and effective over time.

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## 4.5 Comprehensive financial planning and wealth tracking

### DESCRIPTION

In the realm of wealth management, the use case of Comprehensive financial planning and wealth tracking is essential for providing high-quality advisory services. This approach integrates a wide array of financial data across various asset classes, including investments, insurance, real estate, loans, and deposits. By leveraging the Account Aggregator (AA) framework, wealth managers can construct a detailed and cohesive financial plan that encompasses certain major aspects of a client's wealth.

### BENEFITS

- 1. Holistic financial overview:** This comprehensive approach offers a 360-degree view of the client's entire financial landscape, crucial for effective wealth management.
- 2. Enhanced wealth preservation and growth strategies:** With a complete understanding of the client's financial holdings, wealth managers can devise strategies that are better aligned with the goal of wealth preservation and growth.
- 3. Adaptability to changing needs and market conditions:** The dynamic nature of financial markets and personal circumstances necessitates an adaptable approach to financial planning. Regular updates and analyses of the client's financial data ensure that their financial plan remains aligned with their evolving needs and goals.
- 4. Informed decision-making:** The wealth manager is better equipped to make informed decisions regarding asset allocation, risk management, and investment opportunities.

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## 4.6 Financial analysis and research

### DESCRIPTION

For research analysts, the use case of financial analysis and research is pivotal in understanding and predicting market dynamics. This process involves leveraging detailed data on market transactions, portfolio investments, and trading history. By utilising the Account Aggregator (AA) framework, analysts can access a wealth of financial data, enabling them to derive in-depth insights into market trends, investor behaviour, and potential future market movements.

### BENEFITS

#### 1. Informed investment strategies:

The insights gained from this analysis are invaluable in guiding investment strategies, and helping investors and fund managers make more informed decisions.

#### 2. Enhanced market predictions:

Access to detailed financial data enhances the accuracy and reliability of market predictions,

which is crucial for investment planning and risk management.

#### 3. Understanding of market

**behaviour:** This use case fosters a deeper understanding of market behaviour and the underlying factors that influence it, such as economic indicators, geopolitical events, and investor psychology.

#### 4. Identification of trends and

**patterns:** Analysts can identify emerging trends and patterns in the market, enabling them to anticipate changes and advise clients accordingly.



## 4.7 Investment advisory

### DESCRIPTION

Investment advisory for Registered Investment Advisors (RIAs) is a critical use case that leverages the Account Aggregator (AA) ecosystem to its fullest potential. RIAs can access in-depth financial data to provide highly customised investment advice. This process involves analysing a client's investment history, risk tolerance, financial goals etc. to develop investment strategies that are closely aligned with the individual's objectives.

### BENEFITS

#### 1. Personalised investment strategies:

The ability to create investment strategies that are specifically tailored to each client's financial situation and goals.

#### 2. Enhanced client satisfaction:

Providing tailored guidance based on comprehensive financial data enhances client satisfaction and trust in the advisor's recommendations.

#### 3. Fostering long-term relationships:

Personalised and effective advice helps in building and maintaining long-term client relationships.

#### 4. Regulatory and fiduciary

**compliance:** Ensures that investment advice aligns with regulatory requirements and fiduciary responsibilities.

#### 5. Support for ongoing financial

**planning:** Facilitates continuous financial planning and portfolio adjustments in response to changes in the client's life circumstances or market conditions.

#### 6. Benchmarking and risk scoring:

Benchmarking investments against industry standards, AMC performance along with risk scoring based on fund allocations, forms a robust investment framework.

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## 5.1 Insurance underwriting

### DESCRIPTION

In the insurance sector, the use case of Insurance Underwriting is revolutionised through the Account Aggregator (AA) ecosystem. This process involves a detailed evaluation of applicants' risk profiles by analysing a range of data points, including health records, financial assets, liabilities, and income. The integration of this data enables insurers to offer more precise and customised insurance products, tailored to the specific needs and risk profiles of individuals.

### BENEFITS

#### 1. Precise risk assessment:

Enhanced data access allows for a more accurate assessment of the applicant's risk, leading to better risk management and underwriting decisions.

**2. Customised pricing:** The ability to tailor pricing based on individual risk profiles, ensuring that

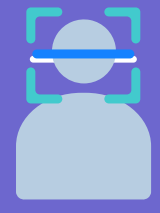
premiums are fair and reflective of the actual risk.

#### 3. Streamlined underwriting

**process:** The use of digital data streams via the AA ecosystem significantly streamlines the underwriting process, making it faster and more efficient.

#### 4. Building customer trust:

Transparent practices in underwriting, backed by data-driven insights, help in building trust with customers, as they are assured of fair and personalised insurance offerings.



### 5.2 KYC and 60-second onboarding for insurance

#### DESCRIPTION

Mirroring the swift onboarding processes established in banks, NBFCs, and securities sectors, the insurance industry can also implement a 60-second onboarding experience. This process utilises the Account Aggregator (AA) framework to streamline customer onboarding by quickly verifying key information.

#### BENEFITS

- 1. Speedy onboarding:** Similar to the 30-second process in other financial sectors, this approach ensures a quick and efficient onboarding experience.
- 2. Enhanced fraud detection:** Utilises multiple data points for a thorough risk assessment, significantly improving fraud detection capabilities.
- 3. Improved customer experience:** A fast and seamless onboarding process enhances overall
- 4. Onboarding process:** The process involves eKYC, RPD (Risk Profiling and Due Diligence), integration with AA for data aggregation, PAN verification, and credit bureau checks, similar to the streamlined approach used in the banking, NBFC, and securities sectors.



## 5.3 Strengthening verification process and reducing frauds

### DESCRIPTION

In the insurance industry, the use of the Account Aggregator (AA) framework can significantly strengthen the verification process and reduce instances of fraud. This approach involves utilising the rich data available through AA to cross-verify customer details and ensure the authenticity of the information provided during the insurance application and claims processes.

### BENEFITS

- 1. Address verification:** Bank statements accessed through AA can be used as reliable address proofs. The address mentioned in these statements can be cross-verified with the address provided by the customer, ensuring consistency and authenticity.
- 2. Cross-validation of personal details:** The AA framework facilitates the cross-validation of a customer's name, PAN, and address with the information declared by them and the details available in their KYC documents. This comprehensive cross-checking helps in identifying discrepancies and potential fraudulent activities.
- 3. Bank account verification:** Traditionally, the 'penny drop' method is used for bank account verification, where a small amount is transferred to the customer's account to verify its existence and ownership. With AA, this process can be replaced by directly accessing unmasked bank account numbers (when available), allowing for a more efficient and secure verification process.





## 5.4 Claims processing and payouts current process

In the current claims processing system, customers are required to provide financial statements as supporting documents. For claim disbursement, insurance companies need accurate bank details of the insured or the nominee.

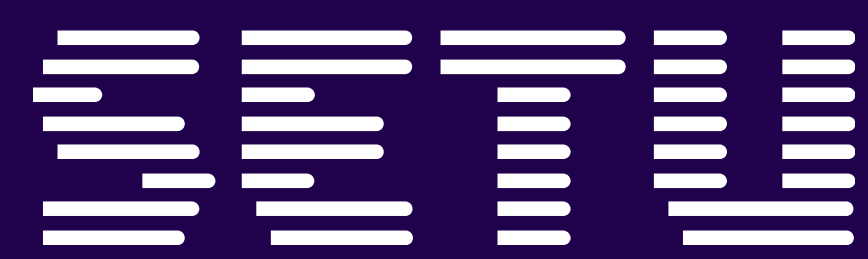
### NEW APPROACH WITH ACCOUNT AGGREGATOR (AA)

#### DESCRIPTION

This use case involves the utilisation of the AA framework for swift and secure claims processing and payouts. By integrating AA into the claims process, insurance companies can streamline the verification of bank account details and expedite the disbursement of claim amounts.

#### BENEFITS

1. **Speedy claims processing:** The integration of AA significantly speeds up the claims processing time, leading to faster claim settlements.
2. **Enhanced fraud detection:** The use of AA for Bank Account Verification (BAV) helps in detecting and preventing fraudulent claims, as the data fetched is more reliable and comprehensive.
3. **Improved customer experience:** Customers benefit from a more efficient and hassle-free claims process, enhancing their overall experience with the insurance provider.
4. **Streamlined onboarding for claims:** Similar to the 60-second onboarding experience in other financial sectors, this approach can be applied to the claims process, making it quicker and more user-friendly.



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