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"For the government it's a good idea to give them a choice because in other segments, Insurance is a matter of solicitation. Crop insurance has almost matured now and the farmers have tested the goodness of it, so it would be better to give them an option to join or not to join."

- Mr Malay Kumar Poddar
Chairman-cum-Managing Director of Agriculture Insurance Company of India Limited

"Our world is permanently subject to difficult challenges...there are multiple benefits for the people to have 'positive visions'... Space projects are exceptional, in this respect..."

- Pierre-Eric Lys

In this issue

- Is 'Covid-19' - An insured peril under IAR & LOP Policies?
- Innovating and Implementation of Micro Health Insurance - The Bangladesh Way
- Amphan Cyclone in West Bengal & Odissa : The titbits for the surveyors
- Demystifying Policy Exclusions and Conditions - Industrial All Risk
- A unique Health Insurance Policy "Care Advantage" from Religare Health Insurance

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Ram Gopal Agarwala
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The Covid 19 pandemic is still continuing and it is quite uncertain when this will end. The pandemic has taken huge toll of human life, business activity and overall there is a sense of fear which does not seems to end soon.

The vaccines are under trail stage and hopefully it should the markets by end of this year though the government is claiming that commercial production may be started in next 2-3 months.

Insurance Industry has also taken a hit with business going down in the last quarter. Many states still are continuing lockdown due to rising number of cases. Unless the lockdown eases it will be quite difficult to revive business in normal pace.

Covid 19 has given a great boost to technology and the sales of online policies have also increased significantly. This will also help insurers to cut cost and provide better services. In future Insurers would definitely try to use more technology to insurance selling, servicing and reduce dependence on manpower.

Corona Kavach policy has been launched by many insurers and the policies are in good demand. Premium under these policies are low. The policy covers cost for PPE Kit, Home treatment, and other relevant expenses. As the number of Covid cases are increasing very rapidly, insurers might also receive significant number of claims.

With covid the demand for health insurance will increase and the market will witness a significant shift in people mindset to buy health insurance.

But since the overall business have been affected severely the growth in general insurance industry will be muted and it will take some time to recover till the pandemic ends and situation normalizes.

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General Insurance News

India's general insurance business may grow 4% in the year 2020

General insurance industry in India is projected to grow 4% in 2020, compared with a 10% growth in the previous year, according to GlobalData, a London-based data and analytics company. GlobalData revised India's insurance forecast in the aftermath of the global covid-19 outbreak.

As per the latest data, India's general insurance market is estimated to grow at a compound annual growth rate (CAGR) of 6.2% during 2019-2023. At present, there are 25 general insurers in India, excluding seven standalone health insurance firms and two agricultural insurance companies. For the fiscal year 2019-20, the 25 general insurers underwrote a gross direct premium of Rs. 1.64 trillion as compared to Rs. 1.5 trillion in fiscal year 2019, according to a data by the Insurance Regulatory and Development Authority of India or Irdai.

"The country-wide lockdown that lasted for over two months added pressure on the economy that was already showing signs of slowing down. Indian economy is now expected to grow at 1.63% in the financial year 2020-21, as compared to the pre-COVID estimate of 6.4%. The slowdown in the economic activity will result in lower premium collections in the general insurance segment," Pratyusha Mekala, insurance analyst at GlobalData, said. Decline in key sectors such as auto, manufacturing and construction is expected to heavily impact insurance industry. These industries accounted for more than 47% of general insurance premiums in 2019, said the report.

Auto industry is facing severe slowdown due to supply chain disruptions, stalled production and low demand. "In April 2020, automobile manufacturers registered zero sales due to the lockdown. Sales have picked up marginally in May after the lockdown restrictions were eased by the government; but are well below the pre-COVID levels," said the report.

ICICI Bank sells Rs. 2,250 crore stake in ICICI Lombard

ICICI Bank said it has divested 18,000,000 equity shares of face value of Rs. 10 each of ICICI Lombard General Insurance Company Limited, representing 3.96% of its equity share capital at March 31, 2020, on the stock exchange for an approximate total consideration of Rs. 2,250 crore. Following this stake sale, the ICICI Bank's shareholding in ICICI Lombard General Insurance Company Limited stands at approximately 51.9%.

ICICI Lombard GIC Ltd. is the largeest private sector general insurance company in India with a gross written premium of Rs. 14,789 crore for the year ended March 31, 2019. The company issued over 26.5 million policies and settled over 1.6 million claims as on March 31, 2019.

PSU non-life insurers ordered to reduce costs

The Central government has prescribed austerity measures for PSU non-life insurance companies, with the aim of saving 20% of costs in the current fiscal year ending 31 March 2021 (FY2021), in light of difficult operating circumstances brought on by the COVID-19 pandemic.

Department of Financial Services (DFS), has issued a letter to the 6 non-life insurers: New India Assurance, National Insurance, Oriental Insurance, United India Insurance, General Insurance Corporation of India and Agriculture Insurance Company of India, reported Indo-Asian News Service (IANS) citing an unnamed industry official.

Pointing to the decline in the companies' topline which may hit their profitability, the DFS suggests cost saving measures like: cutting budget allocations for office expenses by 15%, stopping advertisements except statutory ones, as well as a ban on fresh recruitment and financial commitments that are not provided in the companies' budgets.

The government has also banned foreign travel for the insurers' chairman, managing directors, directors and general managers, unless to acquire fresh international business or negotiating reinsurance agreements.

Bajaj Allianz General launches BAGIV GOQii Co-pay option

Bajaj Allianz General Insurance has tied up with GOQii, a smart-tech enabled preventive healthcare platform, and launched a new add-on health cover called 'BAGIC GOQii Co-pay Option' under regulatory sandbox approval received from IRDAI. This option will be an add-on cover which can be opted for by the holders of company's existing health insurance policy, Health Ensure.

The policy will start with a co-pay of 50 per cent on the completion of day 60, after which the insured can check his/ her engagement level and co-pay level on the GOQii app itself, every 30 days. Based on the engagement level, the co-pay percentage will change. The maximum co-pay level would not be more than 50 per cent. The option can be availed by individual policyholders with a policy tenure of one year with an insured sum of Rs. 3 lakh, Rs. 4 lakh or Rs. 5 lakh.

'Customers' appetite for BigTech insurance rising fast

Customers' willingness to purchase insurance from big technological firms is rising fast, the Capgemini and Efma's World Insurance Report 2020 has shown. This is a clear pointer that consumers - who demand superior experience in terms of ease of purchase and convenience - are eager to take a chance when non-traditional firms such as digitally-agile BigTechs (such as Google, Amazon, Facebook, Alibaba) or product manufacturers (Tesla) offer to-notch consumer experience, said the report.

Sample this data point: while only 17 per cent of Capgemini's World Insurance Report 2016 survey respondents said they would consider purchasing insurance from BigTech, the number has doubled (36 per cent) this year.

Clearly, customer behaviour is shifting in favour of BigTech insurance providers as customers feel empowered to forego agents and brokers and work directly with new entrants.

Need to innovate

This should sound alarm bells for incumbent insurers as their long standing hold on customer trust can no longer be assumed. Insurers seeking to retain or jump start customer stickiness, loyalty, and confidence must shift their experience-led engagement efforts into high gear, the report suggested. To remain relevant, incumbent insurers must take action by re-evaluating their portfolios and harnessing partnerships to become 'Inventive Insurers'. This involves shaping existing products to meet fast evolving customer needs and preferences.

The entry of product manufacturers such as Tesla into insurance may mark a critical juncture for the insurance industry, according to the report.

Product manufacturers have a keen understanding of their products and their customers, details an insurer may not have. Besides, product manufacturers collect real-time customer data using IoT devices or mobile apps.

Leveraging this asymmetric information, product manufacturers could aggressively price insurance offerings and put incumbents at a disadvantage, the report noted. Noting that digital adoption is no longer a function of age but is now mainstream across generations, the report highlighted that the ' millennial mindset' has transcended age.

The number of Gen X and older customers making daily online and mobile transactions has doubled, rising from 30 per cent of Gen X (those born before 1980) and older respondents in 2018 to 64 per cent in 2020.

The Covid-19 lockdown will further fuel this trend as consumers are forced to use digital channels for day-today transactions irrespective of age or tech know-how.

ECGC to help exporters in new markets

The Export Credit Guarantee Corporation (ECGC) is ready to support exporters in their endeavour to expand to new markets especially to Africa and Latin America, said ECGC chairman and managing director M Senthilnathan during a webinar organized by CII. The session deliberated upon the need for cost-effective insurance to drive exports and bring back growth in the economy.

Senthilnathan mentioned that ECGC is working under pandemic-related restrictions but it is trying to provide services to their clients, who are affected due to Covid-containment measures.

"The crisis is much worse compared to the one witnessed after global financial meltdown a decade earlier. The working capital cycle of almost all the business units have been impacted. ECGC will be playing a counter cyclical role. It recognizes that the situation calls for some credit accommodation and credit insurers need to take high risks," he added.

Sanjay Budhia, chairman, CII National Committee on EXIM, said that in these trying times, managing credit risk and taking protection against unforeseen losses has assumed further importance and there is a need to increase the flow of bank credit to export sector and timely settlement of claims. ❏

IRDAI News

SC notice to Centre, IRDA on plea to extend insurance for mental illness

The Supreme Court issued notices to the government and Insurance Regulatory and Development Authority (IRDA) on a plea seeking directions to all insurance companies to provide medical cover for mental illness treatment. A three-judge bench headed by Justice Rohiton Nariman heard the case through video conferencing and issued the notice.

The petitioner, advocate Gaurav Kumar Bansal, argued that due to the "red tape attitude of IRDA", the provisions of the Mental Healthcare Act, 2017, have not been compiled and its non-compliance has affected those suffering from mental illness.

Bansal apprised the apex court that IRDA, through a circular issued in August 2018, had mandated that the insurers have to act in accordance with the provisions mentioned in the Mental Healthcare Act. Section 21 of the act deals with non-discrimination of persons suffering from mental illness.

The plea also states that even the Parliament of India has mandated that for the purpose of insurance coverage, mental illness has to be treated on par with other illnesses. The petitioner also sought directions from the apex court to direct the IRDA to submit an "action taken report" on the issues of implementation of section 21 of the Mental Healthcare Act. The petitioner claimed that the inaction of the IRDA to implement the provisions of the ACT has hampered the rehabilitation process of thousands of persons with mental illness.

Standard covid-19 health insurance policy to cover PPE costs

Irdai has revised the proposed standard covid-19 health insurance policy. All general and health insurance companies will now have to offer two products: an indemnity as well as a benefit-based health product for covid-19 from July 15. The regulator earlier withdrew the indemnity policy, which it had proposed in the first week of June and recommended a benefit-based product.

Among other changes, the provision for covering the cost of PPE kits and no sub-limits on room rent stands out. Read on to know what the revised products are and whether they'll benefit you. The minimum entry age for both the policies shall be 18 years and the maximum is 65. Dependent children shall be covered from the age of three months to 25 years. The policy tenure could be three months, six months or a year.

Indemnity policy: The revised product will have a base cover with a cap on the sum insured up to Rs. 5 lakh. The minimum sum insured will be Rs. 50,000. You can opt for a cover in multiples of Rs. 50,000, up to Rs. 5 lakh. Insurers are allowed to offer one optional cover, the premium for which will be mentioned specifically.

The base cover will be offered on an indemnity basis whereas the optional cover shall be available on a benefit basis. The policy will pay for hospitalization expenses incurred by the policyholder for the treatment of covid-19 on positive diagnosis for the infection from a government-approved diagnostic center. It will cover room, boarding, and nursing expenses. Surgeons, anaesthetists, consultants, specialist fees, including consultation through telemedicine, will be covered.

Other costs such as oxygen, operation theatre charges, surgical appliances, drugs and medicines, PPE kits, and gloves among others will be admissible if hospitalized for a minimum of 24 hours. Intensive care unit and intensive cardiac care unit expenses will be covered too. Unlike the earlier draft, the revised policy does not have any sub-limits on room rent, which would work in the favour of the policyholder.

The policy will also cover the costs of treatment at home provided the medical practitioner advises home treatment and there is a continuous active line of treatment, which requires monitoring of health status by a medical practitioner through the duration of the home care treatment.

IRDAI sets up panel to draft standard indemnity policy

IRDAI has set up a panel to frame standard professional indemnity policy for insurance intermediaries that can be issued by all the insurers. The development came after IRDAI witnessed several instances where policies taken by insurance intermediaries did not comply with the regulatory provisions.

Professional indemnity policy offers protection to professionals against potential claims for injury or loss resulting from their advice action for failure to fulfil their duties.

Insurance intermediaries such as insurance brokers, insurance web aggregators, and corporate agent are required to take professional indemnity insurance policies governed by different regulations.

The insurance regulator said that while the existing regulations clearly stipulate the indemnity limit, coverage, excess, and retroactive date, it has come across a number of instances where the policies taken by intermediaries did not comply with regulatory provisions.

The panel has been asked to prepare a standard professional indemnity policy "which covers all the contingencies and conditions (retroactive date, indemnity limits, excess, etc) mentioned in the Regulations" that can be issued by all insurers.

IRDAI asks Insurers to include telemedicine in health policies

IRDAI has asked insurers to allow telemedicine consultation in the terms and conditions of the policy contract.

The Medical Council of India issued Telemedicine Practice Guidelines on March 25 in view of the Covid-19 pandemic and lockdown, which enabled registered medical practitioners to provide healthcare over the telephone.

"In the above background, insurers are advised to allow telemedicine wherever consultation with a medical practitioner is allowed in the terms and conditions of the policy contract," IRDAI said in a circular.

The provision to allow telemedicine should be a part of the claim settlement policy of the insurer and need not be filed separately with the authority for any modification, the regulator said.

However, the norms of sub-limits, monthly and annual limits of the product would apply without any relaxation.

This would mean that those who already have health cover that covers consultation, and those who buy health insurance in future, can include telemedicine expenses in their claims.

Finance Ministry seeks regulators view on retrenchment cover

The Central government has sought suggestions from IRDAI and General Insurance Council on the feasibility of an insurance cover for dealing with retrenchment, according to sources. This comes in the wake of a large number of individuals losing their jobs due to Covid.

In a recent letter to the Prime Minister, Union Minister for Road, Transport, and Highways Nitin Gadkari had suggested the need for an insurance product that gives subsistence salary for a limited period of time in case of job losses due to technological advancement, act of nature, or change in the economic structure.

The letter suggested that the premium for such a scheme be shared by the employer, employee, and government. "Insurance cover for retention retrenchment will add to social security available for employees through the EPFO (Employee Provident Fund Organisation) and ESIC (Employees' State Insurance Corporation)," the letter said.

"The reference has come from the ministry to the GI Council, to check on the feasibility on a cover against retrenchment. It will be discussed on the council level, and then sent to the regulator for approval," said the CEO of a private non-life insurer.

It had recommended coverage of loss of income, due to involuntary loss of employment, for a maximum of 6 months - with a limit of Rs 1 lakh per month or 60 per cent of the last four months' average income, whichever is lower. The proposed product also included life cover of Rs 5 lakh and personal accident cover, covering permanent total disability of Rs 5 lakh.

IRDAI allows short-term Covid policies

IRDAI has allowed health and general insurers to offer short-term health insurance policies of three months to 11 months that will give coverage against the Covid-19 disease.

"Short-term policies may be issued for a minimum term of three months to a maximum term of eleven months. In between three months and eleven months, the policy term shall be in multiples of completed months," it said while issuing the guidelines. However, a policy term less than three months is not permitted. IRDAI asked the insurers to devise inclusive short-term health insurance products "where waiting periods are part of the product, such waiting period shall not exceed 15 days". ❏

LIC of India News

Govt invites bids for LIC IPO

The Central government has invited bids for two pre-IPO transaction advisors for LIC.

The last date for bids is July 13. Government-owned LIC's public offer is expected to be the largest ever in India.

The criterion for applying is that the bidder should have advised, handled, and completed at least one transaction of IPO of a size of Rs 5,000 crore or more between April 1, 2017 and March 31, 2020.

Or it should have managed a capital market transaction of Rs 15,000 crore or more during the period.

The government is looking at listing the country's largest life insurer on domestic bourses in the January-March quarter of current financial year.

This is part of the government's divestment plans for state-backed firms such as Air India, Bharat Petroleum Corporation Limited (BPCL) and Concor.

On February 1 this year, the government had proposed LIC IPO, which would be a major part of its highest-ever divestment target of Rs 2.10 trillion (about $29.36 billion) set in the Union Budget for 2020-2021.

According to Fitch Ratings, the proposed IPO will improve the accountability and transparency of the country's largest insurer and benefit the insurance industry.

The report by Fitch released in February viewed that "the procedural and legal bottlenecks in terms of amending certain sections of the LIC Act, conducting independent valuations as well as obtaining regulatory approvals may delay the execution beyond the government's target deadline of end-March 2021".

According to Fitch, "LIC is one of the prominent institutional investors in several public sector assets, and in multiple instances has obtained exceptions from the insurance regulator to increase its stake in investee companies above the regulatory ownership cap of 15%."

It also said: "In addition, we believe that the proposed IPO, once executed, could broaden the insurer's capital base and improve its regulatory capital position, which was 160% at March-end 2019, slightly above the regulatory minimum of 150%."

LIC unions urge finance minister not to divest stake in LIC

Three unions in LIC representing officers, field workers and class III employees said the move to sell equity of the insurer will impact the economy.

In a letter to the Union Finance Minister Nirmala Sitharaman, the three unions - Federation of LIC Class I Officers' Associations, National Federation of Insurance Field Workers of India and All India Insurance Employees' Association- requested her to withdraw invitation of bids for appointing pre-Transaction advisors for LIC's initial public offering (IPO) and reconsider the decision of disinvestment in LIC.

The three unions wrote to Sitharaman after reports appeared in the media with the Department of Investment and Public Asset Management (DIPAM) issuing a Request for Proposal (RFP) regarding engagement of pre-Transaction Advisors for assistance in the processes related to the IPO of LIC.

Referring to their earlier letters to Sitharaman, the Unions said: "Our arguments against the equity sale are not on any partisan interests but are based on the interests of the national economy and the Indian society."

"We had hoped that the government would give a serious look at our arguments and would give us an opportunity to present our case considering the fact that the employees are one of the most important stakeholders in the institution. We are disappointed that no such initiative came from your side," the Unions said.

According to them, LIC today is managing assets in excess of Rs 32 lakh crore.

"Since this expansion has taken place through funds collected from the policyholders, LIC has functioned more like a mutual benefit society. This is an important fact that has been overlooked while deciding to sell a portion of the stake in LIC," they said.

Life Insurance Corporation of India's Aadhaar Shila Plan

LIC's Aadhaar Shila is a plan designed exclusively for female lives, which offers a combination of protection and savings. This plan provides financial support for the family in case of unfortunate death of the policyholder any time before maturity and a lump sum amount at the time of maturity for the surviving policyholder. In addition, this plan also takes care of liquidity needs through its Auto Cover as well as loan facility.

Death benefit: On death of the policy holders, if death occurs during first five years then the Sum Assured on Death shall be payable.

On death after completion of five years of policy but before the date of maturity, Sum Assured on Death and Loyalty Addition shall be payable.

Maturity Benefit: On maturity of the policy, Sum Assured on Maturity along with Loyalty Addition shall be payable.

Loyalty Addition: If the policy has completed five years and atleast 5 full years' premium have been paid, the policy holder shall be eligible for Loyalty Addition at the time of exit, whether on Death or Maturity.

Additionally Loyalty Addition will also be considered in Special Surrender Value calculation on surrender of policy during the policy term, provided the policy has completed five policy years and atleast 5 full years.

Eligibility: This plan is only available for standard healthy lives without undergoing any medical examination.

Minimum Basic Sum Assured per life: Rs 75,000

Maximum Basic Sum Assured per life : Rs. 300,000

The Basic Sum Assured shall be in multiples of Rs 5,000 from Basic Sum Assured Rs 75,000 to Rs 1,50,000 and Rs 10,000 for Basic Sum Assured above Rs 1,50,000

Minimum Age at entry : 8 years (completed)

Maximum Age at entry : 55 years (nearest birthday)

Policy Term : 10 to 20 years

Premium Paying Term : Same as Policy Term

Maximum Age at Maturity : 70 years (nearest birthday)

LIC says that the total Basic Sum Assured under all policies issued to an individual under this plan shall not exceed Rs 3 lakh.

LIC likely to bring down its stake in IDBI Bank

LIC, which currently has 51% stake in IDBI Bank, could bring it down well ahead of the 12 year period stipulated by the Reserve Bank of India (RBI). Officials of the country's largest life insurance company said that Department of Investments and Public Asset Management (DIPAM) is looking for consultants for its initial public offering (IPO) of the state-owned insurer.

Vipin Anand, MD at LIC, speaking to media stated that RBI has given them 12 years to bring down its stake in IDBI Bank, but they have no intention of staying so long. "We are essentially looking at midterm horizon, where we would be able to make some good profit and then exit," said Anand.

In the current fiscal, growth of first year premiums for the life insurance industry has been down by 28% due to the novel coronavirus. The data from Insurance Regulatory and Development Authority of India (Irdai) shows that LIC saw first year premiums at Rs 13,793.18 crore in this fiscal as against Rs 18,764.63 crore in previous year, a fall of 26.5%. LIC believes that there is going to be paradigm shift in the Indian insurance industry in the current year and move will be more towards health products and term products.

"I don't expect any large-scale shift to term products, but what I do expect is that people will supplement their traditional buying with additional term cover to have a higher level of cover. What I am suggesting is people could be buying what there are buying earlier, but they could also additionally buy term policies to increase the risk cover," added Anand.

LIC, which is also one of the important players in domestic equity markets, is currently looking to invest in blue-chips and large-caps. "We are traditionally contrarian investors, at the time when valuation was available, we picked up good stocks initially. Now the market has been stabilising, we are more in blue-chip and the large-caps. LIC has invested Rs 61,000 crore in equity markets in last financial year and in the current year they have invested more than Rs 13,000 crore in equity. While in G-Sec it is estimated they would be buying Rs 35,000 crore in first quarter of this fiscal. ❑

Health Insurance News

ICICI Lombard offers covid-19 benefits in health policies

ICICI Lombard General Insurance Co. Ltd has added covid-19-specific benefits and features to their existing health insurance plans.

All existing and new policyholders of ICICI Lombard General Insurance's Complete Health Insurance, Health Booster, group policies, and Health Care Plus will have the new benefits at no extra cost.

ICICI Lombard has reduced the waiting period to cover covid-19 from 30 days to 15 days. Moreover, in case of a hospitalization claim due to covid-19, the no-claim bonus (NCB) benefit will not get impacted.

The insurer has also added the home healthcare feature to cater to policyholders who may not require hospitalization or want to avoid hospitalization in order to maintain social distancing. The home healthcare benefit will be applicable till 31 March 2021.

With hospitals flooding with covid-19 patients in metros such as Mumbai and Delhi, hospitalization for someone with mild to medium symptoms may not be possible, as authorities may advise home isolation or treatment. That's where this feature could come to your rescue.

Besides covid-19 treatment, the home healthcare feature will cover the cost of treatment for all kinds of fever, acute gastroenteritis, respiratory and urinary tract infections, asthma, post-operative care, physiotherapy and wound care. However, it'll not cover the management of co-morbid conditions, speech and behavioural therapy, treatment at OPD, unmanageable behavioural issues and neurorehabilitation.

Karnataka Bank launches COVID-19 policy with Universal Sompo

Karnataka Bank has launched a health insurance policy for COVID-19 in a tie-up with Universal Sompo General Insurance Company.

Karnataka Bank has launched a special health insurance policy to cover the uncertainties posed by COVID-19 pandemic, it said in a release.

"With the objective of providing insurance cover for individuals for COVID-19 pandemic related health expenses, the bank in association with Universal Sompo General Insurance Company Ltd has launched this health policy," Karnataka Bank MD and CEO Mahabaleshwara M S said.

The private sector bank said the health cover can be availed at a nominal premium of Rs 399, inclusive of all taxes.

The policy will cover in-patient hospital expenses up to Rs 3 lakh, outpatient treatment expenses of Rs 3,000, and will also provide a sum of Rs 1,000 per day towards expenses incurred towards 14 days of quarantine at a government or military hospital, it said.

The validity of this policy is for a period of 120 days.

The policy is available to all the customers of the bank in the age group of 18-65 years, the release said.

"General public who are not existing customers of the bank will also be eligible to buy this policy immediately after establishing a banking relationship with our bank," Mahabaleshwara said.

LG Electronics offers COVID insurance on purchase of select home appliances

LG Electronics is offering coronavirus-specific insurance in association with Cholamandalam MS General Insurance Company Ltd. It is called COVID insurance. The consumers can get insurance of up to Rs 50,000 on purchase of select home appliance products.

The offer will be available across stores and is valid till June 30, 2020. The

COVID insurance benefits are available in three slabs, worth Rs 50,000, Rs 30,000, and Rs 10,000 respectively and are available on purchase of air conditioners, washing machines, refrigerators and all appliances from LG Electronics.

Commenting on the initiative, Vijay Babu, VP, home appliances, LG Electronics India, said, "Our innovative technologies in the home appliances range offer various features that help to keep products fresh and maintain bacteria-free healthy life. By offering COVID-19 insurance through the purchase of our home appliance products, we aim to provide a meaningful integration to consumers."

Acko Partners with Shadowfax to Introduce Accident and Medical Insurance for Delivery Partners

Acko General Insurance, announced a strategic tie-up with Shadowfax, largest crowd sourced B2B last-mile delivery services platform. Acko has developed a Group Personal Accident (GPA) policy and Group Mediclaim (GMC) policy for all Shadowfax delivery partners for the period they are active on Shadowfax platform.

This industry is witnessing higher attrition, therefore, needs an insurance plan which can also be as dynamic as the gig employees. Acko has created dynamic insurance plans which allow the companies to extend the insurance to their active Delivery Partners and help the companies to save at least 30% of their insurance cost. Acko will undertake the risk and claim settlement for a daily GPA and GMC cover offered to the active Delivery Partners.

Under this program, Shadowfax Delivery Partners will receive an insurance cover benefit for eventualities like death and disability for INR 7.5 Lac each. There is also a loan protection cover of INR 50,000 and a child education cover of INR 20,000 for the Delivery Partners family in case of death or total disability.

The company will also be responsible for system integration and defining processes for the GMC program that will cover active rider partners of Shadowfax. Claims can be made through Acko's website and from Shadowfax's app as well.

Abhishek Bansal, Co-founder & CEO, Shadowfax, "The safety of our delivery partners is of utmost importance to us as they are the mainstay of our business ecosystem. We have always taken partner welfare steps keeping this philosophy in mind. We are glad that we have partnered with Acko, one of Indias leading insurance providers to protect our delivery partners from any health/incident hazard during the current pandemic. A positive aspect of this insurance is that it covers the safety of our Delivery Partners during or beyond the COVID situation. The insurance cover was seamlessly rolled out and implemented PAN India for our delivery partners who are at the forefront of the pandemic and serving the community."

Ashwin Ramaswamy, Head of Strategic Partnerships at Acko said, "At Acko we create innovative products to ensure that it is effortless for consumers to secure themselves in various aspects of their daily life. This partnership with Shadowfax is a seamless integration of two customer-centric brands focused on delivering the best user experience. With this partnership, Acko will be bringing its hassle-free issuance and claims processes to Shadowfax Delivery Partners."

Covid-19 impact: Life, medical insurance set to become dearer

Covid may have brought home the importance of insurance, but it is also likely to make insurance more expensive. While term insurance products may become as much as 30% dearer, medical insurance premiums may rise by 20-25%. Insurers' pricing calls will be influenced by their view that morbidity risks have gone up post-Covid and also by higher regulatory compliance costs, especially in medical insurance where regulator IRDA has issued new coverage norms.

Insurers will essentially be passing on higher costs as reinsurance rates go up to reflect post-pandemic risk calculations. Medical and morbidity-related risk calculations are undergoing revaluations at global reinsurance level, multiple industry sources aware of the matter said.

As per industry executives, the hike in reinsurance rates for the industry can be anywhere between 300 and 400 basis points over the current 8-9%. One bps is 0.01 percentage points. This likely revision comes on the back of a reinsurance rate hike earlier this year. Industry insiders say there's already pressure on margins.

Most private sector insurers have made slight revisions in their term premium rates this year under minor modification provisions. "Reinsurers are changing rates significantly. The trend will unfold more post complete easing of lockdown," said Aditya Birla Sun Life MD Kamlesh Rao. ❑

Private Life Insurance News

Life insurance sector to see witness growth in long term

The growth of the life insurance industry may be slow in the short term but it will be back to the normal levels in the medium and also long term during growing awareness for insurance cover in the wake of corona virus, as according to Edelweiss Tokio Life Insurance. According to MD and CEO of Edelweiss Tokio, Sumit Rai, the corona virus outbreak and with the subsequent lockdown led to sluggish business activities across the sectors which led to slow growth.

"Over the last 2 months of the lockdown, the life insurance sector has been posted negative growth in the new business premiums. I expect the industry growth to be muted, in the short-term," as he told PTI in an interaction. Although, the increased awareness and also demand for life insurance might bode well in the medium to longer-term and "we should see the industry growth coming back to the normal levels", as he added to the statement.

Adapting to the new normal, as he told, that barring a small proportion of clients who buy online, life insurance in India has largely relied on face to face advisory, as until recently.

Among others, the life insurance sector is building automated customer engagement models and structures to increase digital connect.

"Over the past 2-3 months, we have already built a learning tool and enabled customer segmentation, for personalized customer experience," Rai added.

As companies are learning various lessons to deal with this pandemic situation, as he told Edelweiss Tokio Life expects those learnings to make way for some the innovative products and services amid the year.

Speaking of the company's performance during this pandemic situation-driven lockdown, he told even as the life insurance sector has been posted negative growth in the new business premiums, the company is among a few companies to have bucked the trend.

"Supported by robust technology infrastructure and a culture of agility, we have been able to re-imagine our advisory and client experience to match the new normal," as Rai told.

Talking about the industry, Rai told that as the pandemic situation is not yet put behind, various challenges would continue to exist in the immediate future.

"We will need to follow the social distancing norms, and client interaction for a large part would continue to happen digitally I see the entire industry that focusing on technology innovation and also digital enablement of the processes to the realign to this change," as he added.

Edelweiss Tokio Life launches Simply Protect

Edelweiss Tokio Life - Simply Protect comes with four life cover variants to choose from: Basic life cover, Life cover with inbuilt Accidental Death Benefit, Life cover with inbuilt Waiver of Future Premiums on accidental total and permanent disability, and Life cover with inbuilt Waiver of Future Premiums on critical illness. These inbuilt benefit options make this plan all-inclusive.

This plan has three different premium paying term options to choose from: limited pay, regular pay, and one-time pay. Limited pay premium option allows paying premiums for a shorter period to avoid liability in post-retirement years. With regular pay option, one can continue to pay premiums for a longer duration in regular installments. One-time pay enables one to pay off the entire life insurance premium in a single go. One can stay protected up to 80 years of age with the term plan.

Edelweiss Tokio Life - Simply Protect offers an Income Benefit option that provides the nominee 1% of the sum assured every month for 130 months, after the policyholder's demise. This enables the family to receive a steady income for many years. The plan offers a discount for a large sum assured. This discount is calculated based on the sum assured, policy term and premium paying term. Opting for Edelweiss Tokio Life - Simply Protect is a simple choice to secure the family's future and ensure financial stability even in difficult times.

Life Insurance Premium collection falls amidst Covid-19

People affected from COVID-19 continue to increase unabated even after the nationwide lockdown got over, premium collection of life insurance companies has taken a big hit. Long gestation period makes COVID-19 a highly infectious disease, which puts even healthy applicants of insurance policies at high risk of getting infected after issuance of a new policy.

While the insurers can't deny the existing obligations under old policies, issuance of new life insurance policies, under the shadow of COVID-19, would assume higher risk compared to normal period. As a result, the individual weighted received premium (WRP) of the Life Insurance Industry posted a decline of 19.8 per cent YoY in May'20 (v/s -43.7 per cent YoY in Apr'20) mainly due to the COVID-19 outbreak, which continues to weigh down business performance.

WRP, which is a measure of premium received on individual products and calculated as the sum of the first-year premium on renewal policies and 10 per cent of single premium policies, has posted a huge decline of 32.1 per cent in May'20 (v/s -40.3 per cent YoY in Apr'20) for private life insurers.

However, public sector insurer Life Insurance Corporation (LIC) of India reported much lower decline of 3.1 per cent YoY (v/s -47.9 per cent YoY in Apr'20) in individual WRP, while private sector biggies take a big hit - with HDFC Life reporting 33 per cent YoY decline, SBI Life 46 per cent, IPRU Life 52 per cent and Max Life 20 per cent.

This is because the LIC of India has taken precautionary measures and instead of declining proposals, the Corporation has decided to go slow in issuing new policies and has issued a separate questionnaire to assess the proposer's/ the life to be assured's exposure to the virus. The questionnaire seeks travel details of the proposers/ the life to be assureds, their family members as well as of co-habitants.

The questionnaire regarding foreign travel includes questions on countries visited after November 15, 2019, duration of stay, date of return to India as well as reports on screening/ COVID-19 test/ isolation/ quarantine on arrival at airport/sea port etc. It also seeks details of the proposers'/ the life to be assureds' plans of foreign visits within next one year. On travel from one state to another within India by rail/ road/air after May 1, 2020, the questionnaire seeks details of state visited, date of travel and whether screened, isolated or quarantined etc.

Max Life Insurance names Geetanjali Bhatia as Corporate Vice President & Head - Corp Comm

Max Life Insurance has announced the appointment of Geetanjali Bhatia Nehru as Corporate Vice President & Head - Corporate Communications. Bhatia will lead the corporate communications vertical of the company.

She will play an instrumental role in shaping, directing, and strengthening Max Life's internal and external communications narrative in line with its values of caring, collaboration, customer obsession, and growth mindset. Based at Max Life's corporate office in Gurugram, Bhatia will be reporting to Aalok Bhan, Director and Chief Marketing Officer, Max Life.

Bhatia brings with her over 18 years of experience in strategizing, implementing, and strengthening corporate narratives for businesses across multiple sectors like IT, Retail, Technology, Industrial. Her experience of planning and driving critical corporate social responsibility focus and community initiatives, media and public relations programmes, strategic branding initiatives, government relations and crisis communications will play an important role in reinforcing Max Life's communications outreach in India.

Speaking on the appointment, Bhan said: "We are happy to welcome Geetanjali to the Max Life family. These are unprecedented times that require innovative ways of communicating with empathy and intent. We believe Geetanjali, with over 18 years of diverse experience will contribute towards narrating our story with creativity and depth. We wish her a successful journey ahead with the Company and look forward to her valuable insights and expertise."

Commenting on her appointment, Bhatia said, "I am delighted to be a part of Max Life and look forward to narrating the Company's growth story. In these challenging times when the whole world is evolving with COVID-19 pandemic, it is important for companies to stay relevant and keep introducing innovative strategies to reach their internal as well as external stakeholders. I am excited to work with the wonderful team at Max Life in contributing to enhancing our brand love by creating impactful content and experiences for consumers."

Before joining Max Life, Bhatia worked with Ingersoll Rand as the Head of Corporate Relations. ❑

International News

UK personal lines insurance to experience large declines in 2020 due to COVID-19, says GlobalData

The personal lines market in the UK will contract in 2020 as a result of COVID-19 impacting a range of different lines of business. Travel insurance will be the worst affected personal lines product in the UK, says GlobalData, a leading data and analytics company.

GlobalData's UK Insurance Market Essentials: COVID-19 Update report forecast suggests that the gross written premiums (GWP) will contract by 48.7. GlobalData expects it to be a short-term hit; however, it forecasts strong GWP in 2021 and 2022. Subsequently, the growth should then return to more normal levels in 2023.

Daniel Pearce, Senior Insurance Analyst at GlobalData, comments: "Trips abroad by UK residents have been largely on hold since the lockdown measures came into effect. Two-week quarantines periods for those entering the UK from almost all foreign countries will limit any hope of a recovery in the summer season. We do expect the market to return to growth in 2021 and 2022, with large GWP increases in both the years. A combination of an increase in the number of trips abroad and the loss of the EHIC system will play a vital role."

The impact of COVID-19 is also expected to have a significant impact on the distribution of products. The affinity channel, in particular, is expected to see its share decline.

Pearce concludes: "The affinity channel's prominence within the travel market will see its share of distribution fall, while we expect to see the specialist advice provided by brokers become increasingly important. This is especially true within commercial insurance, where COVID-19 has highlighted the importance of understanding exactly what risks businesses are exposed to."

Universal Sompo appoints Sharad Mathur as its Managing Director & CEO

Sharad Mathur has been appointed as Managing Director & CEO of Universal Sompo General Insurance Company Limited w.e.f. 2nd June 2020. He will lead the company's overall operations and report to the Board of Directors. Sharad is a seasoned business leader and brings over 23 years of extensive experience and a strong track record of building scale and profitable general insurance businesses.

Universal Sompo is a joint venture between Indian Bank, Indian Overseas Bank, Karnataka Bank, Dabur Investments Corporation and Sompo Japan Insurance. Universal Sompo employs over 1,000 employees and has 86 offices across India.

"We are glad to have Sharad on board as we plan to drive the next phase of development of Universal Sompo. Under Sharad's leadership, company aims to develop a capability to deliver more innovative products, re-engineered distribution architecture and significant improvements in productivity," said Padmaja Chunduru, Managing Director & CEO, Indian Bank.

On his appointment, Sharad said, "It has been a fulfilling journey in the general insurance sector wherein we have achieved many milestones together and will definitely achieve many more. I am thankful to the board of Universal Sompo for having faith in me and I am looking forward to working with all stakeholders to accelerate the company's expansion. Together, we will leverage our ability to innovate, with sharp customer focus which will remain at the heart of our DNA as we continue to build a great service platform for our customers and channel partners."

"India is a rapidly-growing market for our business in Asia. Sharad's understanding of Indian market and general insurance business, combined with his expertise in sustainable business expansion and digital technologies, will be a huge asset for Universal Sompo," said Daniel Neo, Regional Chief Executive Officer of Sompo Holdings (Asia) Pte. Ltd. ❑

IS 'COVID-19' - AN INSURED PERIL UNDER IAR & LOP POLICIES?

Lockdown, following 'COVID-19' Pandemic has caused immense socio-economic impact in India. While everybody is affected by this, Business Interruption is one of the most significant issue, which has come-up in the context of Insurance cover under 'Loss of Profit (LOP)' and 'Industrial All Risks (IAR)' policies. In this connection news, that was doing rounds in social media about huge compensation received by Wimbledon Organisation has generated great hope in the insuring community to find financial succor under their LOP and IAR Policies.

Also, the interpretation or rather misinterpretation of 'ALL RISK' Cover under Material Damage Section of the INDUSTRIAL ALL RISK Policy, which was made in some quarters has also added fuel to this burning issue.

However, 'GENERAL INSURANCE COUNCIL' in India in its'

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PUBLIC ADVISORY dated 21.04.2020 clarified to the insuring public that the provisions of such policies does not provide cover against business interruption due to lockdown as also advised and cautioned them not to fall prey to the wrong interpretations and advises to lodge claim under the policies advised and offer to help by certain Advisors, Consultants and Legal Experts.

As such, the question arises whether LOP and IAR policies provide or not provide cover for current 'Business Interruption' resulting in loss of Gross Profit and increased cost of working due to loss of turnover. To understand this, following aspects are important:

- First of all, cover under LOP and IAR should not be compared with the case of compensation received by Wimbledon Organisation for the simple reason that cancellation of event is covered under Special Contingency Policy and the insured had covered Pandemic Peril specifically under the policy and paid additional premium for the same.

- LOP and IAR policies undoubtably covers Business Interruptions, but the current Business Interruption as a result of lockdown following 'COVID-19' Pandemic does not fall within the purview of these two policies. The important aspect of these two policy/Covers is that they are not independent standalone policies. While LOP is to be taken in conjunction with a 'Material Damage policy (Fire or Machinery Breakdown Policies), the IAR policy has two sections. Section I is Material Damage Section, whereas Section II is Business Interruption Section. The concept on which both the policies operate is that there has to have admissible claim for "Physical Loss, Damage or Destruction (Damage)" to the insured property under Material Damage Policy/Section I, which will trigger claim for Business Interruption loss under LOP or Section II of IAR Policies.

An impression has been created that Since Material Damage Section (Section I) of IAR policy operates on 'ALL RISKS' basis and since Pandemic is not an excluded peril, it automatically covers Pandemic as an Insured peril. This interpretation may or may not be correct but to say that this automatically covers loss due to lockdown related business interruption. This position is totally wrong. For any claim to generate under Section II, precondition is that there must be an admissible claim due to "Physical Loss, Damage or Destruction" to the insured property under Section I of the Policy. Moreover, the Exclusion Causes under the policy inter alia includes "Cessation of work, delay or loss of market or any other consequential or indirect loss of any kind or description whatsoever".

'COVID19" is definitely an insured or insurable peril, which is established by the fact that under Health and Life Insurance policies claims are admissible as also concerned Authorities have confirm the position by press releases addressed to the insuring public. However, regarding LOP and IAR, as on date it is not an insured peril. Even if the meaning of 'All Risks Perils" is stretched to include Pandemic as an insured peril, non-compliance of other important condition of 'Admissible claim for Damage under Material Damage Policy/Section as also excluded cause of 'Cessation of Work' will prevent claimant from establishing claim under Business Interruption Policy/Section.

In the current situation Reinsurers and Insurers have excluded any kind of loss for Communicable diseases by express warranties but over a period consideration of such peril may become reality for policies like Interruption cover for business & supply chains, surety & credit Insurance, Contingency cover for Event cancellations, travel related insurance, health policies, workers compensation insurance, employers' liability insurance, Life and retirement savings insurance etc. Insurers and Reinsurers have shown their capability to accept many challenging situations and they will surely come forward to meet this kind of challenges also. They will be well prepared with current experience and data.

To overcome constrain of concept of 'Admissible claim for physical Damage under Material Damage Policy/Section of LOP and IAR policies, cover for Pandemic induced Business Interruption can be provided by modification of policy wordings and/or by a special proviso. ❑

Life insurers look to hedge against policy surrenders

Life insurers are keeping a close watch on surrenders and persistency numbers, as individuals may not be in a situation to pay premiums or continue their policies because of financial uncertainties. As a remedy, life insurers are looking to provide short-term credit - known as bridge loans - to policyholders.

Such loans come at a cheaper rate than personal loans, and can be repaid whenever the policyholder wants. Typically, these loans are available against traditional policies, which generally attract high surrender charges.

There is a likelihood of customers wanting to dip into some of their past investments and encash them, given the current liquidity crunch and overall economic scenario, with the possibility of job losses, said Manu Lavanya, director and chief operations officer of Max Life Insurance.

"We are closely monitoring our persistency and surrenders at the company and product levels - especially for unit-linked products. The facility of loans against policy may enable customers to manage the situation better. We have reached out to the regulator and are in discussions over allowing loans against ULIPS," said Vibha Padalkar, MD and CEO of HDFC Life, in an interview to Business Standard.

"The loan facility is already available with traditional policies. This, we believe, will enable customers to make payments and continue with their policies, instead of having to surrender them," she added.

"When our branches open up for business, we are likely to receive higher (though not exponential) volumes (loan requests) but are equipped to both engage and retain while refunding, where the customer isn't keen to continue," said Lavanya.

INNOVATING AND IMPLEMENTATION OF MICRO HEALTH INSURANCE - THE BANGLADESH WAY

Abstract

Over the past 30 years Bangladesh has made significant progress in developing its health indicators.Moreover, Bangladesh had successfully achieved most of the targets of Millennium Development Goals and looking forward to accomplishing the Sustainable Development Goals within 2030. In this connection, quality healthcare and affordable health services are the utmost priority of the government. However, through the various health reports and analysis's, we can find that the people of Bangladesh especially country side and lower middle income groups are facing numerous health related challenges & facing the difficulties to bear cost of diagnosis and ensuring proper treatment for having the highest percentage of out-of-pocket (OOP) payments scenario in Bangladesh.

Therefore, Bangladesh needs to come up with innovative approaches to provide the means of alternative financing to people. Innovative technology driven health insurance product can be an effective tool to bring them under the safety net of health insurance coverage.

The research has been designed embracing the methods of cluster randomized trial allowing the identification of direct and indirect effects of MHI on actual OOP incurred by the insured vis-à-vis the non-insured households who are otherwise similar in economic, educational and social dimensions. Such an analysis holds the promise of determining whether MHI type of intervention may eventually lead to large-scale implementation so that quality health care reach the target segment of the policyholders thereby contributing to the cause of universal health coverage.

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Introduction

Like other developing countries the poor and middle class people of Bangladesh face a wide range of risks like illness and injury, death of livestock, harvest failure, flood, cyclones, drought, and so on. It has been noticed that they usually adopt various self-insurance devices such as engaging in ex-ante income diversification, investing in lower risk assets, using up liquid savings, informal borrowing, even disposing of productive assets and the like to manage the treatment cost. However, more recently reliance on microcredit has expanded greatly, but such avenues do not offer a great deal of scope for risk mitigation to the community of Bangladesh.

In addition, some ex-ante activities (e.g., income diversification and investing in lower risk assets) may themselves increase the risks of future poverty (i.e., vulnerability), while the ex-post strategies (e.g., disposing of productive assets) may lead to persistent or deepening poverty.

In the absence of well-targeted safety net measures, poorest end up relying largely on self-insurance devices to mitigate risks with high implicit premiums. Several authors have proposed that microinsurance products (e.g., life, health & livestock) if suitably designed would go a long way in preventing the risks of further poverty (Ahsan, 2009; Dror, 2007 and Morduch, 2006). Through various reports, we have found that health is the dominant category of shocks experienced by the poor in Bangladesh and annually households spend about five per cent of total expenditure to meet out-of-pocket (OOP) health care expenses (Ahsan et al., 2012, 2013a).

We have also noticed that there is also evidence that OOP payments push over three per cent of the households into poverty annually according to the report of (Hamid and Ahsan, 2013). Thus, countries like Bangladesh need to start afresh with innovative means of raising funds for the provision of health care. Micro Health Insurance (MHI) is one such innovation, which relies on pooling the risk as well as the available resources for the provision of affordable care.

Lack of quality provision of care plagues many micro health initiatives, and to this end which can provide a large range of services, both in-and-outpatient including emergency, to the poor of the region.

Drug costs, as is well-known, remain the main challenge in designing an affordable premium in MHI schemes, and in order to contain the same, socially committed pharmaceutical companies have been integrated into the pool of partners.

Benefit package design and its pricing (i.e., the insurance premium) are the other facets of this process. Based on extensive analysis of provider's services and fees, the pattern of morbidity of the target population, health seeking behaviour and of the sources of burdensome out-of pocket (OOP) health expenses faced by the rural poor in Bangladesh, a benefit package has been designed. Premium calculation has also been done simultaneously and in a manner congruent with the standard actuarial practices. Therefore, Health insurance is required to address all the challenges in Bangladesh related with Health and medical treatment.

Methodology:

We have applied two methods to conduct the research:

(i) Household census to identify below poverty line (BPL) households and verification of list of poor (SSNP beneficiaries) endorsed by LGIs, and

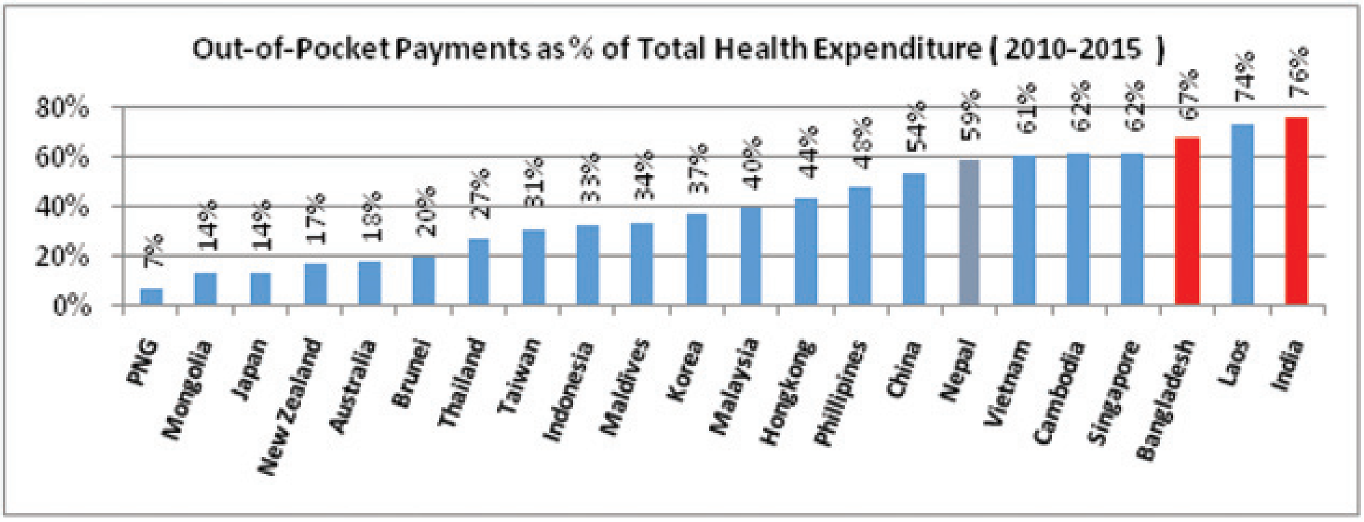
(ii) Household survey for assessing health seeking behavior, health care expenditure, willingness to pay and patient satisfaction.

The study has covered randomly few selected areas of Shastho Shuraksha Karmasuchi, (an Initiative of Ministry of Health and Family welfare of Bangladesh) , of to carry out the pilot project using probably sampling approach. For rural areas, villages were selected as primary enumeration units at Kalihati,Ghatail ,ModhupurUpazila of Tangail District. The household census covered 10,000 households in primary enumeration areas., while household survey involved 3000 randomly selected households.

The study made use of six different types of data collection instruments like poor household identification format, household interview schedule, exit patient interview schedule, key informant interview check.

Progress of Bangladesh Health Scenario

Over the past 47 years since independence Bangladesh has made lot of strides in the Health sector which is clearly visible. The major developments have taken place in establishment of medical colleges, medical university, private medical colleges, private clinics, private hospitals, district hospital, rural health centers and community clinics in various parts of the country to provide easy access to health treatment.



Also, it is a clear sign that much progress has been made in the pharmaceutical sector providing adorable medicine, anti-cancer drugs etc. National and private level campaigns are ongoing to promote mental and child health, vaccination programmes, mass deworming programmes, use of safe water and latrines, hand washing etc.

Major Successes in the Healthcare Sector

Maternal Mortality in 1000 live birth 2010- 242 2016-176	Child Mortality Under 5 per 1000 2010-49.4 2016-34.2	Infant Mortality 2010_37.4% 2016-30.5%
Stunt Birth Rate 2010- 26.1% 2017-22.2%	Immunization Coverage 2008-81.8% 2016-85.84%	Access to clean water 2010_54% 2016-98.9%
Sanitation Coverage 1990- 34% 2016-70%	Life Expectancy 72 Years	Male life Expectancy Male 70.6 years Female 73.5 Years

Factors behind the Success

Guiding Principles of National Healthcare Approach of Bangladesh

Constitutional Obligation

- Basic Medical Requirement to all people
- Improve Public Health
- Improve Nutrition

National Health Policy Obligation

- Recognize Health as human right
- Ensure primary and emergency healthcare
- Increase and Expand citizen centric quality health care ensuring equity
- Enable people seek healthcare and undertake healthy life style

Stronger Healthcare Infrastructure

1. Established 16,438 community clinic and union health centers toprovide healthcare services to the doorstep of rural people
2. Established a number of newgeneral and specialized hospitals
3. Established a bone marrow transplant center in the capital
4. Expanded intensive care units, and angiograms and angioplasty services to all medical college hospitals Expanded kidney dialysis services to many medical college district hospitals;
5. Established trauma center salong busy highways
6. Expanded burn units in district hospitals
7. Establishing one large multidisciplinary hospital in each city zone

Strengthening Medical Service

1. 30 types of free medicines provided free of cost
2. Tele-medicine service has been launched in 43 hospitals around the country for providing medical service at home round the clock
3. 30,000 satellite clinics for child and maternal healthcare
4. Health Call Centre: 24/7 health call center 16263 for free medical consultation, ambulancereservation and providing health information services

5. 103 service centers for disabled persons servicing 500,000children with autism free of cost
6. Nationwide community-based skilled birth attendant (CSBA)training program organized
7. Expanded Cardiac surgeries in several hospitals
8. Strengthened care for emergency parents in public hospitals and private hospitals
9. Promoted private hospitals and encouraged public-private partnerships in healthcare
10. Added several hundred new ambulances including boat ambulances
11. Free medical service sensured for freedom fighters and their families.

Other Success

- Target to achieve universal health coverage by 2023 that will pay 70% of the medicalexpenses
- 97% medicine demands are met by local pharmaceutical industries
- Primary HealthCare is free of cost and inclusive of health screening
- Bangladesh has the world's largest deployment of District Health Information System(DHIS2) software.

Extensive Healthcare Network

- About 70,000 Community Health Workers engaged indomiciliary service
- About 19,000 daycare health facilities including community clinics and union health & family welfare centers.
- Courses introduced for mid wifery and 3,000 mid wives post created 9 & 2

A satisfactory level of progress has also been made in family planning. In this connection, it would be worthwhile to mention that Bangladesh has made remarkable performances in achieving the Millennium Development Goals way ahead of neighbouring countries, has also expressed its willingness to do the same with regard to achieving the SDGs as well. Many NGOs also engaged and contributing toward health care delivery system in Bangladesh.

According to the World Health Organisation (WHO), Bangladesh is ahead of most of its neighbouring nations when it comes to its national life expectancy at birth. For example, the life expectancy at birth in the country is 72 years on average which is more than by a couple of years compared to that of India and Pakistan having life expectancy at birth figures of 68.5 and 67 years respectively. Bangladesh has been able to produce huge number of private physicians who are contributing to solve the day to day medical problem that people are facing.

The country has also taken effective initiatives in ensuring praise worthy infant and neonatal health protection as reflected by sharp declines in the associated death rates. Infant mortality rate in the country has gone down by almost 75% over the last three decades or so. At present, infant mortality rate in Bangladesh hovers around 31 deaths per 1000 live births as compared to India.

In short, it would be worthwhile to mention that Bangladesh needs to do many things for achieving the success in improving health sector. Health insurance will be a great tool.

Link Between Micro Health Insurance and Micro Finance

To prepare this report, it requires to study the evolution of micro health insurance (MHI). The concept of micro health insurance policy has close link with that of micro finance which is alternative financial tool to improve the economic condition of the poor and disadvantaged people and community of the developing countries like Bangladesh.

Many researchers have found that reduction in out-of-pocket expenses for healthcare and improved financial protection for health coincided with both health reform such as health financing schemes and with economic recovery and poverty alleviation schemes like micro-finance.

In this chapter, will mainly focus on issues related to micro health insurance finance that can be tailored to serve the purpose of establishing micro health insurance in a developing country like Bangladesh.

The current Health Financing Strategy and its link to Micro Health Insurance

In 2012, the government implemented the health financing strategy 2012-2032 and the mission of this strategy is to achieve universal health coverage by means of establishing social protection for health.

The major goals of the financing strategy is:

- To halve the out-of-pocket expenses for healthcare at point of service from the current level of 64% to 32% by the year 2032.

- The strategy further aims to ensure efficiency in resource allocation within the MoHFW in order to attain maximum value for money and an equitable and sustainable financing mechanism.
- Indeed, the success of any health financing strategy depends not only how the resources are accumulated but also on how the collected revenues are spent and allocated.
- Risk pooling through an insurance mechanism has proved to be an efficient health financing mechanism, which possesses the ability to ensure higher value for money for healthcare.
- The government of Bangladesh is also inclined towards testing social health insurance schemes in this regard. The current strategy plans to combine funds from tax-based budgets with the social health protection scheme, existing community-based and other prepayment schemes, and donor funding to ensure financial protection against health expenditures for all segments of the population.
- The importance and interest in testing social health protection schemes was also highlighted in the country's health sector Strategic Investment Plan (SIP) of 2003-2010.
- The current health financing strategy of Bangladesh further elaborates on the path towards universal health coverage where it includes small scale health insurance schemes like micro health insurance or community health insurance as an intermediary step towards establishing a social health insurance mechanism to cover the risks of ill-health nationwide.

There are some organizations have launched micro health insurance in the country. In order to make it more successful and effective operational system should be designed and developed.

In this regard, prepayment for health, diversifying source of funding, monitoring of dynamics of health insurance market and ensuring easy access to health service for the poor demand deeper understanding should be ensured. For this the country needs to accumulate findings from the existing trials and or programs to build a system that would allow efficient risk pooling and fund allocation under a well-managed national insurance scheme.

Essential roles of a National Health Insurance mechanism revenue collection

Collecting revenue in health insurance can vary from being financed by the client as well as the employer like Thailand started co-payment on health service and later resulted fully subsidizing the premium by virtue of which currently has achieved universal coverage for health.

India has a wonderful revenue collection strategy varying from full subsidization from government to combined contribution from employer, employee and government. Revenue of Ghana comes from VAT on goods and services (70%) followed by compulsory contribution from formal sector workers in the form of social security tax (23%) where premium from the members is only 5% of the total revenue. If Bangladesh could follow the revenue collection strategy of these countries, it would be more helpful for the nation. Due to lot of people in informal sector in Bangladesh it becomes difficult to collect.

Bangladesh government is currently following India to fully subsidize the premium for the population below the poverty line (BPL) to ensure universal coverage for all though it's required further investigating. The example of Ghana could also prove to be useful in Bangladesh to include people from all spare. Bangladesh however can mix several methods that could be also useful.

In the developing and under developed countries financing reforms followed a path where health insurance schemes are solely introduced for the formal workforce. In this system better quality health and resources can be focused to already an advantaged and organized group, which in another form exacerbates inequities in societies and leads to a two-tier system of healthcare provision.

The Choice between Formal vs. Informal Care

We have found that the majority (about 60%) of those interviewed who have sought some form of health care followed by private providers (about 26%) and government providers (about 11%). More than two-thirds (about 68%) of those who went to informal providers, visited quacks (followed by drugstore salesman (about 22%).

This report has revealed that the main reason for selecting the type of provider by about 42 per cent of those who sought 'informal' care followed by the 'low cost of treatment' (about 31%).

For those choosing formal providers, while the propensity to seek private care remained about the same (26.1 vs. 25.4, respectively) for programme and control groups, there appears to be some important differences when it came to choose between government and NGO providers. In fact, lacking access to NGO care, which was utilised by about 5.1 per cent of the programme patients, control subjects chose government care instead (12.5 vs. 9.8 in the programme areas).

Micro health insurance in Bangladesh: innovation in design, delivery and distribution channel

In Bangladesh the poor and middle class families face wider ranges of risks like illness and injury which often causes death. To address those health risks, the community usually adopt various self-insurance devices like using up liquid savings, informal borrowing, even disposing of productive assets and the like.

We have also found that poor and middle class families often heavily dependent on microcredit for quick risk mitigation. In addition, some ex-ante activities (e.g., income diversification and investing in lower risk assets) may themselves increase the risks of future poverty (i.e., vulnerability), while the ex-post strategies (e.g., disposing of productive assets) may lead to persistent or deepening poverty.

In the absence of well-targeted safety net measures, poorest end up relying largely on self-insurance devices to mitigate risks with high implicit premiums. Evidence reveals that health is the dominant category of shocks experienced by the poor in Bangladesh and annually households spend about five per cent of total expenditure to meet out-of-pocket (OOP) health care expenses.

There is also evidence that OOP payments is increasing in each year. Therefore, countries like Bangladesh need to start afresh with innovative means of raising funds for the provision of health care.

Micro Health Insurance (MHI) is one such innovation, which relies on pooling the risk as well as the available resources for the provision of affordable care.

In order to design innovative health insurance scheme a holistic approach is required for identification and congregation of all relevant stakeholders (e.g., government, healthcare provider, insurance company, drug companies and the hospital).

A Holistic Design

Design of an innovative health insurance scheme involves complex activities like product design and pricing, product sales and distribution including marketing and monitoring clients' satisfaction, technical management (membership, premium and claims), financial management, management of agreements with the network of health care providers, drug companies, and risk bearing.

This scheme is a unique holistic model of health insurance which has assembled all relevant parties to ensure universal health coverage for all the households. This model can be viewed as a variant of partner agent model where a third party leveraging its expertise mediates with the partners and carry out the functional activities.

Under this model, a chain of mutual interactions among various partners has been arranged. As already stated, the third-party organisation plays the pivotal role in the functioning of the model through proper coordination of the entire process involving many partners. Accordingly, a unit office (consisting of a pilot project manager, a pilot project officer, an MIS officer and some field staff) has been set up in the hospital premises to serve the clients and policyholders.

Structure of and partner of the Scheme:

Benefit Package, Co-payment and Inclusion Criteria

Benefit Package: The benefits of health insurance scheme has been designed analyzing the local needs of the community. In addition to household behavioral information, we have reviewed various kinds of secondary information through consulting with local hospitals to re-evaluate the need and disease probabilities.

Inpatient care with surgery (including Caesarean section, if relevant) as well as management of chronic care and OPD services all of which commonly lead to catastrophic OOP payments for poorer households, have been included in the benefit scheme under discussion.

Over the 12-month period, a maximum of five outpatient visits has been set for a household of four and five members, three visits for a household of two or three members, six visits for a household of six or seven members, seven for a household of eight or nine members and eight visits for a household of more than nine members.

Each eligible household will be entitled to receive one complete maternal care including ANCs delivery (normal or C-Section). However, a household will be considered eligible for the maternity component of the package if the pregnancy develops after enrolment in the MHI scheme by a mother who is at least 18 years old and does not have more than two children.

The benefit norms mentioned that the above package benefits will be much higher than the actvally predicted incidence of illnesses. This implies that the sum assured (SA) per insured member is many times greater than the expected cost of care.

Turning to inpatient care, we note that of the 3000 households cited above, only five (5) utilised three or more inpatient stays at a hospital/clinic, where it so happens that majority, i.e., 3 out of those 5 households were from Tangail district, the latter sample size being 743. The overall incidence of inpatient visit (both surgical and non-surgical, but excluding heart disease) was 494 cases reported by 439 households, i.e., one episode per 7 households. These figures are well within the projected benefit range as outlined in Table.

Inclusion Criteria:

Unlike formal health insurance, household has been selected as the unit of enrolment. The implementation design calls for the inclusion of a significant number of households from each area.

Premium Setting Procedures:

Method

Health insurance is often defined as compensation/ reimbursement policy and not the benefit policy and for this reason the insurer tends to set a high premium (Mittal, 2009).

As the scheme is directed to the poorer people in society, it is imperative to set an affordable premium for them. Progressive premium rate is sometimes espoused in view of the cross subsidy. But here we are applying the community rated premium for all beneficiaries, most of whom are either poor or near-poor as per our measure of poverty based on the cost of basic needs (CBN) methodology.

It is also advised not to float any subsidy as this causes adverse selection on one hand (Zhang, 2012) and hampers the goal of long-term financial sustainability on the other. Besides, rate differentiation creates confusion among the population who already display apathy towards insurance over and above adding on to managerial and accounting chores. Rather subsidy in the form of not counting the high operational cost is implicit.

The morbidity rates prevalent in the relevant area obtained from household surveys were employed for setting the premium as that in the CHAT model in India (Danis et al. 2007). In Rwanda, premium calculation allowed for a small increase in the health care utilisation rate (Schneider et al., 2000).

After reviewing the formula proffered by different authors (STEP-ILO 2005, Zweifel et al. 2007), we set the premium excluding the operational cost but keeping the loadings. This premium is strictly tailored to reflect the discounted FFS price schedule offered by the provider hospital and pharmaceutical companies. However, the procedure is general enough so that a different price regime maybe utilised to figure out the appropriate premium in a different context (e.g., over time and space).

Recommendation

Health insurance helps to protect people from high medical care costs that arises suddenly. Insurance awareness should be increased through various initiatives

- Awareness and insurance education: Massive awareness should be created for overcoming prior misconception and lack of trust in the insurance mechanism

- Changing the mind-set: People's mindset should be changed to make health insurance affordable to the policy-holders.
- Comprehending risk-pooling: A Comprehensive risk pooling strategy should be made to pay premium for the health insurance.
- Trust in the provider: From the insurance provider's side, easy and hassle free service should be ensured.
- Community leaders and members should be trained and engaged to popularize the insurance scheme and to create a mindset and willingness to pay
- In a nutshell, Micro health insurance has the potentiality to be financially sustainable in the country for ensuring universal health coverage for the people of Bangladesh.
- Micro health insurance should be aligned with health care and wellbeing of national SDG
- Importance of health insurance should be part of medical education
- Partnership Projects involving multiple stakeholder District wise like : telcos, NGO,Insurance companies, health service providers
- Upgrading small clinics into modern healthcare
- Private initiatives for building hospitals
- Knowledge sharing with hospitals abroad
- Digitalization of health care
- Health Insurance should be mandatory for Government employee and private sector
- More trainings of medical stuff
- Incentives for medical for staying in remote areas
- Govt subsidy for micro insurance premium
- ONE TEAM ONE GOAL- Micro Health Insurance for Everyone (Regulator, Ministry, Health service provider)

Conclusion

Health insurance policy is usually considered as market failure due to measure and monitor of the services. This makes health financing complex. When a program is not cautiously managed and implemented properly succeed may not come from the product.

The ideas presented in this report highlights the fact that countries willing to initiate health insurance as one of the means of ensuring universal coverage need to be flexible in terms of testing and adopting strategies and policies to implement health insurance in their own country context.

Revisiting and restructuring policies at several stages of health insurance scheme played a vital role for countries to achieve targets. The same mechanism can have a different impact in different settings depending on the stage of development of a particular country and its social, political and economic.

It might reflect to be effective for a country to have different types of health insurance co-existing to serve different groups of the population or have various types follow each other in succession. In Bangladesh this scheme will be successful in the mentioned areas.

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AMPHAN CYCLONE IN WEST BENGAL & ODISSA: THE TITBITS FOR THE SURVEYORS

Introduction:

All the insurance companies have received over hundreds of claims for damage to property in the aftermath of cyclone 'Amphan', which left behind a trail of destruction in West Bengaland Odisha. At least 86 people were killed and lakhs were rendered homeless after the cyclone battered a dozen districts in Bengal, including state capital Kolkata, on May 20, 2020. In Odishathe impact was little bit lesser. After cyclone 'Amphan' caused widespread destructions in West Bengal and Odisha, the insured losses from the calamity could be in the range from Rs 800 crore to Rs 1,000 Crores.

The directive of IRDAI:

The General Insurers may have written policies that extend to lives and property located in the affected areas. Hence, there is an urgent need for the insurance industry to take immediate steps to mitigate the hardships of the affected insured population by ensuring immediate registration and settlement of eligible claims.

Insurers are advised to initiate immediate steps for quick registration and disposal of claims on the following lines: -

a. Please nominate a senior officer at the company level who would act as a Nodal Officer for the affected states. The Nodal Officer would be coordinating the receipt, processing, and settlement of all eligible claims. The Nodal officer should contact Chief Secretary/ Officer concerned of the state immediately and to be in regular contact thereafter.

b. Similarly, District level Nodal officer may be appointed in each affected district to liaise with DM/District Administration.

c. The contact particulars of the Nodal Officer may also be conveyed to us and the same may be given due publicity in the press and though State Govt. to enable immediate filing of Claims. In addition to this 24/7 help lines may be started.

d. If there are any death claims and death certificate is

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difficult to obtain on account of non-recovery of body etc, the process followed in the case of Jammu & Kashmir floods (Notification of Ministry of Home Affairs, GoI, No. 1/12/2014- Vs (CRS) Dated 12.09.2014- which was also followed when recent floods and cyclone occurred), may be considered.

e. Details of offices/special camps set up for the purpose and other relevant details may be publicized through your website, media and through State Government channels to enable filing of claims.

d. It needs to be ensured that all claims are surveyed immediately and claim payments/on account payments are disbursed at the earliest and in any case not exceeding the stipulated time-line.

f. Adequate number of surveyors may be engaged immediately as required.

g. Insurers are also requested to launch extensive awareness campaign in the affected states duly highlighting the measures taken by you.

h. In view of Corona Virus (Covid-19) pandemic, the Insurers shall encourage the policyholders to use electronic communication wherever possible for correspondence while intimating the claim and filing all the relevant documents.

All non-life insurers (including Standalone Health Insurers) are advised to submit information related to Cyclone Amphan (May 2020) insurance claims to General Insurance Council in the format already circulated by them.

IRDAI requested the insurers to take urgent steps for expeditious settlement of claims in the cyclone hit areas and submit details of the same as advised above.

The basics for the insurers:

All the insurers had been facing shortage of manpower since the imposition of lockdown regulations, limiting the number of employees at office. At the same time there is also the shortage of surveyors. A good number of surveyors are being engaged in this process where all of them do not normally have the experience on what information or papers they should receive from the effected insurance policy holders for that expeditiously settling the claims, when the claim is lodged under Standard Fire & Special Perils Policies covering STFI Perils.The Surveyors are also in a hurry being amidst of huge numbers of claims to survey. That prompted me to come forwards with the checklist of documents to be taken from the insurers and the short & simplified report format to be adopted.

A. Tentative check list of documents to be collected from the insured:

1. Copy of the intimation given by the insured to the insurer.
2. The statement of fact on the incident with damages - from the insured.
3. The claim form - duly filled in by the insured.
4. Photographs of all the damaged items to be taken. There is methodology in taking photos, whereby the total site of the risk should be shown viz. a panoramic view and thereafter the buildings where the loss took place. These photographs needs to be e-mailed (or submitted by hard copy to all offices of the specific insurer dealing with the claim.
5. Policy copy - to know the coverage granted by the concerned insurer.
6. Layout drawing of the affected Risk / Block.
7. Estimate of loss - location wise with items & costs involved
8. If raw materials, stock-in-process items and finished product are involved - process flow diagram.
9. Total value of insured items.
10. If the premises owned by the insured - ownership proof.
11. Trade/ Factory Licence.
12. MSME Certificate - since priority is given for them for immediate settlement by the insurers.
13. GST Details - Registration Certificate, whenever involved.
14. Pollution Certificate, whenever applicable.
15. Fire Certificate.
16. Balance sheet, wherever applicable.

17. IT Return record.
18. In case of Bank Loan / Cash Credit, Bank Sanction Letter & latest Bank statement Submitted to Bank.
19. Purchase / Sales / Asset Registrars.
20. Stock value on the date of loss.

B. Immediate loss advice summary to be submitted to the insurer after the visit of all loss sites in the following format:

Name of the Surveyor:

Licence No.

SL No.	Insured Name	Policy Number	Estimate (in lakhs)	ILA (in lakhs)	Location	Date of visit

Submission of interim survey report in the following simplified format:

IIISLA Membership Number Date:

License No.: SLA / ……

Expiry Date: …………..

Report Ref. No…………….

INTERIM SURVEY REPORT- CYCLONE AMPHAN MAY 2020

Claim No. .... Policy No. …………………………………..

Reported Loss due to CYCLONE AMPHAN MAY 2020

A/c Insured Name.

THE INCIDENT	Reported Loss due to CYCLONE AMPHAN MAY 2020
THE INSURED	
THE INSURER/s	
POLICY NUMBER/s	…………….. Insurance Policy No. …………….. (Policy Schedule enclosed - Enclosure 1)
DETAILS OF FINANCIER'S IF ANY	
POLICY PERIOD	
CLAIM NUMBER	

1

LOCATION OF THE AFFECTED PREMISES	
OCCUPATION	
TIME, DAY & DATE OF LOSS	
TIME & DATE OF INSTRUCTION FOR SURVEY	
TIME & DATE OF SURVEY	
PERSON(S) CONTACTED, WITH DESIGNATION AND CONTACT DETAILS	a. b. c.
CAUSE OF LOSS	
NATURE & EXTENT OF DAMAGE / LOSS	------------- Photographs of major damage taken during survey enclosed (Enclosure 2).
INSURED'S CLAIM	Loss estimated: Rs....... (Enclosure 3) (Optional)
PROVISIONAL / INTERIM ESTIMATE OF LOSS	Minimum Liability on Indemnity/Market Value basis: Rs...... Maximum Liability on RIV basis: Rs. Refer Provisional loss assessment worksheet attached, based on Insured's estimate.
REMARKS	1. The Insured have been provided with a detailed list of requirements of documents and information. 2. A detailed assessment of loss based on further verification, testing, validation and evaluation will be carried out and covered in the final survey report (FSR). 3. The FSR will provide final loss adjustment and reckon with all applicable adjustments, salvage, evaluation of value at risk and application of under-insurance, if any, and policy excess.

INSURER'S LIABILITY:

The reported loss falls within the ambit of the Policy. The Minimum Liability on Market Value basis has been provisionally assessed at Rs......, and the Maximum Liability on RIV basis at Rs............

The Insurer can make an interim / on-account payment of Rs... at this stage to provide an interim relief to the Insured, and we confirm that this amount will not be more than the Minimum Liability on Market Value basis under the policy.

The survey has been conducted and this Interim Survey Report is issued without prejudice and is subject to the terms and conditions of the policy of insurance.

Enclosures:

1. Copy of Policy Schedule
2. Photographs of major damage taken during the survey
3. Insured's estimate of loss dt..........
4. Copy of Surveyor's mail dt.... to the Insured giving list of requirements

NAME & SIGNATURE OF INSURANCE SURVEYORS & LOSS ASSESSORS

While summing up -

All insurers claims settling officials are 'Working from Home' - so they are checking the survey reports scrupulously and for the fear of inflated claims where surveyors are sometimes colluded with the insured parties - for that insurers' claim settling officials are asking some additional information from the surveyors like the following:

1. Copy of Balance Sheet, trading and P/L Account as at 31.03.2018/ 31.03.2019 (which was Audited) & 31.03.2020 (Provisional) duly certified by CA with UDIN No.
2. Stock position from April, 2020 till loss dated 20.05.2020 which are certified by CA with UDIN No.
3. For GST (comprising of CGST & SGST) Amount to be reversed back to the insured - Insured need to submit the Form No. 3B (Reversal of GST) with certification by the Insured's Auditor/ CA's Certificationand Finished Goods' Cost Calculation with bifurcation of GST.
4. Labour Charges for shed repairing if allowed only from the single vendor - then surveyor should needs to give justification like - 'In view of the above, although as per the view of the insurers 2/3 quotations are required from other 2/3 vendors in normal situation - even may be expected in this instant claim settlement case but considering the Covid-19 Pandemic that is prevailing at the backdrop, with no train service available and very scanty road transport service being available in the entire state of West Bengal - the Insured strongly stated that they are unable to take such additional quotations from other repairers and since the matter of repairing that Shed was their urgent & immediate dire need at that moment of disaster and also directly related to the immediate revival of their factory's normalcy - the Shed was, therefore, simply repaired only by the available Shed Repairer at their hand. Since the shed was already duly repaired by the said repairer so we had to recognize that repair being satisfied by that repair - therefore, that issue of single repair quotation had been accepted by us wholeheartedly'.
5. IRDAI requested the insurers to take urgent steps for expeditious settlement of claims in the cyclone hit areas and submit details of the same as advised above In view of Corona Virus (Covid-19) pandemic, the Insurers shall encourage the policyholders to use electronic communication wherever possible for correspondence while intimating the claim and filing all the relevant documents. So wherever the scanned document, bills, invoices has to be submitted by the surveyor - affixing the surveyor'sstamp & signature on all pages/ documents (such as copies of purchase bill, stock register, etc.) are mandatory.
6. Insured must produce the purchase documents, viz. challan, bills, invoices and also sale records etc. as also the item-wise stock position, Trading & P/L Account and other relevant records. During inspection all the books of accounts had to be verified and to be justified that those are in order by the Concerned Surveyor.

Finally when the salvage matter is resolved with the quotations received from the independent, third party salvage buyers as well as the offer of the insured for their retaining the damaged items - amongst them the highest bidder has to be allowed to lift / keep the salvage and thereafter, final survey report is to be submitted to the insurer, as usual.

In case of Reinstatement Policy is issued the surveyor needs to confirm that the damaged items / properties / machines are really reinstated in fully working conditions, if not then settlement may be based on the market value (as resorted in the normal course when the policy is without RIV Clause) on the lowest quotation submitted for repair - for the sake of early settlement.

Insurers see up to 40% fall in non-Covid medical claims

Insurance companies have reported a drastic fall in medical claims by policyholders during the nationwide lockdown. Outgo on nearly all ailments - digestive to psychiatric, or even cancer-related treatments - has sharply reduced through the lockdown, trends shared by leading insurers showed. Industry experts believe that the reduced number of claims is largely on the back of concerns among patients against visiting hospitals, and many patients are delaying non-essential surgeries to help prevent infections. Additionally, the number of accidents has reduced.

"We have seen a 30-40% decline in non-Covid medical claims made at hospitals during the first few weeks of the lockdown," said Bhargav Dasgupta, CEO of ICICI Lombard. "The number of Covid related claims would be over and above these routine claims." This was reflected in the trends shared by other leading insurers as well. Standalone health player Max Bupa Health Insurance, for instance, said that while the highest claims in April had come from hospitalisation on account of unavoidable conditions such as genitourinary system (highest for chronic renal failure), cancer and childbirth; the claims for these respective conditions dropped by 40%, 42% and 45% as against March.

DEMYSTIFYING POLICY EXCLUSIONS AND CONDITIONS - INDUSTRIAL ALL RISK

This is the first in the series of articles I plan to write on various Policy Conditions and Exclusions mainly in Property Policies as per the various Policy Wordings used in Inda.

The Industrial All Risk Policy has an interesting exclusion.

Let us try and break up this exclusion into a logical analysis and let us see the modus-operandi of this exclusion/

The Policy does not cover damage to Insured Property caused by:

Faulty or Defective Design materials or workmanship inherent vice latent defect gradual deterioration deformation or distortion or wear and tear unless damaged by a cause not excluded in the Policy ensues and then the Insurer shall be liable only for the ensuing damage.

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If we look at the above exclusion we can identify the following:

1. Defective Design is not a Peril it is a situation.
2. Defective Workmanship is not a Peril it is a situation.
3. Inherent Vice is not a Peril and is an inbuilt situation.
4. Latent Defect is not a Peril it is a situation which may or may not result into something.
5. Deterioration is not a Peril but a consequence.
6. Deformation is not a Peril but a consequence.
7. Wear and Tear is not a Peril but a gradual loss of value induced by something.

Defective Design is generally defined as something in a product that is so great, the product cannot be utilized for the purposes intended or is even made hazardous as a result of the defect, imperfection.

Inherent vice is the tendency in objects to deteriorate because of the fundamental instability of the components of which they are made, as opposed to deterioration caused by external forces.

Latent defect is a problem with a product, property, etc. that is hard to notice and may not be noticed before it is bought.

Therefore there is an element of cover here too amidst the exclusions.

As we all know when a Peril Triggers we look at the Proximate Clause of Loss.

The Proximate Cause is defined as:

Proximate cause is the primary cause of a loss.

It is not necessarily the closest cause in time or space nor the first event that sets in motion a sequence of events leading to a loss.

Proximate cause produces particular, foreseeable consequences without the intervention of any independent or unforeseeable cause.

It is also known as legal cause.

Let us now look at the doctrines:

Scenario 1:

Let us assume that a Excluded Peril triggers an Insured Peril which then leads to a damage.

The damage thus gets covered.

Rain - Flood.

Now let us consider the case of design defect.

This is an excluded situation but it can lead to operation of an Insured Peril the damages thus caused can be called ensuing damages and are covered.

The element or the property having the design defect is not payable as this is an excluded property Conversely in a building there is design defect let us say in one of the beams. This design defect does not trigger any peril.

However due to mild Earthquake Cover the building collapses.

Here the defective condition has not led to an Insured Peril but the building has collapsed and the design defect has contributed to the collapse of the building.

Here the loss will not be payable.

Excluded Peril   Insured Peril   Damage Covered

It would be interesting to read the exclusion word by word and then relate with what has been written above.

Many such incidents happen and it is important to go back to the basics of Insurance and to the wordings of the Policy. The Insurance policy is a Contract and it is a legally enforceable contract and it is important to weigh each word of the Policy with a legal eye keeping in mind the basic principles of Insurance.

It may be pertinent to note here that Project Insurance Policies do provide for Design Defect Covers of various forms and there are different Design Defect Cover wordings available. ❑

IDBI Federal Life profit rises 22% to Rs. 162 crore

IDBI Federal Life Insurance reported a 22 per cent increase in its net profit to Rs. 162 crore in 2019-20.

"This is the eight consecutive year of profit for the organisation since it first declared profit in 2012-13," the private sector life insurer said in a statement.

However, its total premium declined 4.65 per cent to Rs. 1,843 crore in 2019-20 from Rs. 1,933 crore in 2018-19. Renewal premium grew 14 per cent year-on-year to Rs. 1,282 crore last fiscal.

"While 2019-20 has been a challenging year for the organisation, we have taken a number of steps to steady the course. We focussed on growing distribution footprint primarily through our proprietary channels, while continuing to strengthen bottomline parameters such as costs, surrenders, claims, profit after tax and solvency margin," said Vighnesh Shahane, Managing Director and CEO.

Its solvency ratio stood at 298 per cent in 2019-20, down from 334 per cent a year ago. Assets under management grew seven per cent to Rs. 9,775 crore in 201920 from Rs. 9,107 crore in 2018-19.

Pierre-Eric Lys is both a space and telecom scientist who successfully dabbled in space insurance for many years. He started as the Director of Space Risks at Allianz. Subsequently founded Paris based Spaceco, later moving it across to Dubai – where he founded another successful space insurance venture Elesco. It eventually became a world leader. An ace competitive sailor, Pierre is also a helicopter pilot. During the last five years he is involved in aeronautical research on solar power stratospheric UAVs and other humanitarian projects. Pierre is a keen observer of anything and everything to do with space. In this conversation he highlights the race, rivalry, and collaboration within the exclusive space club. He recalls the magic of live launches from the launch pads and how they sent his adrenaline gushing. In his view space projects fuel 'positive visions' thereby helping cope with the challenges we face today. The International Space Station, he believes, is the safest place to be in these times!

Interview of Mr Pierre-Eric Lys with Mr Praveen Gupta FCII, Chartered Insurer. Mr Gupta is the former MD and CEO of Raheja QBE. A recognised thought leader, Mr Gupta currently pursues interests in Climate Change, Diversity, Tech and Governance. The interview has been reproduced from his blog www.thediversityblog.com with his Permission.

"Our world is permanently subject to difficult challenges…there are multiple benefits for the people to have 'positive visions'… Space projects are exceptional, in this respect…"

Pierre-Eric Lys

Praveen Gupta (PG): Does the successful SpaceX mission to the International Space Station (ISS) by the USA gets it ahead of Russia, in the manned launch capability?

Pierre Lys (PL): To answer this question, you would have to look back into the entire history of manned spaceflights. It all started back in the days of cold war between USA and Soviet Union. Both parties have had their own path – with USA flying to the moon in the late 60's and Russia flying long duration spaceflights using their Mir station in the late 80's. As of today, the longest duration flight record is still held by cosmonaut Valery Polyakov, who spent 438 consecutive days onboard Mir in 1994-1995. China later joined the club in 2011. The ISS was then put together as a joint effort between Russia and Western countries, at the end of the 90's.

Talking about the manned rated launch vehicles – USA developed the Space Shuttle, which was operated between 1981 and 2011, now replaced by SpaceX Falcon 9. Russia has used the Soyuz rocket and its evolutions and has flown nearly 2000 times since 1966. Russia remains today the most

"Russia remains today the most experienced country in launching and flying humans into space. Their technology is getting old but has reached an unprecedented level of reliability"

experienced country in launching and flying humans into space. Their technology is getting old but has reached an unprecedented level of reliability. In terms of capabilities and technology, Falcon 9 is indeed way more advanced than the Soyuz. However, I believe we would need to see a few more successes before it becomes the reference in the field of human rated launch vehicles.

(PG): Is the entrepreneurial zeal of Elon Musk the differentiator over an established bureaucracy of Boeing?

(PL): It is certain that Elon Musk had a vision and has remained committed to it, even in difficult times of early failures of Falcon 1 rockets. Both the technical and the manufacturing efficiencies of SpaceX give them a very substantial advantage over any competition. Boeing needs to re-focus on making good aircrafts and good space vehicles in the hard environment of Covid crisis and strong aerospace competition. It is even more challenging for them to switch all their staff to a "nothing is impossible" mode – like SpaceX staff seems to have adopted since day one.

(PG): Did you watch the SpaceX launch from its own 'trampoline'? Did you feel any different from any past onsite launches? Which of them has been the most memorable?

(PL): Indeed, I watched the entire live cover for both the first attempt and the actual launch on May 30th. I would not miss any step of the amazing launch preparation sequence. I was lucky enough to be involved in many manned space program starting from Shuttle to Mir docking and ISS key life support systems. I attended many launches in many countries but launch of humans is always more emotional than satellite launches. I have seen Shuttle launch from Cape Canaveral and Soyuz inhabited launch from Baikonur cosmodrome. I cannot help from thinking about the exceptional number of equipment and qualified people who need to be ready and work exactly as planned at T-0 (launch second).

As an engineer, I am also always impressed by the performances necessary to bring astronauts to a much faster speed than a bullet. This Dragon 2 Demo flight was no different. However, attending a live launch on the launch pad is incredibly special and cannot be forgotten. When the sound of the rocket hits you, your body physically feels the power of the vehicle. And when you know someone is sitting on top of the vehicle, the adrenaline connects directly to your emotions. I was lucky to seat just next to Dennis Tito's family on the launch pad of Baikonur in April 2001. Today, I

"When the sound of the rocket hits you, your body physically feels the power of the vehicle. And when you know someone is sitting on top of the vehicle, the adrenaline connects directly to your emotions."

still remember every moment of this event, not only because he was the first tourist to fly to space.

(PG): Would space tourism generate enough traffic to make it commercially viable? Would it commence with visits to the international space station?

(PL): Space tourism has always been extremely popular. Just ask your friends and relatives, you would be surprised by the number of people who would like to fly to space. The hurdle is usually not the risks but the financial part of it. Dennis Tito's flight to the space station cost him USD 20 million in 2001. Twenty years later, the price has reduced by a factor 100. No doubt this trend will continue. I need to add the numerous number of near space experience offered today from accurate simulators to 0-gravity flights in airplanes.

I believe, however, that the International Space Station is not the easiest place for tourism. First, it was designed as a laboratory and it requires specific and complex training. Second, I do not believe that tourists would want to fly for more than a few hours, simply because the body reactions during long spaceflights are still difficult to accept just for pleasure. Third, going to and returning from the International Space Station requires a difficult in-orbit rendezvous. It is inefficient to fly there and return just for fun. I believe that short term flights to experience no gravity and to see the earth from above using a dedicated vehicle is certainly the future.

(PG): Are actuaries and underwriters ready to price such risks?

(PL): Underwriting space risks is usually not an actuarial exercise, for the simple reason that the statistics are usually too low in numbers to draw any inference. Space underwriters are usually qualified space engineers who would consider the flight data, manufacturing record and testing of the equipment that are used – to price the risk. I remain proud to have provided insurance for the first commercial Falcon rocket.

(PG): Do hedge funds continue as risk carriers for launches?

(PL): From my experience, space risks is like any other high volatility risks. The first benefit of only insuring launches is that you can actually 'watch the claim live' – right in front of your eyes. However, if you decide to insure satellites, it is the opposite, you cannot send an expert to assess the damages! You would have to rely on temperature, voltage, current data to assess the loss and determine the claim value. Hedge funds are looking for risks which are de-correlated from large natural disasters on earth as a good supplement to their portfolio.

(PG): Jeff Bezos believes fastest way to Mars is via moon. Is he on the drawing board? What kind of time frame could he be nurturing?

(PL): Bringing humans to Mars is a challenge in many ways. I would just start with an analogy which helps to visualise the distances: if the earth were a size of a football, the moon and mars would be the approximate size of an orange. The moon would be a few meters away from the earth ball, but mars would be a few kilometres away. This generates a large list of issues but just to share a few would help to answer your question. Communication with the earth would necessitate for the signal a few minutes to reach planet earth and then again, a few minutes for the mars inhabitants to receive an answer. Scenarios like "Houston we have a problem!" would then be somewhat different.

The mars inhabitants would have to be autonomous in many ways. They would have to solve all kinds of problems (technical, medical, etc.) on their own. This brings me to my second point: you need to carry a lot of mass on the planet in order to embark all life support systems, and by the way you would also need to have the rocket and fuel to come back to earth at some point. This is a big challenge. Of course, we can imagine that fuel needed to return is produced on mars (therefore the search for water is so critical). However, the quantity of hardware is so significant that it cannot be a single rocket mission. One would first need to aggregate the cargo outside of earth gravity and then move this assembled cargo to mars.

> *Space underwriters are usually qualified space engineers who would consider the flight data, manufacturing record and testing of the equipment… to price the risk.*

The moon is certainly a good base for this because it is a lot easier to leave lunar gravity than to leave earth's gravity. Interestingly, it took a decade to put the ISS together, but SpaceX has shown that it is possible to reduce the delays by a large factor. Once qualified for orbital missions, it is likely that Bezos's Blue Origin program will show same pace. It is quite conceivable that building an infrastructure in the earth orbit or on the moon could be done in less than 5 years from now.

(PG): Last but not the least, what makes you believe that we need projects like this, in these times?

(PL): Our world is permanently subject to difficult challenges such as natural disasters, malnutrition, and more recently the Covid pandemic. Humanity has shown its resilience, however, there are multiple benefits for the people to have 'positive visions' as well as challenges to face. In today's world, international cooperation is often reduced to international organisations like United Nations and World Health Organisation. Apart from large sports events like the Olympics or World Cups the outcome is never as visible as an actual project which everyone can see, understand and be part of. Space projects are exceptional, in this respect, in several ways. The International Space Station is a good example.

There is certainly an enhanced pride when significant projects have a national content. I would just refer to a speech from Dr APJ Abdul Kalam during the International Astronautical Congress 2007, in Hyderabad. His speech was a direct message to the young generations. Dr Kalam explained the importance for a country to have a sustainable growth path, and the vision to see India proud of its leadership. He explained to the young generations that every one of them will be an active contributor to these goals. During the following decade, the Chandrayaan missions have been followed by millions of people around the world. Thousands of Indian engineers have been involved directly or indirectly in this project. I am amazed by the level of details known by your countrymen about the past and future Indian exploratory missions.

PG: Many thanks for these 'out of this world' insights, Pierre!

GUIDELINES ON STANDARDIZATION OF GENERAL TERMS AND CLAUSES IN HEALTH INSURANCE POLICY CONTRACTS

1. Objective:

The Objective of these guidelines is to standardize the general terms and clauses incorporated in indemnity based Health Insurance [excluding Personal Accident (hereinafter called as PA) and Domestic / Overseas Travel] products by simplifying the wordings of general terms and clauses of the policy contracts and ensure uniformity across the industry.

These Guidelines are issued under the provisions of Section 34(1) of the Insurance Act, 1938 read with Regulation 20 and Schedule III of IRDAI (Health Insurance) Regulations, 2016.

2. Applicability:

These Guidelines are applicable to all General and Health Insurers offering indemnity based Health Insurance (excluding PA and Domestic / Overseas Travel) products (both Individual and Group).

The provisions of these guidelines shall be applicable to the indemnity based Health Insurance [excluding Personal Accident (hereinafter called as PA) and Domestic / Overseas Travel] products filed as per Guidelines on Product Filing in Health Insurance Business on or after 01st October, 2020. All policy contracts of the existing health insurance products that are not in compliance with these guidelines shall be modified as and when they are due for renewal from 01st April, 2021 onwards.

3. Other Provisions:

3.1 Where these general terms and clauses are used, Insurers shall incorporate the same wordings as prescribed in Annexure – 1 of these guidelines.

3.2 Insurers may incorporate other general terms and clauses in the product as per their product design in order to ensure an informed choice to the prospects/insured persons.

3.3 Insurers may suitably modify the general terms and clauses of the policy contract prospectively based on the Regulations or Guidelines that may be issued by the Authority time to time.

4. Definitions: The words used herein and defined in the Insurance Act, 1938, Insurance Regulatory and Development Authority Act, 1999 and Regulations notified there under shall have the same meaning as assigned to them respectively.

5. This has the approval of the competent authority.

(D V S Ramesh)
General Manager (Health)

Annexure - 1

Standard General Terms and Clauses:

1 Disclosure of Information

The policy shall be void and all premium paid there on shall be forfeited to the Company in the event of misrepresentation, misdescription or non-disclosure of any material fact by the policyholder.

(Explanation: "Material facts" for the purpose of this policy shall mean all relevant information sought by the company in the proposal form and other connected documents to enable it to take informed decision in the context of underwriting the risk)

2 Condition Precedent to Admission of Liability

The terms and conditions of the policy must be fulfilled by the insured person for the Company to make any payment for claim(s) arising under the policy.

3 Claim Settlement (provision for Penal Interest)

i. The Company shall settle or reject a claim, as the case may be, within 30 days from the date of receipt of last necessary document.

ii. In the case of delay in the payment of a claim, the Company shall be liable to pay interest to the policyholder from the date of receipt of last necessary document to the date of payment of claim at a rate 2% above the bank rate.

iii. However, where the circumstances of a claim warrant an investigation in the opinion of the Company, it shall initiate and complete such investigation at the earliest, in any case not later than 30 days from the date of receipt of last necessary document. In such cases, the Company shall settle or reject the claim within 45 days from the date of receipt of last necessary document.

iv. In case of delay beyond stipulated 45 days, the Company shall be liable to pay interest to the policyholder at a rate 2% above the bank rate from the date of receipt of last necessary document to the date of payment of claim.

(Explanation: "Bank rate" shall mean the rate fixed by the Reserve Bank of India (RBI) at the beginning of the financial year in which claim has fallen due)

(Note to Insurers: The Clause shall be suitably modified by the insurer based on the amendment(s), if any to the relevant provisions of Protection of Policyholder's Interests Regulations, 2017)

4 Complete Discharge

Any payment to the policyholder, insured person or his/ her nominees or his/ her legal representative or assignee or to the Hospital, as the case may be, for any benefit under the policy shall be a valid discharge towards payment of claim by the Company to the extent of that amount for the particular claim.

5 Multiple Policies

i. In case of multiple policies taken by an insured person during a period from one or more insurers to indemnify treatment costs, the insured person shall have the right to require a settlement of his/ her claim in terms of any of his/her policies. In all such cases the insurer chosen by the insured person shall be obliged to settle the claim as long as the claim is within the limits of and according to the terms of the chosen policy.

ii. Insured person having multiple policies shall also have the right to prefer claims under this policy for the amounts net allowed under any other policy / policies even if the sum insured is not exhausted. Then the insurer shall independently settle the claim subject to the terms and conditions of this policy.

iii. If the amount to be claimed exceeds the sum insured under a single policy, the insured person shall have the right to choose insurer from whom he/she wants to claim the balance amount.

iv. Where an insured person has policies from more than one insurer to cover the same risk on indemnity basis, the insured person shall only be indemnified the treatment costs in accordance with the terms and conditions of the chosen policy.

6 Fraud

If any claim made by the insured person, is in any respect fraudulent, or if any false statement, or declaration is made or used in support there of, or if any fraudulent means or devices are used by the insured person or anyone acting on his/her behalf to obtain any benefit under this policy, all benefits under this policy and the premium paid shall be forfeited.

Any amount already paid against claims made under this policy but which are found fraudulent later shall be repaid by all recipient(s)/policyholder(s), who has made that particular claim,who shall be jointly and severally liable for such repayment to the insurer.

For the purpose of this clause, the expression "fraud" means any of the following acts committed by the insured person or by his agent or the hospital/doctor/ any other party acting on behalf of the insured person, with intent to deceive the insurer or to induce the insurer to issue an insurance policy:

a) the suggestion, as a fact of that which is not true and which the insured person does not believe to be true;

b) the active concealment of a fact by the insured person having knowledge or belief of the fact;

c) anyother act fitted to deceive; and

d) any such act or omission as the law specially declares to be fraudulent

The Company shall not repudiate the claim and/or forfeit the policy benefits on the ground of Fraud, if the insured person / beneficiary can prove that the misstatement was true to the best of his knowledge and there was no deliberate intention to suppress the fact or that such misstatement of or suppression of material fact are within the knowledge of the insurer.

7 Cancellation

i. The policyholder may cancel this policy by giving 15 days' written notice and in such an event, the Company shall refund premium for the unexpired policyperiod as detailed below.

(Note to Insurers: Insurer shall specify the method of refund calculation)

Not withstanding anything contained herein or otherwise, no refunds of premium shall be made in respect of Cancellation where, any claim has been admitted or has been lodged or any benefit has been availed by the insured person under the policy.

(Note to insurers: Insurer may relax this condition as per the product design)

ii. The Company may cancel the policy at any time on grounds of misrepresentation non-disclosure of material facts, fraud by the insured personby giving 15 days' written notice. There would be no refund of premium on cancellation on grounds of misrepresentation, non-disclosure of material facts or fraud.

8 Migration

The insured person will have the option to migrate the policy to other health insurance products/plans offered by the company by applying for migration of the policy at least 30 days before the policy renewal date as per IRDAI guidelineson Migration. If such person is presently covered and has been continuously covered without any lapses under any health insurance product/plan offered by the company,the insured person will get the accrued continuity benefits in waiting periods as per IRDAI guidelines on migration.

For DetailedGuidelines on migration, kindly refer the link ....

(Note to Insurers: Insurer to provide link to the IRDAI guidelineson migration.Timelines for applying for migration may be relaxed by the insurer subject to product design)

9 Portability

The insured person will have the option to port the policy to other insurers by applying to such insurer to port the entire policy along with all the members of the family, if any, at least 45 days before, but not earlier than 60 days from the policy renewal date as per IRDAI guidelines related to portability. If such person is presently covered and has been continuously covered without any lapses under any health insurance policy with an Indian General/Health insurer, the proposed insured person will get the accrued continuity benefits in waiting periods as per IRDAI guidelines on portability.

For Detailed Guidelines on portability, kindly refer the link ....

(Note to Insurers: Insurer to provide link to the IRDAI guidelines related to portability. Timelines for applying for portability may be relaxed by the insurer subject to product design)

10 Renewal of Policy

The policy shall ordinarily be renewable except on grounds of fraud, misrepresentation by the insured person.

i. The Company shall endeavor to give notice for renewal. However, the Company is not under obligation to give any notice for renewal.

ii. Renewal shall not be denied on the ground that the insured person had made a claim or claims in the preceding policy years.

iii. Request for renewal along with requisite premium shall be received by the Company before the end of the policy period.

iv. At the end of the policy period, the policy shall terminate and can be renewed within the Grace Period of ...... days (Note to insurers: Insurer to specify grace period as per product design) to maintain continuity of benefits without break in policy. Coverage is not available during the grace period.

v. No loading shall apply on renewals based on individual claims experience.

11 Withdrawal of Policy

i. In the likelihood of this product being withdrawn in future, the Company will intimate the insured person about the same 90 days prior to expiry of the policy.

ii. Insured Person will have the option to migrate to similar health insurance product available with the Company at the time of renewal with all the accrued continuity benefits such as cumulative bonus, waiver of waiting period. as per IRDAI guidelines, provided the policy has been maintained without a break.

12 Moratorium Period

After completion of eight continuous years under the policy no look back to be applied. This period of eight years is called as moratorium period. The moratorium would be applicable for the sums insured of the first policy and subsequently completion of 8 continuous years would be applicable from date of enhancement of sums insured only on the enhanced limits. After the expiry of Moratorium Period no health insurance claim shall be contestable except for proven fraud and permanent exclusions specified in the policy contract. The policies would however be subject to all limits, sub limits, co-payments, deductibles as per the policy contract.

13 Premium Payment in Instalments (Wherever applicable)

If the insured person has opted for Payment of Premium on an instalment basis i.e. Half Yearly, Quarterly or Monthly, as mentioned in the policy Schedule/Certificate of Insurance, the following Conditions shall apply (notwithstanding any terms contrary elsewhere in the policy)

i. Grace Period of ___ (Note to Insurers: Insurer to specify grace period as per product design) days would be given to pay the instalment premium due for the policy.

ii. During such grace period, coverage will not be available from the due date of instalment premium till the date of receipt of premium by Company.

iii. The insured person will get the accrued continuity benefit in respect of the "Waiting Periods", "Specific Waiting Periods" in the event of payment of premium within the stipulated grace Period.

iv. No interest will be charged If the instalment premium is not paid on due date.

v. In case of instalment premium due not received within the grace period, the policy will get cancelled.

vi. In the event of a claim, all subsequent premium instalments shall immediately become due and payable.

vii. The company has the right to recover and deduct all the pending installments from the claim amount due under the policy.

14 Possibility of Revision of Terms of the Policy Including the Premium Rates

The Company, with prior approval of IRDAI, may revise or modify the terms of the policy including the premium rates. The insured person shall be notified three months before the changes are effected.

15 Free look period

The Free Look Period shall be applicable on new individual health insurance policies and not on renewals or at the time of porting/migrating the policy.

The insured person shall be allowed free look period of fifteen days from date of receipt of the policy document to review the terms and conditions of the policy, and to return the same if not acceptable.

If the insured has not made any claim during the Free Look Period, the insured shall be entitled to

i. a refund of the premium paid less any expenses incurred by the Company on medical examination of the insured person and the stamp duty charges or

ii. where the risk has already commenced and the option of return of the policy is exercised by the insured person, a deduction towards the proportionate risk premium for period of coveror

iii. Where only a part of the insurance coverage has commenced, such proportionate premium commensurate with the insurance coverage during such period;

(Note to insurers: Insurer may increase the free look period as per the product design)

16 Redressal of Grievance

In case of any grievance the insured person may contact the company through

Website:

Toll free:

E-mail:

Fax :

Courier:

Insured person may also approach the grievance cell at any of the company's branches with the details of grievance

If Insured person is not satisfied with the redressalof grievance through one of the above methods, insured person may contact the grievance officerat ………….

For updated details of grievance officer, kindly refer the link……….

(Note to insurers: Address of the Grievance Officer and link having updated details of grievance officer on website to be specified by the insurer. Insurer to also specify separate contact details for senior citizens)

If Insured person is not satisfied with the redressalof grievance through above methods, theinsured person may also approach the office of Insurance Ombudsman of the respective area/region for redressal of grievanceas per Insurance Ombudsman Rules 2017. (Note to insurers: Insurer to specify the latest contact details of offices of Insurance Ombudsman)

Grievance may also be lodged at IRDAI Integrated Grievance Management System - https://igms.irda.gov.in/

17 Nomination:

The policyholder is required at the inception of the policy to make a nomination for the purpose of payment of claims under the policy in the event of death of the policyholder. Any change of nomination shall be communicated to the company in writing and such change shall be effective only when an endorsement on the policy is made. In the event of death of the policyholder, the Company will pay the nominee {as named in the Policy Schedule/Policy Certificate/ Endorsement (if any)} and in case there is no subsisting nominee, to the legal heirs or legal representatives of the policyholder whose discharge shall be treated as full and final discharge of its liability under the policy.

Modified Guidelines on Product filing in Health Insurance Business-Norms on Proportionate Deductions

1. Reference is invited to the provisions of Clause (4) of Chapter II of Guidelines on Product filing in Health Insurance Business (Ref: IRDA/HLT/REG/CIR/150/07/2016) dated 29th July, 2016 (the guidelines) specifying norms on designing of health insurance products.
2. In addition to the norms specified in clause (4) of Chapter II of the guidelines, the following additional norms are specified.
3. Where as part of product design insurers propose proportionate deduction of the 'associated medical expenses' when a policyholder chooses a higher room category than the category that is eligible as per terms and conditions of the policy, insurers shall define 'associate medical expenses' in the terms and conditions of policy contract.
4. The following expenses are not allowed to be part of the definition of 'associate medical expenses'.
   a. Cost of pharmacy and consumables;
   b. Cost of implants and medical devices
   c. Cost of diagnostics
5. Insurers shall not recover any expenses towards proportionate deductions other than the defined 'associate medical expenses' while processing claims.
6. Insurers shall ensure that proportionate deductions are not applied in respect of the hospitals which do not follow differential billing or for those expenses in respect of which differential billing is not adopted based on the room category. This shall be clearly specified in the policy terms and conditions.
7. Insurers are not permitted to apply proportionate deduction for 'ICU charges' as different categories of ICU are not there.
8. The provisions of these guidelines shall be applicable to the Health Insurance products filed as per Guidelines on Product Filing in Health Insurance Business on or after 01st October, 2020. All policy contracts of the existing health insurance products that are not in compliance with these guidelines shall be modified as and when they are due for renewal from 01st April, 2021 onwards.
9. Insurer shall modify the policy wordings of the existing health insurance products without any change in UIN to comply with these guidelines.
10. This has the approval of the competent authority.

(D V S Ramesh)
General Manager (Health)

Post-COVID Health Insurance Trends: A Survey By Max Bupa

The COVID times have changed many things. It has changed the way we work, the way we spend leisure hours, our daily routine; it has given us the opportunity to appreciate the smaller things in life and pick up new hobbies. But most importantly it made us more conscious about our health and wellbeing.

Recently Max Bupa health insurance, conducted a survey to determine whether there has been any mindset changes among people after the outbreak of COVID 19. The reports show amazing differences between how people thought before and after the pandemic. It shows increased awareness about unknown diseases, more millennials and women coming forward to enquire and buy health insurance policies and other trends.

Here are the findings:-

Comprehensive health cover: More millennials are realising its need!

Since the outbreak of coronavirus, there has been a sharp increase in the number of millennials coming forward to enquire and buy a comprehensive insurance, i.e. policies covering treatment/ailment that are usually not covered in regular health plans, that covers new diseases. In pre-COVID times the percentage of buyers and intenders for comprehensive plans were 32% and 41% respectively. In the last few months, the demand for such plans saw a significant increase with the percentage of buyers and intenders going up to 55% and 60%.

COVID 19 was the wake up call for many. The increase in the number of policy takers and intenders among the millennials for a comprehensive insurance is a clear sign of rising awareness about such a plan and importance of having it.

The gender mix: Consciousness among women is far more than men

Even before the coronavirus outbreak, the demand for comprehensive coverage was more amongst women than men. Pre-COVID, if 33% men opted for comprehensive insurance, the demand for the same was 45% among the women, as per the Max Bupa survey.

Now the awareness about comprehensive insurance among men saw a 20% spike with overall 53% showing interest in the post-COVID times. But in comparison to women, the number is still low. In the last few months, the overall demand for a comprehensive plan among women has increased from 45% to 63%.

The Pandemic trauma: All our concerns today are COVID-centric

Before the pandemic, the biggest concern in people's mind was increase in personal health/well-being expenses. At least 70% of people thought that way. A common thought that often crossed people's mind was, considering medical inflation, how will I arrange for money if someone from my family or I fall seriously ill and need to be hospitalized.

But, this thought process has changed significantly since the outbreak of coronavirus. Today, 54% of people are concerned about keeping their family safe from the disease. Meanwhile, 50% of the people are concerned about going out of work or loss of income due to the lockdown.

While it is true that today the overall life expectancy has increased significantly due to advancements in medical science, it is also a fact that the number of diseases affecting us today are also on the rise. For example, H1N1, Sars virus, Mers virus and most recently COVID -19. Being a pandemic, COVID-19 has left us shaken changing our priorities forever.

Policy preferences: Shift from policy that spread awareness to policy that rewards awareness

The pandemic has also changed the way people choose which health insurance policy to buy. In recent times, there has been a preference shift from policy that spreads awareness to policy the rewards you for being aware.

In fact before the coronavirus outbreak, 41% people and

46% insurance owners preferred health insurance policies which would arrange talks, walkathon that would make them more aware about health and wellness. However, there is a major shift in policy preferences, with more 49% of the overall population and 57% health insurance policyholders showing their preferences for rewarding policies. The facts were stated by the Max Bupa survey.

Since the outbreak of COVID 19, people are now constantly reading and gaining information about health and wellness and are much more aware than earlier, which is a positive sign. Hence, they are preferring the health insurance policies that reward them for being healthy or being more aware.

Policy coverage queries: Coverage for COVID is most enquired about

While someone bought a health policy, though the coverage for new diseases, like coronavirus, was enquired about, it was never the top most query. People asked about the coverage for all possible diseases, especially diseases like diabetes, heart ailment, cancer etc which are often hereditary and run in the family. This was before the pandemic outbreak. The percentage of people looking for policy that pays for unknown illnesses (before COVID) was 50% for the overall population, 49% for insurance policyholders, 52% among the intenders, 46% and 57% among men and women respectively.

The reality changed after the outbreak of coronavirus, and the topmost question that is most asked today is whether the policy covers COVID and other unknown diseases. The percentage of such queries is 58% for the overall population, 65% for insurance policyholders, 60% among the intenders, 58% and 69% among men and women respectively.

In fact, the queries regarding coverage for COVID now are much higher than the top most queries, i.e. whether the health insurance policy pays for all illness, in the pre-COVID times.

Rising medical costs: A city-wise study

Medical inflation and rising cost of treatment has become a major concern for all of us. But the magnitude of this concern is different citywise. The Max Bupa survey revealed, in Lucknow, 95% of the millennials are worried about this thought, on the contrary only 51% of Delhi youngsters are concerned about the same.

Buying health insurance policy is the only way to find a solution, it covers the medical expenses if you or any of your family members are taken ill. Raising awareness about the importance of having health insurance is important in cities like Lucknow, where health insurance penetration is low.

Critical illness was the topmost reason for buying health insurance before COVID 19

Before the outbreak of COVID 19, if 86% of people bought health insurance for critical illness and 53% for all ailment, only 39% bought it to guard against unknown diseases like COVID 19. In fact, even though India is recognised as the capital for heart ailment, only 23% people bought it against heart diseases.

Currently, most health insurance policies are bought with the primary focus on the fact whether they cover diseases like COVID 19.

Coverage amount is the top criteria determining the buying decision

In the pre-COVID times, most people decided to buy a health plan depending on how much coverage the plan would be providing. At least, 66% of people took it to be the top most criteria. Another big concern was whether the plan provides a cashless facility. 55% of people thought it to be important. Other important concerns were - illness covered (39%), whether family floater is available (33%), premium amount (30%). Meanwhile, duration of health coverage was the least of the concerns while buying health policy. Only 21% thought it to be important.

Today, not only the top query regarding health insurance is whether it covers COVID 19 or not, in fact it is the top criteria for purchase of health insurance policy. As much as it is very important for one to know whether it covers an unknown disease like COVID 19, a policy should not be bought solely based on that fact. Your research should be more extensive while buying a health insurance policy.

Awareness about policy feature: Delhites are most informed

As much as it is important to have a health insurance policy, it is equally important to know what it covers and what its features are. In that sense people in Delhi are most well informed about important features about their health insurance policies. 81% have the awareness about the importance of having a separate cover for life threatening disease. 93% know about cashless facilities and 78% are aware of room rent eligibility. Meanwhile, for all the three criterias, Bengaluru features in the bottom of the list.

This is a classic example of how awareness can reduce our concerns. As per the Max Bupa survey people are not only aware of the importance of having health insurance, they are least worried about rising healthcare expenses. If we join the dots and scrutinize both the parts of the report, then we will realise that these two results are interlinked. ❑

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ADVERTORIAL

BIMTECH
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BIMTECH Orientation Programme Batch 2020-22

Post Graduate Diploma in Management (Insurance Business Management)

The orientation programme of the 2020-22 batch of PGDM students of the Programme of Insurance Business Management, BIMTECH witnessed giants of the insurance industry addressing the students.

Mr Tapan Singhel, Managing Director & CEO Bajaj Allianz General Insurance Co. Ltd., and the Chief Guest for the day, shared his corporate journey,startingfrom an officer in a public sector undertaking to his elevation as an MD & CEO of a leading private insurer of the country with the budding insurance professionals. "Overcome all odds in life and have a never give up attitude to problems. Keep on learning new things with time- There are times, you are required to perform a task that you are not acquainted with, but pick up the gauntlet, and do the same work with confidence and a positive attitude" exhorted Mr Singhel.

In her address, Guest of Honour of the day, Ms Malti Jaswal, Senior Consultant, World Bank & Advisor, National Health Agency shared her life journey and her experiences in different organisations. She emphasised on the need to learn new things with time in an ever-changing environment

The Programme started with the welcome address by Dr. Abhijit K. Chattoraj-Professor and Chairperson-PGDM-IBM stressed on the need to be an achiever in life and gave examples of several achiever sand visionary managers. He felt that Dr. Harivansh Chaturvedi, the director of BIMTECH qualifies as a visionary institutional builder, who built a great institution like BIMTECH from the scratch. He assured the students that were in safe hands of knowledgeable and competent members of faculty.

Prof (Dr) K.C. Arora, Professor of Finance and the Registrar of the institute, enumerated various advantages of joining the insurance programme at BIMTECH. He highlighted the various coveted national and international accreditations that BIMTECH as an institution enjoys. BIMTECH is the only institute along with XLRI Jamshedpur to be granted Category 1 graded autonomy by AICTE and was also rated by NAAC as an A grade institution.

Prof Manoj Kumar Pandey made a short presentation about PGDM- Insurance Business Management Programme, giving details about programme structure, curriculum, tie-ups with international insurance bodies like CII UK, Swiss Re etc. He summed up student's achievements of previous batches and interactions with corporates over the years for final placement of students.

This was followed by a brief introduction of faculties associated with the IBM programme namely Dr Abhijit Chattoraj, Prof. KK Krishnan, Prof. Manoj Kumar Pandey, Prof. Pratik Priyadarshi, Prof. Manoj Pareek, Prof. Saloni Sinha and Prof Monika Mittal.

Prof K.K. Krishnan proposed the vote of thanks to Mr. Singhel for sparing time for students and sharing his wisdom with the students. Prof (Dr) Harivansh Chaturvedi blessed the new students and thanked Mr. Singhel and Ms Malti Jaswal profusely for sparing their time for the orientation programme and being with the students.

Prof Pratik Priyadarshi proposed eloquently the vote thanks to Ms Malti Jaswal. Students were also fortunate to be blessed by Prof (Dr) Anupam Varma -the Deputy Director of the institute. Post lunch, there was self-introduction by students followed by a lively quiz competition actively participated by the new students. The entire programme was anchored and coordinated by Prof Monika Mittal. ❑

RMAI Certificate Course on Risk Management

Introduction

RISK MANAGEMENT ASSOCIATION OF INDIA (RMAI) has been pioneering the efforts towards awareness on the subject of Risk, creating academic and research environment to empower the professionals in this highly competitive financial services and allied industry.

Keeping pace with the global challenges and emerging opportunities for Professionals post Covid, RMAI is proud to launch the first-ever ONLINE Certificate Course on Risk Management from India. There never has been a more crucial time to stand-out and be counted as a professional who is able to demonstrate the knowledge and ability to anticipate, respond and adapt to critical issues pertaining to risk.

As Risk Management becomes central to today's business environment across the globe, there is a surge in demand for competent and expert risk management professionals to identify, assess, prioritize and develop a proper risk management framework to minimize the impact on businesses.

Online Certificate Course on Risk Management is designed to expand your knowledge and understanding of managing risks in a technology-enabled modern day dynamic business environment.

Every Professional working in the area of risk management and financial services industry, students pursuing courses in insurance and business management, small business owners interested in insights on Risk Management can be immensely benefitted by this 8 Week 30 hour course.

Realizing the imminent need for industry/organizations to have more employees who possess RISK LITERACY along with few experts, RMAI is committed to providing the right foundation of risk-knowledge and market-insights with global best practices.

This certificate Course is a Joint Certification programme of Risk Management Association of India and Association of Internal Control Practioners (THE AICP), London, UK. (https://theaicp.org)

Course Modules

Module -1- Introduction to Risk Management

Module -2- Understanding Environment and Stakeholders

Module -3- Risk Strategies and Corporate Governance

Module -4- Risk Management Framework

Module -5- Risk Management Process

Module -6- Emerging Risk

Module -7- Types of risks

Module -8- Models for Estimation of Risk

Module -9- Project and Assessment

Course Details

Course Duration/ Time	30 Hours / 8 Week
Course Start Date	1st July 2020
Mode of Delivery	Online. E learning Modules Two Live Query Sessions for Clearing the doubts. Participants can also raise their query through mail/E Learning software
EARN A CERTIFICATE	Post successful completion of the course, Project and Assessment, you shall EARN A CERTIFICATE in RISK MANAGEMENT jointly awarded by Risk Management Association of India and AICP, London. You can use this Certificate across your Professional network and share with current/ prospective employers

Course Fees	INR 15,000 or USD 350 for international participants
Special Offer for first 100 Registrations:	25% Discount on Course Fees - INR 11,250 or USD 262.50
Special Offer for RMAI Members:	40% Discount on Course Fees for Registration till 30th June 2020 - INR Rs.9000 After 30th June RMAI Members will continue to get 15% discount
Final Exam Fees	INR Rs.750 Examination Fees - Indian Students US $ 20 - International Students (To be paid Later) Final Exam shall be conducted by Remote Invigilation.

Course Methodology

i) Online Course spread over eight week (E Learning Modules)

ii) 8 Modules of three hours each Plus Project

iii) Quiz during each module to check understanding

iv) Query Management Sessions by Experts

v) Individual Project and Guidelines

vi) Course Completion Assessment

vii) Final Exam by Remote Invigilation

More about AICP London

Association of Internal Control Professionals was established in London in 2014 the Institute is a not-for-profit organisation whose registered office is at; 71-75 Shelton Street, Covent Garden, London, WC2H 9JQ.

AICP is Europe's one of leading Institute for professional excellence in Internal Control, Risk Management, Corporate Governance and Compliance, and an innovator in internal control and risk management in Procurement & Supply Chain Management Operations.

The institute's professional membership currently extends to twenty-one countries and provides access to a wealth of skill building, reinforced through consulting, training, assessments, and certificated courses through eLearning.
Website: https://theaicp.org/

Value-added Benefits

- Complimentary Student Membership of RMAI for One Year you can continuously update your knowledge on the subject of Risk Management and upgrade your skill-set with various initiatives of RMAI during the year (Valid for First 100 Registrations)
- Complimentary Subscription to Online Insurance or Banking Library from SASHI PUBLICATIONS
- Career Opportunity Section on the Website of RMAI (rmaindia.org) which will have list for all new openings and opportunities in risk management and related fields
- Opportunity for publication of research paper and articles in RMAI Bulletin and other platforms
- Participate in Webinars conducted during the period

Payment Options:

1. You can remit the payment by NEFT in our Bank Account details below
   Bank Details of Association :
   Risk Management Association of India
   Bank of India Account Number: 402110110007820
   Branch: Vivekananda Road Branch
   Type of Account: Savings
   IFSC Code : BKID0004021
   MICR Code: 700013048
2. You can Make Payment by Debit Card/Credit Card/ Wallet/Net Banking/UPI/EMI
   RMAI Non Members Please click here to pay Rs.12000 - Valid For First 100 Registrations
   (Rs.11250 plus Exam Fees Rs.750)
   RMAI Members Please click here to pay Rs.9750 - Valid till 30th June 2020
   (Rs.9000 plus exam fees Rs.750)
   International Students: Pay US $ 262.50 Plus Exam Fees US $ 20 - Valid For First 100 Registrations - Please pay directly in Bank by NEFT.
3. Companies who want to enroll their employees in bulk can request for a invoice at info@rmaindia.org

In case of any Query about the Course you can contact us

EMail: info@rmaindia.org
Phone: 9903040775/8232083010
Post: Risk Management Association of India, 25/1, Baranashi Ghosh Street, Kolkata – 700007. India

IRDAI Circular

Guidelines on Telemedicine

IRDAI/HLT/REG/CIR/149/06/2020

Date:11-06-2020

1. Medical Council of India has issued 'Tele Medicine practice guidelines' on 25th of March 2020, enabling registered Medical Practitioners to provide Healthcare using Tele Medicine.
2. In the above background, insurers are advised to allow telemedicine wherever consultation with a medical practitioner is allowed in the terms and conditions of policy contract.
3. Telemedicine offered shall be in compliance with the Telemedicine Practice Guidelines dated 25th of March 2020 and as amended from time to time.
4. Provision of allowing telemedicine shall be part of claim settlement of policy of the insurers and need not be filed separately with the Authority for any modification. However, the norms of sub limits, monthly/ annual limits etc. of the product shall apply without any relaxation.
5. This has the approval of the competent authority.

(D V S Ramesh)
General Manager (Health)

Guidelines on Public Disclosures by Insurers on the qualitative and quantitative parameters of the health services rendered to policyholders

IRDAI/HLT/MISC/CIR/146/06/2020

Date:10-06-2020

1. All general and health insurers registered with IRDAI rendering health services both through TPA and/or in-house shall make the captioned TPA wise public disclosures in the format specified at Annexure -1. The data in the specified format shall be duly signed by either CEO or one of the Whole Time Directors of the Insurer.
2. The information shall be published within a period of ninety days after the close of every financial year.
3. All TPAs shall provide the link of every insurance company where the said information is available. The link shall be made available in respect of the insurers with whom the TPA had a service level agreement.
4. All TPAs shall also provide the requisite data or information to the Insurers, wherever called for, in order to enable insurers publish the above information in their respective websites.
5. The policyholders desirous of knowing the details referred in annexure-1 shall be able to access all the above information on visiting the website of respective Insurer or the TPA.
6. In case of termination of services of a TPA, the Insurer shall publish the same in its website along with the reasons for termination within three days from the effective date of termination.
7. The above directions shall come into force with immediate effect and data as at 31st March, 2020 shall be published by 30th September, 2020.
8. These guidelines are issued under the powers vested with Section 34(1) of the Insurance Act, 1938 read with Regulation 3 (5) of Insurance Regulatory and Development Authority of India (Third Party Administrators - Health Services) Regulations, 2016.
9. This is issued with the approval of Competent Authority.

(DVS Ramesh)
General Manager (Health)

Legal Entity Identifier (LEI) code

IRDAI/F&A/CIR/MISC/134/06/2020

Date:05-06-2020

A. Legal Entity Identifier (LEI) code has been conceived of as a key measure to improve the quality and accuracy of financial data systems for better risk management post the Global Financial Crisis. The LEI is a 20-character unique identity code assigned to entities who are parties to a financial transaction. The Reserve Bank of India vide circulars RBI/2016-17/314 dated 1st June, 2017, RBI/2017-18/82 dated 2nd November, 2017, RBI/2018-19/83 dated 29th November, 2018 and RBI/2018-19/177 dated 26th April, 2019, has implemented the requirement of LEI in OTC derivatives markets, banking sector and govt. securities market in a phased manner. LEI can be obtained from Legal Entity Identifier India Ltd.

B. Pursuant to the advice of the Financial Stability Development Council, Sub-Committee (FSDC-SC), IRDAI examined the requirement to obtain LEI by its regulated entities and the entities dealing with the regulated entities. Accordingly, it has been decided that

   i. insurers shall necessarily obtain LEI as per the procedure prescribed in the above referred circulars on or before 31st July, 2020;

   ii. insurers shall advise their existing corporate borrowers having total exposures of Rs. 50 crore and above, and have not obtained LEI till now, shall obtain LEI and provide the LEI information on or before 30th June, 2020,

   iii. borrowers who do not obtain LEI, are not to be granted renewal/enhancement of credit facilities by the insurers,

   iv. no new loan proposals shall be sanctioned by the insurers without LEI information, and

   v. insurers shall capture the LEI code of corporate borrowers in their records and specify the same while reporting the transactions executed with such corporate borrowers.

C. This circular is issued under the powers vested in Section 34 (1) of Insurance Act, 1938.

Pravin Kutumbe
Member (F&I)

Extension of time limit applicable to Public Disclosures on websites

IRDA/F&A/CIR/MISC/132/06/2020

Date: 04-06-2020

The Authority has issued directions vide circular ref. IRDA/F&I/CIR/F&A/012/01/2010 dt. 28th January 2010 for hosting the financial and other information in specified formats on the respective websites by insurers. Similarly, the Authority has also mandated insurers to furnish various online returns and financial information through the BAP Portal.

In view of the lockdown and restrictions imposed to contain the spread of the COVID 19 pandemic, the Authority had already extended the time limit for furnishing various returns and reporting compliances by insurers, vide circular ref. IRDAI/Life/Cir/Misc/079/04/2020 dt. 4th April, 2020 to mitigate any hardships. The time limit for furnishing all quarterly, half-yearly and annual returns for the period ending on 31.03.2020 has been extended by 30 days.

It is hereby clarified that the time limit for ensuring compliance with the directions regarding Public Disclosures on websites by insurers for the period ending 31st March 2020 is also extended by 30 days.

All insurers are advised to adhere to directions regarding the time limits and ensure regulatory compliance.

Pravin Kutumbe
(Member F&I)

Disclosure of underwriting philosophy of offering Insurance coverage to Persons with Disability (PWD) and people affected with HIV/AIDS and Mental Illness diseases.

IRDAI/HLT/MISC/CIR/129/06/2020

Date:02-06-2020

1. Reference is drawn to the provisions of IRDAI (Health Insurance) Regulations, 2016 in accordance to which every insurer shall evolve a health insurance underwriting policy covering approach and aspects relating to offering health insurance coverage not only to standard lives but also to substandard lives. Further

insurance companies shall also comply with various provisions of HIV and AIDS Prevention and Control Act, 2017 and Mental healthcare Act, 2017.

2. Notwithstanding the above provisions, it is considered essential that the targeted population of every insurer shall have complete information on the philosophy that insurers adopt while complying with the above referred provisions.

3. In furtherance to above, all Insurers are instructed to publish on their respective websites the underwriting philosophy and approach with regard to offering insurance coverage to the following category of population:
   a. Persons with Disabilities (PWD)
   b. Persons affected with HIV /AIDS
   c. Persons affected with Mental Illness diseases.

4. All Insurers (Life, General and Health Insurers) are here by directed to comply with the aforesaid instruction by 01st October, 2020.

5. This has the approval of the competent authority.

(D V S Ramesh)
General Manager (H)

Withdrawal of Long Term Package cover offering both Motor Third Party Insurance and Own Damage Insurance for three years or five years

IRDAUNUCIR/MOT/143/06/2020

Dated: 8t June, 2020

1. Pursuant to the decision of the Supreme Court in the matter of WP No.295/2012 of Shri.S. Rajaseekaran vs Union of India and Ors, the Authority issued Circular Ref: IRDAUNL/CIR/MOT/137/08/2018 dated 28th August, 2018, directing that all general insurers (except the stand-alone health insurers and the specialized insurers) shall offer only three-year Motor Third Party insurance policies for new cars and five year motor third party insurance policies for new two-wheelers with effect from 1st September, 2018.

2. With the introduction of the aforesaid long term covers, the general insurers were advised to provide insureds the following two options to choose from:
   (i) Long Term Package cover offering both Motor Third Party Insurance and Own Damage insurance for three years or five years as the case may be,
   (ii) A bundled cover with a three-year or five-year term (as applicable) for the third party component and a one-year term for the Own Damage.

3. In addition to the above covers and effective 1st September, 2019, the insurers shall make available stand-alone annual Own Damage covers (including standalone OD cover for fire and/or theft [GR 45 A and 45 B] if opted for by the policyholder) for Cars and Two-wheelers, both new and old in terms of Circular Ref: IRDAI/NL/MOTOD/095/06/2019 dated 21st June, 2019.

4. The Authority has reviewed the various options of long term and annual motor insurance covers now being offered to the prospects/policyholders pertaining to Own Damage. After a careful examination of the performance of Long Term Package covers and the following concerns relating to its implementation since its introduction in September, 2018, the Authority has decided to withdraw Long Term Package covers offered for three years or five years for new cars and new two-wheelers respectively with effect from 1st Aug, 2020.
   ❖ Actuarial pricing has been a challenge for insurers for long term Own Damage cover.
   ❖ Distribution of package policies has its challenges due to affordability factors for a large section of owners of vehicles.
   ❖ The possibility of forced selling due to financial interest/ being linked to loans is high.
   ❖ In case of deficiency in services, policyholders would be saddled with a longterm product with no flexibility to change options.
   ❖ The No Claim Bonus (NCB) structure is not uniform among insurers and this could lead to confusion and dissatisfaction amongst the policyholders.

5. Except for withdrawal of the long-term package products (and the add-ons thereon) with effect from 1st August, 2020, all other extant provisions shall continue mutatis mutandis.

6. No Claim Bonus in respect of long-term package policies already issued will accrue only when the policy term has been completed.

Please acknowledge this circular and confirm having noted its contents.

(T. L. Alamelu)
Member (Non-Life)

Performance Statistics - Non-Life Insurance

GROSS DIRECT PREMIUM UNDERWRITTEN FOR AND UPTO THE MONTH OF JUNE 2020

(Rs. in crores)

INSURER	For the month of June		Upto the Month of June		Market Share upto the Month of June 2020 (%)	Growth over the corresponding period of previous year (%)
	2020-21	2019-20	2020-21	2019-20		
Acko General Insurance Limited	25.92	22.41	56.21	66.94	0.14	(16.03)
Bajaj Allianz General Ins. Co. Ltd.	767.86	915.51	2,266.53	2,822.95	5.76	(19.71)
Bharti AXA General Ins. Co. Ltd.	167.03	162.49	508.92	578.32	1.29	(12.00)
Cholamandalam MS General Ins.	338.00	366.01	858.84	1,100.86	2.18	(21.98)
NAVI General Insurance Limited	6.62	15.16	10.56	41.47	0.03	(74.54)
Edelweiss General Ins. Co. Ltd.	10.18	4.01	36.52	18.15	0.09	101.21
Future Generali India Ins. Co. Ltd.	192.84	155.23	672.48	584.05	1.71	15.14
Go Digit General Ins. Ltd.	223.69	147.60	604.15	460.39	1.54	31.22
HDFC Ergo General Ins. Co. Ltd.	537.59	513.97	1,538.58	1,776.48	3.91	(13.39)
ICICI Lombard General Ins. Co. Ltd.	1,026.01	857.74	3,302.21	3,486.88	8.40	(5.30)
IFFCO Tokio General Ins. Co. Ltd.	773.97	686.96	1,734.48	1,890.62	4.41	(8.26)
Kotak Mahindra General Ins. Co.	46.53	30.91	97.43	82.05	0.25	18.74
Liberty General Ins. Ltd.	98.83	105.22	319.55	371.03	0.81	(13.88)
Magma HDI General Ins. Co. Ltd.	102.60	94.41	213.78	265.71	0.54	(19.55)
National Ins. Co. Ltd.	973.40	897.04	2,762.13	3,107.67	7.02	(11.12)
Raheja QBE General Ins. Co. Ltd.	12.57	7.98	36.17	24.87	0.09	45.46
Reliance General Ins. Co. Ltd.	632.46	601.06	1,851.90	1,971.23	4.71	(6.05)
Royal Sundaram General Ins. Co.	195.47	217.11	585.03	717.83	1.49	(18.50)
SBI General Ins. Co. Ltd.	635.99	331.07	1,205.17	1,277.31	3.06	(5.65)
Shriram General Ins. Co. Ltd.	179.20	197.31	457.24	545.03	1.16	(16.11)
Tata AIG General Ins. Co. Ltd.	618.48	854.53	1,798.97	2,155.05	4.57	(16.52)
The New India Assurance Co. Ltd.	2,534.02	2,412.74	7,516.66	7,138.78	19.11	5.29
The Oriental Ins. Co. Ltd.	899.95	1,106.43	2,822.39	3,406.26	7.18	(17.14)
United India Ins. Co. Ltd.	1,253.73	1,069.88	3,993.09	3,685.72	10.15	8.34
Universal Sompo General Ins. Co.	122.73	113.39	418.62	358.96	1.06	16.62
General Insurers Total	**12,375.67**	**11,886.17**	**35,667.60**	**37,934.61**	**90.69**	**-5.98**
Aditya Birla Health Ins. Co. Ltd.	89.27	52.10	245.60	143.10	0.62	71.63
HDFC Ergo Health Ins. Co. Ltd.	177.80	164.15	445.79	486.61	1.13	(8.39)
ManipalCigna Health Ins. Co. Ltd.	55.12	39.23	143.07	125.97	0.36	13.57
Max Bupa Health Ins. Co. Ltd.	117.80	83.77	306.02	250.46	0.78	22.18
Religare Health Ins. Co. Ltd.	186.31	125.73	481.62	575.41	1.22	(16.30)
Star Health & Allied Ins. Co. Ltd.	685.00	454.00	1,610.00	1,207.00	4.09	33.39
Reliance Health Ins. Ltd.*	(0.00)	1.32	(0.01)	3.53	(0.00)	NA
Stand-alone Pvt Health Insurers	1,311.31	920.29	3,232.10	2,792.08	8.22	15.76
Agricultural Ins.Co.of India Ltd.	171.78	51.69	259.59	86.68	0.66	199.48
ECGC Limited	102.49	89.74	170.34	258.77	0.43	(34.17)
Specialized PSU Insurers	**274.27**	**141.43**	**429.93**	**345.45**	**1.09**	**24.46**
GRAND TOTAL	**3,961.25**	**12,947.89**	**39,329.62**	**41,072.14**	**100.00**	**-4.24**

Note: Compiled on the basis of data submitted by the Insurance companies — *NA: Not Applicable*

**Takeover of Reliance Health Insurance portfolio by Reliance General Insurance*

Performance STATISTICS - LIFE INSURANCE

SUMMARY OF NEW BUSINESS PERFORMANCE OF LIFE INSURERS FOR THE PERIOD ENDED APRIL - 2020 (PROVISIONAL)

(₹ Crores)

Sl. No.	Particulars	Premium in Rs. Crore: Month of Apr-2020	Premium in Rs. Crore: Upto Apr-2020	Premium in Rs. Crore: Month of Apr-2019	Premium in Rs. Crore: Upto Apr-2019	Premium in Rs. Crore: YTD Variation in %	No. of Policies / Schemes: Month of Apr-2020	No. of Policies / Schemes: Upto Apr-2020	No. of Policies / Schemes: Month of Apr-2019	No. of Policies / Schemes: Upto Apr-2019	No. of Policies / Schemes: YTD Variation in %
1	**Aditya Birla Sun Life Insurance Co. Ltd.**										
	Individual Single Premium	2.68	2.68	11.97	11.97	-77.60%	52	52	391	391	-86.70%
	Individual Non Single Premium	49.79	49.79	65.13	65.13	-23.55%	8314	8314	9707	9707	-14.35%
	Group Single Premium	201.84	201.84	36.13	36.13	458.68%	3	3	5	5	-40.00%
	Group Non Single Premium	0.43	0.43	0.55	0.55	-21.65%	0	0	0	0	---
	Total	**261.75**	**261.75**	**118.83**	**118.83**	**120.28%**	**8404**	**8404**	**10159**	**10159**	**-17.28%**
2	**Aegon Life Insurance Co. Ltd.**										
	Individual Single Premium	0.01	0.01	0.10	0.10	-86.61%	2	2	6	6	-66.67%
	Individual Non Single Premium	2.60	2.60	5.08	5.08	-48.74%	739	739	1617	1617	-54.30%
	Group Single Premium	0.00	0.00	0.00	0.00	---	0	0	0	0	---
	Group Non Single Premium	0.00	0.00	0.00	0.00	---	0	0	0	0	---
	Total	**3.72**	**3.72**	**8.18**	**8.18**	**-54.53%**	**744**	**744**	**1647**	**1647**	**-54.83%**
3	**Aviva Life Insurance Co. Ltd.**										
	Individual Single Premium	0.67	0.67	0.26	0.26	158.78%	21	21	8	8	162.50%
	Individual Non Single Premium	10.99	10.99	4.16	4.16	164.32%	1249	1249	714	714	74.93%
	Group Single Premium	0.07	0.07	0.18	0.18	-61.44%	0	0	0	0	---
	Group Non Single Premium	0.07	0.07	0.06	0.06	17.20%	0	0	0	0	---
	Total	**19.02**	**19.02**	**5.40**	**5.40**	**252.05%**	**1283**	**1283**	**723**	**723**	**77.46%**
4	**Bajaj Allianz Life Insurance Co. Ltd.**										
	Individual Single Premium	-1.19	-1.19	3.99	3.99	-129.81%	38	38	54	54	-29.63%
	Individual Non Single Premium	72.88	72.88	72.13	72.13	1.05%	14794	14794	14207	14207	4.13%
	Group Single Premium	222.06	222.06	122.15	122.15	81.79%	5	5	4	4	25.00%
	Group Non Single Premium	0.00	0.00	0.00	0.00	-34079.75%	0	0	0	0	---
	Total	**314.04**	**314.04**	**218.63**	**218.63**	**43.64%**	**14840**	**14840**	**14269**	**14269**	**4.00%**
5	**Bharti AXA Life Insurance Co. Ltd.**										
	Individual Single Premium	0.96	0.96	3.89	3.89	-75.30%	10	10	4948	4948	-99.80%
	Individual Non Single Premium	22.58	22.58	31.19	31.19	-27.62%	5435	5435	15166	15166	-64.16%
	Group Single Premium	6.05	6.05	14.37	14.37	-57.92%	3	3	0	0	---
	Group Non Single Premium	0.00	0.00	0.00	0.00	---	0	0	0	0	---
	Total	**29.59**	**29.59**	**49.46**	**49.46**	**-40.18%**	**5448**	**5448**	**20114**	**20114**	**-72.91%**
6	**Canara HSBC OBC Life Insurance Co. Ltd.**										
	Individual Single Premium	14.46	14.46	3.78	3.78	282.35%	101	101	16	16	531.25%
	Individual Non Single Premium	11.06	11.06	25.74	25.74	-57.05%	4601	4601	3265	3265	40.92%
	Group Single Premium	0.85	0.85	153.90	153.90	-99.45%	0	0	0	0	---
	Group Non Single Premium	0.09	0.09	0.32	0.32	-71.45%	0	0	0	0	---
	Total	**27.05**	**27.05**	**183.74**	**183.74**	**-85.28%**	**4704**	**4704**	**3281**	**3281**	**43.37%**
7	**Edelweiss Tokio Life Insurance Co. Ltd.**										
	Individual Single Premium	1.18	1.18	0.34	0.34	245.17%	20	20	847	847	-97.64%
	Individual Non Single Premium	14.53	14.53	9.21	9.21	57.72%	3552	3552	2541	2541	39.79%
	Group Single Premium	0.47	0.47	1.14	1.14	-59.10%	0	0	0	0	---
	Group Non Single Premium	0.00	0.00	0.00	0.00	---	0	0	0	0	---
	Total	**16.46**	**16.46**	**11.16**	**11.16**	**47.52%**	**3575**	**3575**	**3391**	**3391**	**5.43%**
8	**Exide Life Insurance Co. Ltd.**										
	Individual Single Premium	7.17	7.17	8.99	8.99	-20.30%	85	85	234	234	-63.68%
	Individual Non Single Premium	15.97	15.97	26.25	26.25	-39.16%	6255	6255	9007	9007	-30.55%
	Group Single Premium	0.00	0.00	0.02	0.02	-100.00%	0	0	0	0	---
	Group Non Single Premium	1.52	1.52	0.03	0.03	4571.35%	3	3	1	1	200.00%
	Total	**25.26**	**25.26**	**37.65**	**37.65**	**-32.91%**	**6343**	**6343**	**9242**	**9242**	**-31.37%**
9	**Future General India Life Insurance Co. Ltd.**										
	Individual Single Premium	0.00	0.00	0.15	0.15	-97.30%	0	0	14	14	-100.00%
	Individual Non Single Premium	11.41	11.41	10.12	10.12	12.81%	1597	1597	144	144	1009.03%
	Group Single Premium	-1.27	-1.27	3.63	3.63	-134.87%	0	0	2	2	-100.00%
	Group Non Single Premium	0.00	0.00	0.00	0.00	---	0	0	0	0	---
	Total	**10.67**	**10.67**	**34.30**	**34.30**	**-68.90%**	**1599**	**1599**	**160**	**160**	**899.38%**
10	**HDFC Life Insurance Co. Ltd.**										
	Individual Single Premium	92.61	92.61	174.59	174.59	-46.96%	1163	1163	2539	2539	-54.19%
	Individual Non Single Premium	181.95	181.95	250.44	250.44	-27.35%	35534	35534	43752	43752	-18.78%
	Group Single Premium	386.29	386.29	966.89	966.89	-60.05%	15	15	12	12	25.00%
	Group Non Single Premium	0.00	0.00	0.00	0.00	---	0	0	0	0	---
	Total	**668.89**	**668.89**	**1422.29**	**1422.29**	**-52.97%**	**36718**	**36718**	**46322**	**46322**	**-20.73%**
11	**ICICI Prudential Life Insurance Co. Ltd.**										
	Individual Single Premium	50.68	50.68	77.41	77.41	-34.53%	630	630	1295	1295	-51.35%
	Individual Non Single Premium	150.17	150.17	338.18	338.18	-55.60%	30181	30181	47666	47666	-36.68%
	Group Single Premium	29.19	29.19	98.29	98.29	-70.30%	1	1	4	4	-75.00%
	Group Non Single Premium	0.00	0.00	0.00	0.00	---	0	0	0	0	---
	Total	**256.19**	**256.19**	**633.41**	**633.41**	**-59.55%**	**30917**	**30917**	**49054**	**49054**	**-36.97%**
12	**IDBI Federal Life Insurance Co. Ltd.**										
	Individual Single Premium	4.06	4.06	4.45	4.45	-8.84%	183	183	218	218	-16.06%
	Individual Non Single Premium	2.26	2.26	7.99	7.99	-71.71%	332	332	1686	1686	-80.31%
	Group Single Premium	0.60	0.60	8.93	8.93	-93.27%	0	0	1	1	-100.00%
	Group Non Single Premium	0.00	0.00	0.07	0.07	-100.00%	0	0	0	0	---
	Total	**6.92**	**6.92**	**21.44**	**21.44**	**-67.74%**	**515**	**515**	**1905**	**1905**	**-72.97%**

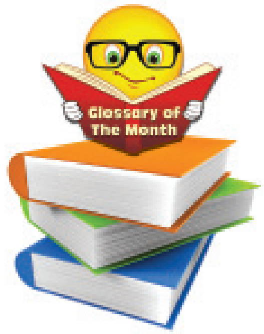
Performance STATISTICS - LIFE INSURANCE

SUMMARY OF NEW BUSINESS PERFORMANCE OF LIFE INSURERS FOR THE PERIOD ENDED APRIL - 2020 (PROVISIONAL)

(₹ Crores)

Sl. No.	Particulars	Premium in Rs. Crore					No. of Policies / Schemes				
		Month of Apr-2020	Upto Apr-2020	Month of Apr-2019	Upto Apr-2019	YTD Variation in %	Month of Apr-2020	Upto Apr-2020	Month of Apr-2019	Upto Apr-2019	YTD Variation in %
13	**IndiaFirst Life Insurance Co. Ltd.**										
	Individual Single Premium	0.18	0.18	1.09	1.09	-83.39%	9	9	1053	1053	-99.15%
	Individual Non Single Premium	11.11	11.11	36.39	36.39	-69.48%	3708	3708	7685	7685	-51.75%
	Group Single Premium	21.32	21.32	111.54	111.54	-80.88%	10	10	5	5	100.00%
	Group Non Single Premium	0.07	0.07	0.02	0.02	362.01%	2	2	0	0	---
	Total	**32.68**	**32.68**	**149.04**	**149.04**	**-78.07%**	**3729**	**3729**	**8743**	**8743**	**-57.35%**
14	**Kotak Mahindra Old Mutual Life Ins. Co. Ltd.**										
	Individual Single Premium	18.61	18.61	25.82	25.82	-27.92%	2567	2567	9077	9077	-71.72%
	Individual Non Single Premium	42.86	42.86	50.85	50.85	-15.71%	10114	10114	7985	7985	26.66%
	Group Single Premium	41.68	41.68	116.68	116.68	-64.28%	13	13	14	14	-7.14%
	Group Non Single Premium	0.13	0.13	0.63	0.63	-79.80%	0	0	3	3	-100.00%
	Total	**121.35**	**121.35**	**319.86**	**319.86**	**-62.06%**	**12751**	**12751**	**17134**	**17134**	**-25.58%**
15	**Max Life Insurance Co. Ltd.**										
	Individual Single Premium	59.50	59.50	47.78	47.78	24.53%	130	130	86	86	51.16%
	Individual Non Single Premium	100.06	100.06	126.97	126.97	-21.19%	24566	24566	25035	25035	-1.87%
	Group Single Premium	-0.39	-0.39	21.11	21.11	-101.83%	47	47	46	46	2.17%
	Group Non Single Premium	0.00	0.00	0.00	0.00	---	0	0	0	0	---
	Total	**171.84**	**171.84**	**201.55**	**201.55**	**-14.74%**	**24838**	**24838**	**25266**	**25266**	**-1.69%**
16	**PNB Metlife Life Insurance Co. Ltd.**										
	Individual Single Premium	0.21	0.21	0.78	0.78	-73.34%	3	3	25	25	-88.00%
	Individual Non Single Premium	34.99	34.99	52.48	52.48	-33.33%	11787	11787	8131	8131	44.96%
	Group Single Premium	5.69	5.69	11.81	11.81	-51.81%	0	0	2	2	-100.00%
	Group Non Single Premium	0.07	0.07	0.05	0.05	57.06%	3	3	20	20	-85.00%
	Total	**43.80**	**43.80**	**72.56**	**72.56**	**-39.64%**	**11793**	**11793**	**8178**	**8178**	**44.20%**
17	**PRAMERICA Life Insurance Limited**										
	Individual Single Premium	0.07	0.07	3.72	3.72	-98.12%	2	2	86	86	-97.67%
	Individual Non Single Premium	9.08	9.08	10.30	10.30	-11.85%	585	585	2465	2465	-76.27%
	Group Single Premium	-1.43	-1.43	25.49	25.49	-105.61%	1	1	3	3	-66.67%
	Group Non Single Premium	0.00	0.00	0.00	0.00	---	0	0	0	0	---
	Total	**10.71**	**10.71**	**50.54**	**50.54**	**-78.81%**	**604**	**604**	**2621**	**2621**	**-76.96%**
18	**Reliance Nippon Life Insurance Co. Ltd.**										
	Individual Single Premium	1.98	1.98	4.17	4.17	-52.65%	82	82	126	126	-34.92%
	Individual Non Single Premium	30.85	30.85	88.51	88.51	-65.15%	10012	10012	21882	21882	-54.25%
	Group Single Premium	0.00	0.00	0.20	0.20	-100.00%	0	0	0	0	---
	Group Non Single Premium	0.79	0.79	2.85	2.85	-72.26%	2	2	2	2	0.00%
	Total	**34.02**	**34.02**	**97.52**	**97.52**	**-65.12%**	**10098**	**10098**	**22016**	**22016**	**-54.13%**
19	**Sahara India Life Insurance Co. Ltd.**										
	Individual Single Premium	0.00	0.00	0.00	0.00	---	0	0	0	0	---
	Individual Non Single Premium	0.00	0.00	0.00	0.00	---	0	0	0	0	---
	Group Single Premium	0.00	0.00	0.00	0.00	---	0	0	0	0	---
	Group Non Single Premium	0.00	0.00	0.00	0.00	---	0	0	0	0	---
	Total	**0.00**	**0.00**	**0.00**	**0.00**	**---**	**0**	**0**	**0**	**0**	**---**
20	**SBI Life Insurance Co. Ltd.**										
	Individual Single Premium	34.77	34.77	42.55	42.55	-18.29%	543	543	1173	1173	-53.71%
	Individual Non Single Premium	101.69	101.69	385.52	385.52	-73.62%	17962	17962	73117	73117	-75.43%
	Group Single Premium	754.17	754.17	469.81	469.81	60.53%	4	4	3	3	33.33%
	Group Non Single Premium	6.77	6.77	0.24	0.24	2696.56%	0	0	0	0	8
	Total	**917.43**	**917.43**	**913.10**	**913.10**	**0.47%**	**18523**	**18523**	**74348**	**74348**	**-75.09%**
21	**Shriram Life Insurance Co. Ltd.**										
	Individual Single Premium	1.30	1.30	1.54	1.54	-15.52%	47	47	98	98	-52.04%
	Individual Non Single Premium	8.57	8.57	14.25	14.25	-39.83%	3925	3925	9069	9069	-56.72%
	Group Single Premium	3.18	3.18	9.87	9.87	-67.73%	0	0	0	0	---
	Group Non Single Premium	0.00	0.00	0.00	0.00	---	0	0	0	0	---
	Total	**13.73**	**13.73**	**26.29**	**26.29**	**-47.79%**	**3974**	**3974**	**9168**	**9168**	**-56.65%**
22	**Star Union Dai-Ichi Life Insurance Co. Ltd.**										
	Individual Single Premium	1.35	1.35	2.19	2.19	-38.50%	14	14	73	73	-80.82%
	Individual Non Single Premium	4.20	4.20	12.50	12.50	-66.40%	428	428	2314	2314	-81.50%
	Group Single Premium	0.77	0.77	1.66	1.66	-53.82%	0	0	0	0	---
	Group Non Single Premium	0.02	0.02	0.04	0.04	-53.83%	0	0	0	0	---
	Total	**6.61**	**6.61**	**16.78**	**16.78**	**-60.63%**	**442**	**442**	**2388**	**2388**	**-81.49%**
23	**Tata AIA Life Insurance Co. Ltd.**										
	Individual Single Premium	15.85	15.85	18.54	18.54	-14.53%	140	140	205	205	-31.71%
	Individual Non Single Premium	133.37	133.37	96.65	96.65	38.00%	29546	29546	18788	18788	57.26%
	Group Single Premium	-0.51	-0.51	2.41	2.41	-121.02%	0	0	0	0	---
	Group Non Single Premium	0.90	0.90	2.13	2.13	-57.83%	9	9	20	20	-55.00%
	Total	**154.36**	**154.36**	**122.19**	**122.19**	**26.32%**	**29712**	**29712**	**19026**	**19026**	**56.17%**
	PRIVATE										
	Individual Single Premium	307.12	307.12	438.15	438.15	-29.90%	5842	5842	22572	22572	-74.12%
	Individual Non Single Premium	1022.96	1022.96	1720.01	1720.01	-40.53%	225216	225216	325943	325943	-30.90%
	Group Single Premium	1670.65	1670.65	2176.21	2176.21	-23.23%	102	102	101	101	0.99%
	Group Non Single Premium	10.86	10.86	6.99	6.99	55.35%	19	19	46	46	-58.70%
	PRIVATE TOTAL	**3146.09**	**3146.09**	**4713.93**	**4713.93**	**-33.26%**	**231554**	**231554**	**349155**	**349155**	**-33.68%**
24	**Life Insurance Corporation of India**										
	Individual Single Premium	331.65	331.65	1106.59	1106.59	-70.03%	9717	9717	46302	46302	-79.01%
	Individual Non Single Premium	732.36	732.36	1359.21	1359.21	-46.12%	174649	174649	886693	886693	-80.30%
	Group Single Premium	1983.56	1983.56	2639.69	2639.69	-24.86%	6	6	7	7	-14.29%
	Group Non Single Premium	523.78	523.78	149.19	149.19	251.08%	40	40	82	82	-51.22%
	Total	**3581.65**	**3581.65**	**5267.94**	**5267.94**	**-32.01%**	**184646**	**184646**	**933724**	**933724**	**-80.22%**
	GRAND TOTAL	**6727.74**	**6727.74**	**9981.88**	**9981.88**	**-32.60%**	**416200**	**416200**	**1282879**	**1282879**	**-67.56%**

Glossary



Foreign Insurer

An insurance company selling policies in a state other than the state in which they are incorporated or domiciled.

Foreign Investment

An investment in a foreign jurisdiction, or an investment in a person, real estate or asset domiciled in a foreign jurisdiction. An investment shall not be deemed to be foreign if the issuing person, qualified primary credits source or qualified guarantor is a domestic jurisdiction or a person domiciled in a domestic jurisdiction, unless: a) The issuing person is a shell business entity; and b) The investment is not assumed, accepted, guaranteed or insured or otherwise backed by a domestic jurisdiction or a person, that is not a shell business entity, domiciled in a domestic jurisdiction.

Poll

Do you think the direct sales force must use technology to leverage sales.

Yes

No

Can't say

Results of Poll in our May 2020 Issue

Do you think Covid-19 will transform the selling of insurance products

Yes	80
No	20
Can't say	00

You may send your views to :

Poll Contest, **The Insurance Times**
25/1, Baranashi Ghosh Street, Kolkata - 700 007
Phone : 2269 6035, 2218 4184, 4007 8428
Email: insurance.kolkata@gmail.com

> *"For the government it's a good idea to give them a choice because in other segments, Insurance is a matter of solicitation. Crop insurance has almost matured now and the farmers have tested the goodness of it, so it would be better to give them an option to join or not to join."*
>
> Mr Malay Kumar Poddar
> *Chairman-cum-Managing Director*
> *Agriculture Insurance Company of India Limited*

Malay Kumar Poddar joined as Chairman-cum-Managing Director of Agriculture Insurance Company of India Limited in 2019. He started with General Insurance Corporation of India (GIC), Mumbai, as a generalist officer in 1986. After initial training in all trades of General Insurance, he was inducted into Crop Insurance Department of GIC. He worked in GIC Crop Insurance Department for almost 18 years and served in six different states of India as State In-charge.

After formation of Agriculture Insurance Company of India (AICI) in 2002-03, he joined the newly formed Company in 2003-04. He served there for almost 15 years and became General Manager in 2014. In 2018, he moved on to National Insurance Company Limited at Kolkata as General Manager. At NIC, he oversaw Agriculture, Aviation, Liability and Miscellaneous lines of business and led the digital marketing initiative of the Company.

During his career in Agriculture Insurance, he was deeply involved in development and implementation of various Crop Insurance Schemes and products introduced by Government of India, GIC and AICI. He has been closely associated with International Research Organizations,World Bank Group and Global Reinsurers working in the field of climate change and risk management in agriculture. He has served as a Member of Task Force on NITI Aayog's(National Institute for Transforming India) Crop Insurance Committee.

Malay graduated from Bidhan Chandra Krishi Viswavidyalaya or Bidhan Chandra Agricultural University in 1985. His academic background as an Agricultural Economics stood him in good stead in his career ascendancy. He is also a Fellow of Insurance Institute of India. His pursuit of post-graduation degree was cut short when he landed up the job of GIC. Infact, he got the Junior Fellowship of Indian Council of Agriculture Research (ICAR) in 1985 for the same.

A quintessentially Bengali Bhadrolok (gentleman), Malay loves music. He is an ardent admirer of Pandit Bhimsen Joshi. Among the new singers, he likes the renditions of Kaushiki Chakraborty, the well-known Indian classical vocalist. He is also a keen devotee of Ramakrishna Mission.

Q: Central Government has recently made the Crop Insurance Scheme voluntary for the loanee farmers. How do you view this development?

A: The Central Government wanted to make the Crop Insurance scheme farmers friendly, in the sense that any amount of compulsion is not required. In many parts of country, the farmers were objecting to this compulsory insurance. Some farmers felt that they do not need this insurance but yet they are being forced to buy. For the government it's a good idea to give them a choice because in other segments, Insurance is a matter of solicitation. Crop insurance has almost matured now and the farmers have tested the goodness of it, so it would be better to give them an option to join or not to join.

Q: Once this scheme becomes voluntary what impact it will have on agriculture insurance. Will the business of Crop Insurance go down?

A: I think all the insurance companies who are in the crop insurance business must be gearing up themselves, so that the top line doesn't get reduced too much.

Q: What policy does Agricultural Insurance Company has, to settle the claims fast.

A: No, it's very easy because we have only this type of business, so naturally we are more responsible and sensitive in the settlement of claim and it should be done as quickly as possible. Otherwise when you have a single line of business naturally you do not want to harm your reputation because you do not have any other lines to do business to compensate your loss and you cannot afford to do that kind of thing and lose your business.

Q: What is the process of lodging of claim by the farmers? Do they directly approach your branch or you have an online system for lodging complaints.

A: Farmers are supposed to give us the intimation within 72 hours of claims. They can directly approach us or may be through the district agricultural offices. All the channels are open, only the farmer has to intimate, either they can intimate to the local state government offices, or to us, or to the intermediaries through whom it has been purchased.

How many offices does AIC have all over India?

We have permanent Regional offices in all the state capitals we have deployed people in the district and sub district level. They are in constant touch with the local farmers and with the local panchayat.

Q: Is Agricultural Insurance Company promoting any research work as frequent disasters or the climate change may affect the Crop Insurance business.

A: Yes, certainly without research insurance can't work. AIC has been the flag bearer of crop insurance schemes from 1985. So, we have lot of data and we are trying to make use of those data.

Q: Do you have any tie-up with agricultural universities for research or collaboration?

A: In terms of the yield guarantee insurance the universities involvement has not been that much. But there has been many pilots AIC has done in collaboration of many universities in Karnataka, Punjab and others.

Q: IRDA has launched sand box approach for new product filing. Is AIC thinking to file any product under this category?

A: Yes we are exploring that and we shall be applying soon for it.

Q: Does AIC conduct regular awareness campaign for farmers?

A: Yes AIC regularly conducts awareness campaign through the local media, radio, electronic media, newspaper, pamphlet distribution, hoardings on the street corners, holding farmers meetings etc

Q: What are your major distribution channels?

A: We are using the intermediaries, brokers, service centers and banks for distribution of products.

Q: What is technology being utilized in crop insurance for underwriting or for claim settlement?

A: As far as underwriting is concerned, the mobile app is being used. In the mobile app, details of the farmers are being uploaded to the Central Crop Insurance portal and for Bengal, Bengal Insurance portal is being used. On the underwriting side every routine of the farmers is captured and shown on the Social Bima Portal. On the claim settlement side, remote sensing has been a useful tool and also the data from the automatic weather stations, they come as secondary or tertiary evidence to understand the type of losses on the ground.

Q: Any new initiative that you are taking on behalf of AIC?

A: Yes, we are trying to diversify into other rural insurance business and insurance of livestock. ✱

A UNIQUE HEALTH INSURANCE POLICY "CARE ADVANTAGE" FROM RELIGARE HEALTH INSURANCE

IN the run up to the twenty first century the importance of health insurance has drastically increased manifold in view of Global Pandemic, COVID-19 the apprehension of people across the world is quote palpable. The life-threating diseases are also on the surge and simultaneously, we have witnessed the inflation of Medical Treatment Cost approximately 14% in India which is indeed staggering. Last 10 years we have seen some pernicious diseases rattled the universe like

About the author

Dipu Mullick
Consultant (Health & General Insurance), Expertise in Claim Management

1) COVID-19 - 2019
2) ZIKA - 2015
3) EBOLA - 2014
4) AVIAN INFLUENZA - 2013
5) MERS - 2012
6) H1N1 - 2009

Some SERIOUS AILMENTS: CURRENT COST VIS A VIS THE ESTIMATED FUTURE COST

TREATMENT/SURGERY	Current Cost	Estimated Cost after 5 (five) years from now	Estimated Cost after 10 (ten) years from now
HIP REPLACEMENT	3.00 Lakhs	5.75 Lakhs	11.15 Lakhs
HEART ANGIOPLASTY	3.50 Lakhs	6.80 Lakhs	13.00 Lakhs
BYPASS SURGERY	4.50 Lakhs	8.67 Lakhs	16.75 Lakhs
RENAL TRANSPLANT	6.00 Lakhs	11.50 Lakhs	22.50 Lakhs
LIVER TRANSPLANT	30.00 Lakhs	57.80 Lakhs	111.25 Lakhs

Keeping in mind the augmented projected cost of healthcare, RELIGARE HEALTH INSURANCE has introduced their State of Art policy "CARE ADVANTAGE" in line with the spiraling medical treatment cost and added lot of flavors to their existing products which gives the policy, edge over other health product in the market.

1) **HIGH SUM ASSURED@AFFORDABLE PRICE:** One Crore Sum Assured available in any existing health product in the market at such a low cost which is within the range of common people.

2) **NO SUB-LIMIT/CAPPING ON ROOM RENT:** Insured does not require to pay any amount for his/her stay for room category during the hospitalization and can avail room category as per their choice on availability.

3) **AUTOMATIC RECHARGE:** Auto recharge will be available for 100% of base Sum Insured on exhaustion of existing Sum Assured once in a policy year, in contrary to the other existing health product available in the market where auto recharge does not allow for the treatment of same disease but in this product auto recharge will be allowed in a gap of 45 days.

4) **NO CLAIM BONUS:** No Claim Bonus will be available every year @10% of base Sum Assured provided there is no claim during the previous policy year and maximum up to 50% of base sum assured.

5) **NO CLAIM BONUS SUPER:** No Claim Bonus Super will be available every year @50% of base Sum Assured provided there is no claim during the previous policy year and maximum up to 100% of base sum assured.

6) **AMBULANCE COVER:** Actual Ambulance expenses will be available in the existing policy including AIR AMBULANCE within the country.

7) **ORGAN DONAR COVER:** The cost of operation for the extraction of organ from Donor's health& related expenses will be available under this section.

8) **ROOM RENT MODIFICATION:** 10% discount on the cost will be available if the insured opted this section for single private room category.

9) **SMART SELECT OPTION:** 15% discount on the cost of premium will be available for this option provided insured mandatorily get treatment in the Network Hospitals.

10) **CO-PAYMENT CLAUSE:** 20% mandatory in case entry age >60 years

11) **DAY CARE TREATMENT:** 541 Day care procedures covered treatment expenses where hospitalization duration is less than 24 hours.

12) **ADVANCED TECHNOLOGY METHODS:** Incase treatment is taken using advanced technologies while admitted in a hospital under in-patient or Day Care treatment are covered the followings: a) Uterine Artery Embolization and HIFU b) Balloon Sinuplasty c) Deep Brain Stimulation d) Oral chemotherapy e) Immunotherapy-Monoclonal Antibody to be given as injection f) Intra vitreal injections g) Robotic surgeries h) Stereotactic radio surgeriesi) Bronchical Thermoplastyj) Vaporisation of the prostrate (Green laser treatment or holmium laser treatment) k) IONM - (Intra Operative Neuro Monitoring) l) Stem cell therapy: Hematopoietic stem cells for bone marrow transplant for haematological conditions to be covered. ❑

Covid-19 treatment: Standardised rates for treatment

With the rise in Covid cases leading to soaring medical bills for many patients, general insurance companies are now working with hospitals and TPAs to arrive at standard treatment costs for the infection. IRDAI has asked industry body General Insurance Council to arrive at standardised rates for treatment of Covid-19. "The IRDAI has asked general insurers and TPAs to discuss with hospitals and arrive at common standardised rates. Apart from testing, patients require ICU and ventilator support for treatment depends on the cooperation from the hospital management," said an executive with an insurance company.

"We will have to get in touch with all hospitals. It can be done only by TPAs. It is a mammoth and not-so easy task. Co-morbidity will change the whole scenario. A young man with no other problems but only Covid-19 will have a different treatment, but a patient with other complications will require intensive treatment. The rates will be different and will vary from hospital to hospital as well as place to place," said another general insurer.

In some cases, hospitalisation charges for Covid-19 patients have run into more than Rs. 12 lakh to Rs. 13 lakh due to the requirement of ICU treatment and ventilators.

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