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IRDAI Chairman

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Editor-in-Chief's Desk

Ram Gopal Agarwala
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IRDAI directed all life insurers to come out with a standard plan 'Saral Jeevan Bima' from January 1, 2021. The product will have the same features, benefits, inclusions and exclusions across all life insurers though the prices may differ. The policy, which will be available for those in the age group of 18-65 years, will be for a term of 5 to 40 years with a maximum maturity age of 70 years. This will help policyholders to compare the policies of different insurers having similar terms and condition.

IRDAI is going to introduce colour codes for all individual health products that will enable the customers to understand the complexity of plans. The insurers will use green, orange, and red to depict the complexity of the products on offer. These types of continuous innovations are required for the insurance industry to grow.

As per IRDAI Insurers have to either settle or reject a claim within 30 days from the date of its receipt. Otherwise Insurers will have to pay 2% interest above the Banks applicable rate on the dues to the policy holders. This will reduce the delay in settlement of cases,

IRDAI Chairman Subhash Chandra Khuntia has urged the insurers to expand the ambit of health insurance to include outpatient care as part of the health insurance system to push millennial to buying insurance. Post covid health insurance market has got the necessary push and this should be continued by the insurers vigourously to expand the market.

Insurance Times is pleased to launch Online News Desk where we shall be covering weekly news online. This news service will be available on our youtube channel and facebook page. Please like our facebook page and subscribe youtube channel to get latest updates.

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General Insurance News

Millets covered under crop insurance scheme in Kerala

Millet crops have secured a place in the Restructured Weather based Crop Insurance Scheme (RWBCIS) implemented by Agriculture Insurance Company of India.

As per the recommendations of the farming community, the State Level Coordination Committee on Crop Insurance (SLCCCI) has notified millets which include Sorghum (cholam), Finger Millet (Ragi/Koovaragu), Pearl Millet (Bajra/Kambu), Proso Millet (Panivaragu), Barnyard Millet (Kavadappullu), Foxtail Millet (Thina) and Little Millet (Chama) for the scheme.

The RWBCIS, being implemented in Kerala under PMFBY since Kharif 2016, has recently incorporated several farmer-friendly changes, inclusion of new crops under the scheme being the major one.

The crop-specific insurance covers notified for millets are deficit rainfall (July-August), rise in day temperature (June-August) and unseasonal excess rainfall (May-September). The farmers are also eligible for claims assessed at individual field levels for the perils of inundation, high wind speed and landslides, the official said.

"It is a welcome decision to promote millet farming considering the climate change impacts and nutritional attributes. The decision can persuade the farmers in other parts of Kerala also, to further extend the area under farming of these super food crops, Indira Devi, former Director of Research, Kerala Agricultural University said.

Millets in Kerala are cultivated on 284 hectares in Palakkad and Idukki, mainly by tribes.

General insurers' premium drops 4% in Sept

Non-life insurers are back in the red in the month of September with premium collection dipping 4.41 per cent, despite a jump in premium collection by standalone health insurers.

In September, non-life insurers, which include general insurers, standalone health insurers, and specialised public sector insurers, collected premium of Rs. 23,056 crore, against Rs. 24,121.56 crore in the same period last financial year. Standalone health insurers, on the other hand, saw their premium collection surge almost 38 per cent in September to Rs. 1,542 crore, against Rs. 1,118.25 crore in the year-ago period.

Also, the regulator 's drive to nudge insurers to sell standardised health products has done the trick as there is a huge demand for the Corona Kavach and Corona Rakshak policies.

General insurers, saw their premium dip 4.31 per cent to Rs. 18,841.67 crore, compared to Rs. 19, 691.48 crore in the year-ago period.

In the first half of the current financial year, while the premium collection of general insurers witnessed a drop of 1 per cent to Rs. 81,511.49 crore, that of standalone health insurers rose 28 per cent to Rs. 7,810.97 crore. The industry's premium collection surged 1.57 per cent to Rs. 97, 025 crore.

With PMFBY scheme turning optional, crop cover premium declines

Crop insurance premium portfolio declined in September after recording positive growth in the previous months, due to the lesser number of States participating in PMFBY.

The gross direct premium for Agricultural Insurance Corporation of India de-grew by 19.3 per cent in September when compared to a year ago.

Data from IRDAI revealed that gross direct premium for AIC stood at Rs.2,569.64 crore in September 2020 against Rs.3,187.57 crore in September 2019.

However, between April and September 2020, AIC registered a 10.63 per cent growth in gross direct premium to Rs.7,250.80 crore against Rs.6,554.36 crore in the same period a year ago.

The figures come in the backdrop of an overall 4.4 per cent decline in gross direct premium for non-life insurers in September 2020 to Rs.23,056.80 crore from Rs.24,121.56 crore a year ago.

Insurers said that typically the premium for kharif season is booked by September every year.

"Many States have not participated in the scheme, so the premium is bound to be lower by about Rs. 10,000 crore this fiscal and will be about Rs.21,000 crore. However, it is likely to increase as the tender for Madhya Pradesh was finalised late and the tender for Tamil Nadu is also likely to be finalised soon. So, this will add about Rs.5,000 crore, which may get reflected in December," said Satyajit Tripathy, General Manager, General Insurance Corporation of India.

States such as Gujarat, Telangana and Andhra Pradesh have not participated in the scheme this year. "Typically, Gujarat brought in a large chunk of the premium. With States not participating, the premium will come down," noted another insurer.

According to CARE Ratings, non-life premiums had increased in September 2019, primarily due to higher crop insurance premiums.

"In the current year, crop insurance premiums till August 2020 have been higher, but anecdotal data suggest that as the crop insurance scheme has been made optional, farmer enrolment has reduced," it noted.

"September 2020 gross domestic premium income (GDPI) dipped 4 per cent yearon-year after three consecutive months of positive growth. The dip could be due to a large base of crop insurance in September 2019. Monthly average run rate of crop GDPI in FY20 was Rs.2,700 crore, and September 2019 saw GDPI of Rs.10,900 crore," said ICICI Securities in a research report.

Under the new guidelines introduced by the Centre in February for the Pradhan Mantri Fasal Bima Yojana, it is optional for loanee farmers to join the scheme and business is allocated to insurers forthree years.

In kharif 2020, a total of 11 insurance companies participated in PMFBY, with as many as 1.37 crore farmers insured.

GIC Re's chiefasserts new IRDAI classification aimed at improving the corporate governance and risk mitigation practices

According to Devesh Srivastava, Chairman and MD of GIC Re, In the 50 years of our existence, we have in all but two years posted a loss - once in 2011 during Thailand floods and now in the first quarter FY21.

A robust return on investments in India's secondary market has always helped the reinsurer offset any losses on account of underwriting risks.

In the first quarter of FY21, the company posted a loss of Rs. 557 crore, largely due to Rs. 1,700 crore worth of underwriting losses.

"We do understand that the interest rate regime is only set to head south. The days of getting 10-15% returns on investments are well past us and now anything between 4-5% is a good return," he said. "Following reinsurers from the West, (we are working) on a combined ratio of shift in our business and mindset, and treat investment income as an icing on the cake."

Srivastava, however, said the process would be time consuming for the public sector reinsurer set up in 1972. GIC Rs is now among the three insurance entities along with Life Insurance Corporation of India (LIC) and New India Assurance (NIA) to be classified as "systemically important" and "too big to fall."

Srivastava said that the new IRDAI classification aimed at improving the corporate governance and risk mitigation practices at large insurance entities would help the company continue to follow best industry practices.

General insurance industry's gross direct premiums falls 4.41%

Gross direct premium underwritten by the general insurance industry came down 4.41% in September as motor insurance and crop insurance businesses remained under stress.

IRDAIA data revealed that general insurance companies' registered premiums grew 1.57% to Rs 97,025.04 crore over April and September this year, compared to Rs 95,528.40 crore clocked in the previous financial year. In September this year, the non-life insurance industry saw gross direct premiums of Rs 23,056.80 crore against Rs 24,121.56 crore in September last year, clocking a fall of 4.41%.

Mahesh Balasubramanian, MD and CEO of Kotak General Insurance, said, "Commercial lines of business-like property, engineering and fire have grown because of price rise and overall increase in premiums. Even health premiums have seen good surge as people are now realising the importance of having a health insurance due to the ongoing pandemic." He also added that motor insurance had de-grown in the past few months and new vehicle sales had been depressed.

The standalone health insurance companies saw gross premiums at Rs 7,810.97 crore in the first half of the current fiscal year compared to Rs 6,099.50 crore in the last financial year, registering 28.06% growth. Currently, health and motor insurances have market shares of around 31% and 30%, respectively, in new business premiums. Market participants said motor insurance numbers should look positive in the next two months due to the festive demand.

According Care Ratings, "In September 2019, the premiums had increased primarily due to higher crop insurance premiums. In the current year, crop insurance premiums till August 2020 have been higher, but anecdotal data suggests that as the crop insurance scheme has been made optional, farmer enrolment has reduced. Another reason for the drop in farmer enrolment is reportedly the delay in pay-outs."

Cyber insurance premiums rise 20% on higher claims

Premium on cyber insurance covers has risen by nearly 20% for corporates, as insurers witness a surge in cyber-attackswhich will result into more claims. Future Generali India Insurance (FGII) said the claims arising out of cyber attack has increased from 20% in March to 45% in August, 2020. "This has led to the cost of premium of cyber insurance covers going up by 40% between March-September," said a spokesperson at the non-life insurance company. For example, under the corporate cyber policy for a minimum sum assured of Rs 5 crore, the cost of premium has risen by Rs 4.5-Rs 4.8 lakh, as compared to Rs 3-Rs 4 lakh earlier. For a maximum coverage of Rs 50 crore, the cost of premium increased to Rs 30 lakh as against Rs 20-Rs 25 lakh earlier. However, insurers say the cost of retail or individual cyber insurance policies have not changed much as marginal claims are reported.

Cyber Insurance policies offer protection for both individual and corporate customers, with a sum assured ranging from Rs 1 lakh to Rs 5 crore. The cover protects against the loss of sensitive personal and corporate information caused by theft or altering of data, virus or malware, denial of service, and also reputational damage in terms of both the reputation of the business and that of the senior executives. It also covers policyholders from lawsuits and also losses arising out of virus attacks.

ICICI Lombard General Insurance Company saw the cost of premium for its corporate cyber covers increase by 15%-20% in FY21. Its head of claims, underwriting and reinsurance Sanjay Datta said, "Cyber Insurance is an exposure based insurance product, hence the premium cost is highly dependent on various risk attributes which involves cyber security measures for that particular organisation.

If the growing trend of higher cyber-attacks continues, insurers and reinsurers offering cyber insurance will harden the rates." Speaking on the increasing penetration of cyber insurance policy, Datta said 50% growth seen in the number of policies underwritten as compared to last year, besides customer enquiries gone up by 50% since lockdown

In the early phase, enquiries came from BFSI and IT/ITES companies who were the early adopters to cyber risk. As per recent trends, enquiries have been coming from hospitality, educational institutes, manufacturing, including SMEs. Large-level companies who have adapted the work-from-home model for a longer term have opted for higher loss limits, compared to midlevel clients. This is because the security of devices at work from home set up is unmatched to those offered in the office area," he added. On claims settled, Datta said 10%-15% increase seen in settling loss this year. "Majority of claims are reported by corporate clients (the IT sector) and are examining the same." Najm W Bilgrami, national head of financial lines at Tata AIG General Insurance, said forensic costs still form the largest piece of the cyber claims pie. Ransomware, data theft, fraudulent fund transfer, phishing attacks form the majority of claims applied by the insured.

Bajaj Allianz General Insurance which offers Cyber protect standard digital business and data protection insurance cover has seen a 20% increase in premium cost at the time of renewal. TA Ramalingam, chief technical officer, said, "This increase in cost varies between customers and is calculated on the value of claims made by them. We are also open to provide discounts to new corporate clients who want to increase the coverage limit in the future." Its cyber insurance business grew by 40% this year and booksize stands at Rs 35 crore. According to Indian Computer Emergency Response Team (CERT-In) 6.9 lakh cyber security incidents were reported till August, 2020, which is a 43% jump from the previous year. ❑

IRDAI News

Colour codes for health insurance plans

IRDAI is going to introduce colour codes for all individual health products that will enable the customers to understand the complexity of plans. According to an exposure draft released by IRDAI every health insurance product offered by general and health insurance companies will disclose on their websites colour codes. The firms will use green, orange, and red to depict the complexity of the products on offer.

While green will signify that the product on offer is simple to understand, orange will mean it is moderately complex. Red will give out the impression that the product offered is complex. The regulator has sought comments by October 15. Every insurance advertisement shall also mention the colour code, said IRDAI.

These guidelines are only applicable to individual health products, as the regulator is of the opinion that the group health insurance products are chosen by institutions considered as better informed entities.

The IRDAI has set a number of parameters, based on which the products on offer will be given a score between 0 and 6. A product will be assigned "green" if it attains a score of 2 or less. Similarly, a product with an orange code means it has a score more than 2 but less than or equal to 4, while a product with a score greater than 4 and less than or equal to 6 will be assigned red.

IRDAI panel proposals for micro-insurers

The Committee on Standalone Micro-insurance Company set up by IRDAI has recommended that entry-level capital requirement for standalone Micro-insurance companies (SAMIs) should be reduced to Rs 20 crore from the current level of Rs 100 crore, in order to provide insurance protection to around 500 million people in the low-income group.

"The minimum capital requirement of Rs 100 crore stipulated under the Insurance Act has acted as the biggest impediment to the expansion of the micro-insurance market," the committee said in its report. Large insurers have not worked on building trust with low-income clientele. This segment is particularly vulnerable to mis-selling, fraud and at times their trust has been shaken. While the market has expanded, there has been limited impact on the lives of those from low- and middle-income economic backgrounds, it added.

The micro-insurance sector has only covered 9 per cent of the overall population and 14.7 per cent of the potential micro-insurance market size in the country. "Compared to this, around 500 million people need to be covered by micro-insurance. This large gap exists as most insurers in India have been focused on the low-hanging fruit which is the more affluent and urban segment. This segment is more profitable and comparatively easier to convert into clients," the committee said.

By implementing changes to facilitate standalone micro-insurance businesses with reduced capital requirement, more people will have the opportunity of obtaining financial protection and security, enabling them to emerge from poverty and to move towards self-reliance, the panel said in its report to theIRDAI.

The report said risk-based capital (RBC) approach should be adopted to enable the progressive growth of the micro-insurance business while maintaining the highest prudential standards. "Micro-insurance companies should be allowed to act as composite insurers to transact both life and non-life business through a single entity," it said.

It has proposed that a cell captive model may be offered as a way for micro players to underwrite the micro-insurance business. As per this model, existing insurers and others can become cell owners by bringing in capital and share the underwriting risk with SAMIs with a capital of no more than Rs 5 crore or such contribution as may be considered appropriate, the panel said.

"The focus must be on expanding the market and that could be done by enabling entry of multiple players by reducing the capital requirements," it said.

The Insurance Act, 1938 should be amended to bring the standalone micro-insurance business under the regulatory purview. "This will include defining micro-insurance, micro-insurers, reducing the capital requirement and/ or giving powers to IRDAI to decide on capital requirements for SAMI. However, amending the Insurance Act, 1938 may require time, it said.

IRDAI should establish a Micro-insurance Development Fund to support and promote the growth of the micro-insurance business across the country, it said. "The fund could support human resource development, digital and financial literacy, IT infrastructure and product development, to mention a few," the panel added.

The committee is of the view that the above recommendations should be implemented at the earliest in order to raise the spread and outreach of micro-insurance in India. This is especially urgent given the current Covid-19 pandemic and the insecurity it has resulted in for citizens, and especially the vulnerable working poor.

The regulator can facilitate reinsurance of micro-insurance through the existing licensed insurance or reinsurance companies. "Regulations for standalone micro-insurance must be developed with the highest prudential standards in consultation with those who are already undertaking micro-insurance as intermediaries (cooperatives, mutuals, NGOs) as well as other stake-holders," the panel said.

IRDAI allows renewal of Covid policies

IRDAI has allowed renewal, migration and portability of Covid-specific standard health products - Corona Rakshak, Corona Kavach and Group Corona Kavach policies.

IRDAI said Corona Kavach and Corona Rakshak policies of any tenure will be allowed to be renewed for further terms of three-and-a-half months, six-and-a-half months or nine-and-a-half months, as per the option exercised by policyholder. The renewal should be subject to the underwriting policy of the insurer, it said.

"General and health insurers are permitted to allow portability of Corona Kavach (individual) policy from one insurer to another. If an insurer is found deficient in servicing their cu1stomers, they can switch over to another insurer," said an official.

Gurdeep Singh Batra, head-retail underwriting, Bajaj Allianz General Insurance, said, "The Covid-19 vaccine is yet to come out and the purpose of these policies is to mainly cover the treatment costs against immediate health risks that people face due to the pandemic." Close to 30 lakh lives have been covered under Covid polices since their launch in July 2020. However, renewals should be done before the expiry of the existing policy contract. When policy is renewed, an additional waiting period of 15 days should not be imposed and the coverage should be continued seamlessly, IRDAI said in a circular to insurance firms.

During renewal, sum insured should be allowed to be changed by the policyholder. "For any increase in the sum insured, the waiting period should start afresh only for the enhanced portion of the sum insured, the regulator has said. "Corona Kavach and Corona Rakshak policies are permitted to be renewed till March 31, 2021 complying with clause 5 of Guidelines on introduction of short term health insurance policies providing coverage for Covid-19 disease," the regulator said. In respect of Corona Kavach individual policies, insurers have the choice to offer migration to any other indemnity based health insurance product offered by them as per the option exercised by the policyholder.

For Corona Kavach Group policies, insurers have the choice to provide migration to the members insured to any other individual indemnity based health policy at the point of exit of the member insured from the group policy or the cessation of coverage of the underlying group policy, IRDAI said.

When migration is allowed, the accrued gains of waiting period served in the existing Corona Kavach policy (individual or group) should be protected in respect of coverage for Covid-19, in the migrated policy, it said. The accrued gains of waiting period served in the existing Corona Kavach policy should be protected in respect of coverage of Covid-19, by the porting-in insurer.

When migration or portability from the Corona Kavach policy is allowed by the insurers, such migration or portability to any other comprehensive health insurance policy should be allowed, till the end of policy period of the existing Corona Kavach policy. ❑

LIC of India News

Growth in Insurance sector to double by FY21-end: LIC MD Raj Kumar

The life insurance industry, has witnessed huge degrowth in business in the first quarter of the current financial year due to pandemic. With the worst behind, the life insurance sector is expected to get back to double-digit growth by the end of this fiscal year (FY21), said Raj Kumar, managing director (MD), LIC.

Growth of the industry had fallen by 19 per cent in April. But it revived, and by August end, the insurance industry has shown positive growth of 2.4 per cent compared to the same period last year. While life insurers clocked a positive growth rate of 2 per cent, non-life insurers saw 3.6 per cent growth.

As far as LIC is concerned, by September-end, it has seen a 23.55 per cent growth in first year renewal premium income and 4.71 per cent growth in first year premium income over the last year.

Growth in composite first year premium, underwritten by the life insurance industry in September, is 26.47 per cent while for LIC it is 30.12 per cent. LIC has seen growth of 12 per cent in renewal premium during this period.

"The economy is on a recovery path and the upcoming festive season should add to the momentum, although the sustained spread of Covid-19 virus poses a downside risk to short-term and medium-term growth rates," Kumar said.

Due to the pandemic, experts have said there is a pick-up in demand for term products. Acknowledging the notion, Kumar said, "We are seeing a surge in interest for pure insurance or term assurance and annuity products among the insurable population." The corporation has seen growing interest for its online term products, and expects to sell around 40,000 policies in FY21.

The Insurance Regulatory and Development Authority of India (IRDAI) is looking to bring in a standard term product to increase the protection quotient in the country that all life companies have to offer. This step by the regulator, according to Kumar, is aimed at bringing some uniformity to the term products offered by insurers. "While it will definitely help the customer to compare term products of different insurers, effectiveness in driving demand for the term products will ultimately depend on whether the standard term product fits into the prospects' insurance needs," he said.

Aided by a fall in interest rates, the participating policies have become popular among customers and Kumar predicts an uptick in demand for guaranteed annuity products and participating policies, going ahead.

While health claims due to coronavirus are seeing a rapid increase, life companies have not had to worry too much about death claims arising out of coronavirus deaths. This comes despite India recording more than 100,000 deaths due to the deadly virus.

As of October 1, the corporation settled Covid-related death claims of 523 families under 1,099 policies amounting to Rs. 49.58 crore.

LIC, which is one of the largest investors in the equity markets, believes there is good upside left in the remaining part of this fiscal year. It has invested more than Rs. 49,000 crore in the equity markets and will take further purchases as per emerging opportunities.

"As of September 2020, we have already invested Rs. 2.63 trillion in government securities, state development loans, corporate bonds and equity. In the remaining part of this fiscal year, we plan to invest at least Rs. 2 trillion in various investment instruments," Kumar said.

As far as stress in its debt portfolio is concerned, Kumar said, "We find that corporates, where we have invested, are fulfilling their debt servicing obligations both in repayment of principal and interest. Very few companies have availed moratorium facility which is not even 2 per cent of corporate debt."

Govt 'may divest just 5% stake' in LIC

The government may sell just 5per cent stake in Life Insurance Corporation of India, which could help it raise upwards of Rs. 50,000 crore.

Sources close to the development said the government is hoping to go ahead with the proposed disinvestment in the country's No 1 insurer, and wants to list it by February 21.

However, instead of a 10 per cent disinvestment, it may consider a small stake sale, given the expectation of its high valuation. A formal plan is yet to befinalised andis still under discussion. "This will depend on the valuation arrived at and the market conditions and investor appetite at the time.

"A straight listing process in the domestic bourses maybeaneasier exercise at present," noted a person familiar with the development.

"Inter-ministerial discussions are on, andit is expectedto beakey priority, going ahead," said the source, adding that the Finance Ministry will move amendments to the LIC Act in the Winter Session of Parliament.

A Cabinet note has already been prepared for selling up to 25 per cent stake in the insurer, although this maybedoneinstages. Sources said it is hoped that the disinvestment in LIC will not meet with too much opposition, as the insurer will continue to retain its current character and functioning.

"Other financial sector institutions such as banks and insurance companies have also been listed on the bourses in the past, and LIC's listing should also be seen along those lines," said the person, adding that only a small holding in the insurer will be divested as of now, which could be less than 10 per cent and that the exercise should not beseenasprivatisation of the life insurer.

LIC pockets Rs. 14,800 crore in stock market profits in H1 FY21

LIC has booked profits of Rs. 14,857 crore for April-September 2020, against Rs. 11,437 crore for the same period last year, showing a growth of 30.37 per cent.

LIC's investment in the capital market and G-Secs this year has also grown compared to last year. In the first half of FY21, LIC's total investments in G-Secs, SDL (State Development Loans), corporate bonds and equity added up to Rs. 2,63,845.98 crore, up 7.7 per cent against Rs. 2,44,931.33 crore in the same period of FY20.

"In government securities and equities we have found good investment opportunities. In corporate bond investments, we are a bit cautious," LIC Chairman MR Kumar told. He added that LIC plans to invest atleast a further Rs. 2-lakh crore in the remaining part of this fiscal.

On its debt portfolio, LIC is not expecting any major defaults, as it believes that with the economic activity gaining momentum in the last two months, corporate financials should improve further.

"LIC follows strict due diligences and very few companies have taken a moratorium - it's not even 2 per cent of our corporate debt," Kumar. Also, LIC's 8.25 per cent stake sale in UTI AMC through an IPO should fetch it some tidy gains this fiscal.

LIC Housing Finance launches 'Project RED'

LIC Housing Finance Ltd has launched "Project RED" (Reimagining Excellence through Digital transformation) to improve efficiencies at every level of the organisation.

Project RED aims to create value across the entire spectrum of stakeholders that includes employees, shareholders, business associates, existing and potential customers of LICHFL, as per the housing finance company's statement.

To be implemented over the next 21 months, the company said the initiative is expected to bring transformational changes by organically linking LICHFL's work culture, strengthening processes across all verticals, deepen customer engagement and adopting the best-in-class technology to build capacity.

LICHFL has engaged Boston Consulting Group as its consultant for this project and will be setting up a high-level Project Implementation Group which will approve and monitor capacity building plans of every constituent in the company, it added.

Siddhartha Mohanty, MD & CEO, LICHFL said, "We are investing in this project with long term objectives that would generate more stakeholder value, expand geographies thereby contributing to the economic growth of the country.

"The ultimate objective is to organize and automate every facet of customer interaction to deliver elevated customer experience". ❑

Health Insurance News

Proposed health data policy puts question mark on privacy concerns

India doesn't have a law protecting personal data. There are no specific penalties for failing to keep such data secure. A proposed law on Personal Digital Privacy Protection has been pending since 2018, and drafts in the public domain raise concerns about widespread surveillance.

The recently released draft "Health Data Management Policy" of the National Digital Health Mission is supposed to specifically guard medical data. This is built on the foundations of legislation that doesn't exist. It also seems to be more concerned about monetisation of such data, than with the protection of privacy.

The proposed health policy refers to citizens as "data principals"; hospitals and doctors are "health information providers"; government agencies are "health information users". The policy envisages an integrated data storage system.

Records held by different service providers will be in common formats and linked through a unique health ID (Aadhar or something new). The justification: An integrated system with common standards would allow easy access to medical history and make it possible for individuals to be treated anywhere.

"Data fiduciaries" will be allowed to collect and store "sensitive personal data". This could include financial information; physical, physiological and mental health data; sex life and sexual orientation; genetic data; caste or tribe data; and "religious or political belief or affiliation". It's impossible to understand why much of this is necessary. The draft also suggests that even the local pharmacy could be considered a fiduciary. This means higher probabilities of data leakage since it's very unrealistic to assume every fiduciary will be secure.

Importantly, this data will be shared with the government, and "agencies designated by government". Anonymised or de-identified data will be made available in aggregated form for facilitating health and clinical research, academic research, archiving, statistical analysis, policy formulation, the development and promotion of diagnostic solutions, etc.

Average Claims size for Covid policies declines

As the demand for Covid-19 specific Insurance policies is increasing, the average claim size has been decreasing, according to health insurers.

"The Industry has seen a substantial increase in Corona-specific claims, both in general as well as Corona-specific claims," Pankaj Arora, Managing Director and CEO, Raheja QBE General Insurance, said.

Even though there has been a slowdown in the number of new Covid-19 cases in recent weeks, data from many States show that the spread of the pandemic still remains largely unabated, leading to a rush for insurance.

The pandemic has changed the mindset of the people towards health insurance.

"We are seeing an uptick of 30 per cent to 40 per cent in the health insurance business, especially from millennials and women who understand the significance of health insurance now and are coming forward to buy it," said Arora. There has also been good interest and a marginal increase in sales for the Corona Kavach policy.

"As per our data, the average claim size in Corona-specific covers is hovering around Rs. 2 lakh," he said.

The data from Bajaj Allianz General Insurance also shows that the average claim size is close to Rs. 1.02 lakh.Non-Covid claims, however, show a mixed trend of showdown for some insurers while they begin to gain traction for others.

"In general, health insurance claims for planned treatment have seen some deferment and will flow once the pandemic situation improves," said Arora.

Policyholders can renew covid-centric policy plans till Mar 2021

IRDAIasked insurers to offer policyholders the option to renew, migrate or port covid-19-specific health insurance schemes, Corona Rakshak and Corona Kavach.

In June, IRDAI had allowed insurance companies to offer standard fixed benefit-based and standard indemnity covid-19 health policies. The fixed-benefit policy, Corona Rakshak, entails a lump sum benefit equal to 100% of the sum insured if the policyholder tests positive for covid-19 and requires hospitalization for a minimum of 72 hours. On payment of 100% of sum insured the policy is terminated.

The indemnity policy, Corona Kavach, comes with a base cover and a cap on the sum insured at Rs.5 lakh. The minimum sum insured is Rs.50,000 and policyholders could opt for a cover in multiples of Rs.50,000. Both policies have tenures of 3.5, 6.5 or 9.5 months.

Welcoming the IRDAI's move, Gurdeep Singh Batra, head-retail underwriting, Bajaj Allianz General Insurance, said: "The covid-19 vaccine is yet to come out and the purpose of these policies is to mainly cover the treatment costs against immediate health risks that people face due to the pandemic. Since its launch, the covid-19 specific health policies have gained really good traction mainly because its short-term coverage kicks in immediately."

While releasing the guidelines, IRDAI had specified that lifelong renewability, migration and portability were not applicable to the products. It has now modified the rules.

The policies can now be extended for further terms of 3.5 months, 6.5 months or 9.5 months, up to 31 March 2021. According to the regulator, the renewal can only be done before the expiry of the existing policy contract, and if the policy is renewed, the additional waiting period of 15 days will not be imposed.

Insurers have also been allowed to change the sum insured by the policyholder. For any increase, the waiting period will start afresh only for the enhanced portion of the sum insured. For individual Corona Kavach policies, insurers can also offer migration to any other indemnity-based health insurance product.

IRDAI advises insurers to focus on preventive care

Amidst no sign of reduction in Covid cases andsubsequent cost of hospitalisation rising, IRDAI has advised insurance players to change their focus from hospitalisation to preventive care, especially home care and outpatient treatment, and bring down the costs.

While insurance companies have started offering claims on Covid-related home quarantine treatment since July, industry insiders say such claims coming to insurance companies have not picked up so far despite a large number of people opting for home quarantine. Expecting a rise in claims for home quarantine treatment by end of October or November, sources say that since home treatment is not cashless and reimbursements have to be filed by patients, it will hit with a lag.

On the slow takeoff of home quarantine claims, Bhaskar Nerurkar, head of Health claims at Bajaj Allianz General Insurance said that it is on account of several factors including low awareness.

"There is a lack of awareness on this account as many patients are not aware that insurance companies are taking care of home quarantine treatments too. While we are expecting a rise in number of such claims later this month or next month because the claims can be filed in a month's time, in many cases, since the home quarantine cost are low at around Rs 10,000-Rs 20,000, many individuals are not even going for making claims," Nerurkar said.

IRDAI Chairman Subhash Khuntia said the insurance sector has for too long concentrated on tertiary care or hospitalisation, and now there is a need to focus more on primary and secondary care, outpatient care, and move on to have preventive care.

"We should look at home care facilities. We don't need hospitalisation if home treatment is possible. This cost will come down. Insurance companies, customers... everybody will benefit. We have allowed video-based consultation. We have also allowed wellness in insurance policies," Khuntia said at an industry conference.

Khuntia said IRDAI has allowed wellness and outpatient wellness and preventive features under a health insurance policy. According to IRDAI, empanelled hospitals and network providers can offer health services such as outpatient consultations or treatments, pharmaceuticals, health check-ups/diagnostics including discounts under the health insurance policy. The regulator said they can issue redeemable vouchers to obtain health supplements and redeemable vouchers for membership in yoga centres, gymnasiums, sports clubs and fitness centres for participating in fitness activities.

Industry participants say that in the case of home treatment for Covid, they would reimburse costs such as teleconsultation with the doctor, nursing care cost, purchase of monitoring device, PPE kit cost and diagnostic cost among others. The policy covers hospitalisation expenses or home care treatment expenses after an insured is found to be coronavirus positive.

Insurers say that while the number of claims in August was in a few hundreds, they jumped 60-70 per cent in September for home quarantine treatment. "We are expecting a jump in the next month," said a senior official with another insurance firm. In fact, in case of in-patient treatment too insurers are saying that while claims peaked in mid-September, the daily claim figures have fallen by around 30 per cent in the first half of October.

Care Health Insurance cuts claim settlement time by Artificial Intelligence

The Artificial Intelligence is making inroads in insurance industry. With the technological innovations catching up, the use of AI has the potential to bring a severe disruption in seamless customer experience, efficient claims management, reduced turnaround time and has also helped save costs.

Care Health Insurance has introduced an online claims solution - 'Claim-Genie' which is available both on its mobile application and website. Through 'Claim-genie' the customers can file and track claims from the comfort and safety of their homes.

"It is a platform that we have given to our customers which is a one-click platform enabled on different touchpoints for a website, mobile application or self-service portal, where customers can come in, initiate a claim, upload the details and documents required," he said.

All claim related updates and documents are made available to our customers via whatsapp & chat-bot. The customers can get updates and can keep a check on the status of their claims. It also helps them with the different processes which are to be followed.

"In a way, the physical touch which was earlier needed where someone actually had to send in the documents, wait for the courier to be delivered and then the action to be taken, some of those processes have been fully onboarded," said Suresh Kolla, Head-IT, Care Health Insurance said.

"There was a lot of to and fro earlier because the customer basis his or her understanding would share some documents. Only when it comes to our team, deficiencies if any would be raised. This used to take a lot of time which has gone down significantly," he added.

According to Kolla, there has been a 40-45% reduction in time to process the claims. This has also decreased the number of calls which the company used to get earlier.

Earlier, the customers would call to get the updates on the status of their claims. With the claim gene, they can see the status on their phone itself. Hence, the number of calls has gone down by 30-40%.

By making use of artificial intelligence and machine learning techniques, the company is also developing a robust mechanism of analysing claims in order to recommend further actions to the servicing teams.

Health insurance may witness premiums jump upto 70%

The premium on health insurance policies have risen by 40-70% for policyholders after insurers hiked rates following a regulatory note to widen coverage and standardise conditions with regard to exclusions. Insurance Companies say the hikes are necessary as the IRDAI has asked them to cover a range of conditions excluded earlier. From pandemics like Covid-19 to age-related ailments such as cataract surgery, knee-cap replacements, Alzheimer's and Parkinson's, insurers could earlier exclude them. With regulatory changes in the last one year making it mandatory for them to cover Covid-19, HIV/ AIDs, artificial life maintenance, treatment of mental illness, mental disorders, age-related degeneration, internal congenital diseases, insurers say price rise is inevitable.

Covid coverage, insurers say, is the heaviest burden in recent weeks. Last month, the General Insurance Council appealed to the Supreme Court along with policyholders over exorbitant rates charged by private hospitals for Covid treatment. While most health insurance policies had got IRDAI approval before the pandemic, brokers say that insurers are raising rates by pricing policies at the highest end of the rate band approved by the regulator, instead of pricing it mid-range. Insurers say that standardisation of the cooling period for exclusions is pushing up costs.

IRDAI had ruled that every health insurance product should cover all pre-existing diseases disclosed after the expiry of 48 months or lower time period. Another industry-wise trend that industry observers are seeing - is the change in slab-based pricing. "So earlier, insurers used to have larger age-wise bands of 25-35, 35-45, 45-55. As policyholders crossed these age-bands there would be a price increase. But increasingly, the market has been flooded with new products, which have a shorter age-band of 5-years. So that means every 5 years, prices change for customers. There are even products, where every year, the insurer can change the price. ❑

Private Life Insurance News

ICICI Pru Life to raise up to Rs. 1,200 crore by issuing NCDs

ICICI Prudential Life Insurance said it will raise up to Rs. 1,200 crore by issuing non-convertible debentures (NCDS) on private placement basis. "The Board of Directors has at their meeting held on October 7, 2020 approved raising capital by issuance of subordinated debt instruments in the nature of rated, listed, redeemable, unsecured, fully paid-up, non-cumulative, NCDS up to Rs. 12 billion," ICICI Prudential Life Insurance Company said.

Life insurers' new business premium grows 26.5%

In Q2, Indian insurers netted new business premium to the tune of Rs 75,392 crore, with LIC witnessing a rise of almost 14 per cent to Rs 51,488 crore. NBP of private insurers rose 20 per cent to Rs 23,904.2 crore.

The previous quarter had been marred by pandemic-induced lockdowns enforced across the country, and NBP of insurers had plummeted more than 18 per cent.

In September, NBP of life insurers was up 26.47 per cent to Rs 25,366.32 crore, with LIC leading the way. LIC's NBP rose a little over 30 per cent to Rs 16,602.84 crore and private insurers saw a rise of 20 per cent to Rs 8,763.48 crore.

The month saw strong growth for private life insurers, backed by a powerful performance by HDFC Life, Max Life, Tata AIA, and Bajaj Life. SBI Life exhibited the highest month-on-month growth among large insurers, in terms of individual as well as total annual premium equivalent, said ICICI Securities.

The rise in NBP was particularly aided by single premiums (both individual and group), even as non-single premiums were still struggling.

While NBP for Q2 is up 16 per cent, the cumulative NBP in the first six months of the financial year is still in the red. In the April-September period, insurers netted premiums to the tune of Rs 1.24 trillion, down 0.82 per cent, compared with Rs 1.25 trillion in the same period last financial year.

Although the private players have managed to be in the green, with a meagre 2.6 per cent growth in NBP to Rs 36,709 crore in the first six months of FY21, LIC has seen a 2.18 per cent fall in NBP to Rs 88,018 crore for the same period.

Industry experts had earlier indicated a revival for the life insurance industry by Q2. Due to the pandemic, insurers are seeing a surge in demand for term products and guaranteed products, while unit-linked products are seeing a slump due to market volatility. From being a push product, insurance has managed to become a nudge product due to uncertainties around the current pandemic, said experts.

Max Life Insurance introduces 'Buy Now - Pay at Approval' feature

Max Life has released 'Buy Now, Pay at Approval' feature that allows one to book an insurance policy in advance and pay at the time of issuance, making life insurance purchase simpler and more accessible. Nearly 8 per cent of all applied policies end up in decline or postponement, creasing hassle for the consumer to receive a refund. This new feature aims to efficiently navigate this hassle by letting customers purchase a policy worry-free through a digital payment instrument and away from the hassle of money getting blocked in case of any delay in policy issuance due to underwriting requirements.

The 'Buy Now - Pay at Approval' feature is applicable to customers paying via a digital instrument for online purchase. In the past few months, the feature was piloted in the online journey, where it was opted by 1 in 2 customers successfully. With the introduction of this feature, Max Life has experienced an uplift in conversion, the contribution of sales from the affluent segment and better customer experience, with a reduction in grievance and refund related issues.

In its continuous endeavour to strengthen customer trust, the feature that is available for policies bought online, allows customers to apply for a policy with the proposal form and a payment instruction through a digital payment method (Currently available on credit card payments.) without the actual deduction of money until the proposal is evaluated by the insurer.

The actual premium deduction happens just before the policy issuance. The feature ensures that the customer does not need to make any payment at the time of applying for the life insurance policy and the charge to the customer's credit card happens only at the time of the insurer accepting the risk.

Reviewing data for online term sales of Max Life, it has been observed that nearly 8% of all applied policies/cases end up in decline or postponement. Under such circumstances, the amount collected from the customer during the purchase process is to be refunded. Usually, this refund process takes around 8-10 working days and this delay often results in customer anxiety, leading to poor customer and distributor experience.

Commenting on the feature, V Viswanand, Deputy Managing Director, Max Life said, "Building trust at the moment of truth is critical in a life insurance purchase process. This feature allows new age, millennial, digitally savvy, affluent customers, to experience life insurance purchase just like they experience booking hotels online with new-age digital travel aggregators. It becomes more relevant for pure protection policies where it is financial and medical underwriting involved leading to higher turnaround time in the policy issuance process.

We have seen a phenomenal ~80% growth (YTD August) in protection sales on our e-commerce channel, that has been possible due to our commitment towards building a truly enhanced customer experience and further simplifying policy-buying in the new era."

He added, "At Max Life, we are committed to creating robust and highly memorable customer journeys in the digital value chain and our latest 'Buy Now - Pay at Approval' feature is an effort in the same direction. Differentiating our customer onboarding journeys, the feature allows digitally-savvy consumers to avail term insurance at their own convenience."

IRDAI chief wants expansion of health cover to include OPD care

IRDAI Chairman Subhash Chandra Khuntia has urged the insurers to expand the ambit of health insurance to include outpatient care as part of the health insurance system to pushmillennial to buying insurance. It is time for insurers to move on to primary and secondary care, and preventive care as they have been focused on tertiary care and hospitalisation for long.

Speaking at a health insurance summit, Khuntia urged insurers to develop disease-specific products which could help policyholders in preventing different ailments.

He further said insurer need to catch people young for health insurance. "Youngsters have this notion that they are generally healthier than the older generation. We have a situation wherein a large proportion of health insurance is bought by the 40-50 age group," said Khuntia.

In the light of the Covid-19 pandemic, health insurance has seen a surge in demand from consumers. At a time when the non-life insurance industry has been struggling due to the pandemic-induced lockdown, health insurance has seen 13.4 per cent growth in the first half of 2020-21, compared to the same period last financial year. The standard Covid products brought in by the regulator have also been received well by policyholders. So far, 15 million lives have been covered against Covid-19. The Covid-specific products were launched on July 10.

Speaking about the missing middle class from the health insurance sector, Khuntia said people at the upper end of the economic scale are aware of health insurance needs. For the poorer sections of society, the government has some health insurance schemes, such as Ayushman Bharat, but the middle class - estimated at 700 million people - does not avail of health insurance in a big way.

International News

AXA XL appoints Jonathan Salter as Head of Risk Consulting

AXA XL announced that Jonathan Salter has been appointed as Head of Risk Consulting, effective October 1st. In this role, he will drive AXA XL Risk Consulting's strategy and value proposition globally, working closely with AXA XL's underwriting and claims teams.

Mr. Salter is currently Deputy CEO of AXA XL Risk Consulting, a role that he has held since 2018. He succeeds Corinne Vitrac, who has moved to AXA Group as Head of Group P&C Risk Management.

Nancy Bewlay, Global Chief Underwriting Officer at AXA XL, said: "As the COVID-19 crisis continues to challenge the way companies operate, loss prevention has never been more important. Jonathan's extensive experience, innovative approach and proven track record position him ideally to lead AXA XL Risk Consulting, which has, since March, been offering remote services, including site analysis. Our remote, tech-enabled capabilities have been extremely well received by clients and now form a key part of our product suite."

Mr. Salter has more than 20 years of experience in risk consulting. He joined XL Catlin in 2016 as Head of Property Risk Engineering. Prior to that, he helped establish and led RSA's multi-line risk engineering capabilities and co-founded Elciem Ltd, a private property risk engineering firm.

Cyber-attacks threaten middle-market businesses, providing opportunity for insurers

Despite a series of high-profile cyber security cases in recent years, the uptake of cyber insurance among small-medium enterprises (SME) remains low at just 12.7%, according to Global Data's 2020 UK SME Insurance Survey. Insurers should target middle-market companies who at the most risk, according to GlobalData.

GlobalData senior analyst, Daniel Pearce, commented: "The pandemic has increased businesses' reliance on technology in order to operate during lockdowns, while social distancing guidelines continue to promote home working. With this growing dependence on technology comes an increase in cyber risk. Given this, the need for cyber insurance has arguably never been higher. Traditionally, cyber insurance has seen greater levels of uptake and interest among mid-market and larger corporations, but the pandemic has accelerated the need for smaller business to purchase cover as well. "

Among SMEs operating in industries such as healthcare, manufacturing, real estate and education – which have been reported as being under greater threat - GlobalData research indicates that cyber insurance uptake is lowest within the health and social work sector, with 25.9% holding cyber insurance coverage.

Pearce adds: "The health and social work sector will arguably have been one of the most directly and heavily impacted by the spread of COVID-19, and having had to respond directly to COVID-19's effects on the population, the increased cyber threats it faces adds further concern.

"The insurance industry should use this as an opportunity to engage with the SME market in particular, as larger corporations will typically have cyber insurance in place. The impact that a cyberattack could have on a business of this size could be debilitating due to financial losses, and, given the reliance on technology during the COVID-19 pandemic, there is no better time to engage with prospective customers."

COVID-19 recession will boost price comparison sales

Price comparison websites (PCWs) will become even more popular in insurance as consumers look for savings wherever possible as the UK economy officially enters recession, according to GlobalData, a leading data and analytics company.

PCWs are very popular among UK consumers when purchasing insurance. GlobalData's 2019 UK Insurance Consumer Survey found that 31.3% of motor insurance sales are directed through a PCW. Furthermore, PCWs account for 26.7% of home insurance sales and 22.3% of pet insurance sales. While the direct channel is still the most popular across these three lines of business, PCWs will gain ground as consumers seek the best deals for a given insurance product.

AXA XL in India to plant 30,000 trees and create a Biodiversity Park in Delhi

AXA XL in India has partnered with charity, Give Me Trees Trust, to embark on an ambitious three-year project to plant 30,000 trees and create a biodiversity park in Jaunapur, Chhatarpur, New Delhi.

A healthy biodiversity helps to breakdown and absorb pollution and provide resilience to climate change. The new park in Delhi is expected to release 2,400,000 kgs of Oxygen per year, with the fledgling forest becoming self-sufficient after two years. Additionally, a healthy biodiversity helps with the management of ground water levels, preventing flash flooding and enriches the quality of the soil.

Preserving biodiversity is a key element of AXA's corporate responsibility strategy. AXA XL will play its part in delivering on this through this project, by helping to develop and monitor the land with the Give Me Trees Trust and also by assisting with fundraising for raw materials like seeds, soil and gardening equipment.

Project Aranya, which launched in April, has already facilitated the planting of 5,000 trees, with socially-distanced site visits for AXA XL employees planned in the coming weeks. A key aim of the project is to engage the local community and increase awareness of sustainability, therefore the charity will be hosting several webinars which will be open to the public.

"Delhi has a significant issue with air pollution and unsanitary water and this initiative will help to keep ecosystems healthy, creating a protected space where nature can thrive," says Derek Nazareth, Head of Global Operations and Country Head, AXA XL in India. "Conservation and sustainable development strategies are integral in preserving biodiversity, and this project, which has been driven by our Think Green Team in India, is a great example of the positive local actions we can take to deliver our global corporate responsibility goals."

Mr. Nazareth adds: 'I would personally like to thank all our AXA XL colleagues who have, despite COVID-19 restriction, continued to find ways to support this initiative from home by growing saplings for the charity."

Swami Prem Parivartan also known as Peepal Baba, Founder, Give Me Trees Trust, adds: "AXA XL is working alongside us as our corporate partner to develop not just a biodiversity park but to create a whole new 'sustainable' experience for its employees. The Company's fundraising campaign, volunteer involvement, workshops and community engagement activities will have a long-lasting impact on this urban forest."

COVID-19 will accelerate popularity of car-sharing schemes

COVID-19 lockdowns and an increase in working from home worldwide has limited the need to own private vehicles, which will cause more consumers to consider new models of vehicle ownership, says GlobalData, a leading data and analytics company. This has implications for the insurance industry. As more people turn to car-sharing schemes for their transportation needs, this will reduce the number of private motor insurance policies in force. In their place, insurers will need to provide short-term policies for drivers using these services.

GlobalData insurance analyst, Yasha Kuruvilla, commented: "The proportion of consumers using car-sharing schemes has been low over the past few years. In 2019, 5.9% of UK consumers used a car-sharing scheme, up by only 0.3 percentage points from 2017 according to GlobalData's UK Insurance Consumer Surveys. However, the greater number of individuals working from home on a regular basis will reduce the need to own a private vehicle. This creates more opportunities for car-sharing firms like Zipcar and Turo to increase their customer base."

Insurers that can partner with car-sharing companies to offer insurance at the time of booking will be much better placed to capitalize on the shift in consumer behavior.

Kuruvila continues: "This creates more opportunities for insurtechs - key players in the usage-based insurance space. This change in behavior will be concentrated in cities, where individuals are able to conduct their daily business without the use of a car and will only need one occasionally.

PANDEMIC A BOON FOR HEALTH, BANE FOR MOTOR INSURANCE

Insurance has always been a recommended instrument in financial planning. However, with the ensuing global pandemic, the importance of insurance is even more pronounced. Especially a health insurance plan is paramount when it comes to protection and financial security As the Covid-19 pandemic has disrupted almost all sectors it has had its effects on the insurance industry, too. While India remains to be an under penetrated country when it comes to insurance coverage, insurers did lose a good amount of business in the month of March as the pandemic had set in creating a large uncertain environment.

The lockdowns to curtail the spread of the infection had aggravated the challenges as the entire workforce had to be transitioned to a remote working environment or commonly known as work from home environment. The COVID-19 pandemic has pushed the insurance sector to phygital from physical. It can't be denied that the lockdown paved the way for multiple innovations and opportunities for the sector that never existed before. However, to thrive and survive in this new landscape, insurers will have to take a structured approach to digital strategy and talent, to deal with customers empathetically in the new frontier of the touchless.

General insurance business in India is expected to contract by 9% in 2020 due to COVID-19, a sharp decline from the 10% growth witnessed in 2019. The current crisis has had a strong impact on the financial planning priorities of customers placing insurance at the forefront. The perceptions, needs and concerns of customers with regard to insurance have also undergone a change with more sensitivity towards stability for themselves and their families.

The insurance industry in India has been changing fast over the last couple of years. The current crisis has further provided a 'digital-first' push. The industry that was for years driven by traditional business models has evolved driven by

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a change in customer behavior, data, disruptive technologies, artificial intelligence and innovation. India is largely an underinsured population with the insurance penetration amongst the lowest in the world. Thus the un-explored potential in the country remains high. The current insurance industry is largely focused on the urban organized sector.

This segment is most vulnerable to the financial loss from the untimely demise of the bread-winner and has unique needs. As the Covid pandemic continues to be a major threat, physical meetings have been replaced by virtual ones in all genres of life. The same holds true for doctor's consultations which are increasingly being done through virtual modes like video conferencing, video calling, online chatting, etc.

Motor Insurance:

The general insurance sector has managed to show a positive premium growth in August, but the numbers are unlikely to bring any cheer to the industry. For August, the general insurance sector collected a total premium of Rs 13,140 crore, a growth of just 5.5 percent when compared to same month last year. The growth in the general insurance sector between April to August 2020 also hasn't moved anywhere as it remains almost flat. From business point of view, the health segment for general insurers has become the biggest line of business, overtaking the motor insurance segment. And it is estimated that by the year end, the health segment may be far ahead of the motor segment.

Despite good growth in premiums in August, cumulative premiums collected in the April-August period of FY21 were mostly flat. Premiums of non-life insurers grew 3.58 per cent to Rs 73,965 crore in that period. General insurers also saw flat growth with premiums at Rs 62,669.21 crore in the April-August period, up 0.02 per cent. This is due to a fall in motor segment premiums and no hike in motor third-party premiums. The Motor insurance segment has continued to witness a significant decline due to a sharp drop in vehicle sales.

As per a recent mandate issued by the IRDAI, long-term motor insurance packages that cover both own damages (OD) and third-party (TP) damages, will be discontinued. The change has come into effect from 1 August 2020 and had applied to those cars that have been purchased post this date. As per the older 2018 policy, it was mandatory for a four or two-wheeler owner to have third-party insurance, 3-years for cars and 5-years for bikes and scooters. They could also buy long-term comprehensive insurance which bundled OD and TP for a longer period. After the nation was in lockdown because of Covid-19, city streets became empty and the number of car trips dropped dramatically. Motor insurance was the worst affected with a 49% year-over-year dip in sales to Rs. 2621 crore for the month of April, 2020.

GROSS DIRECT PREMIUM INCOME UNDERWRITTEN BY NON-LIFE INSURERS WITHIN INDIA UPTO THE MONTH AUGUST 2020 (PROVISIONAL & UNAUDITED) IN FY 2020-21 (Rs. In Crs.)

Insurers	Motor Total	Motor OD	Motor TP	Health	Grand Total	Growth %
Standalone Health sub Total	**0.00**	**0.00**	**0.00**	**6096.45**	**6268.76**	**25.85%**
Previous Year Sub Total	0.00	0.00	0.00	4731.58	4981.07	
% Growth				28.85%	25.85%	
Specialized Insurers						
AIC (Crop)	**0.00**	**0.00**	**0.00**	**0.00**	**4681.16**	**39.04%**
Previous year	0.00	0.00	0.00	0.00	3366.79	
ECGC	**0.00**	**0.00**	**0.00**	**0.00**	**348.29**	**13.11%**
Previous year	0.00	0.00	0.00	0.00	400.85	
Specialized sub Total	**0.00**	**0.00**	**0.00**	**0.00**	**5029.45**	**33.49%**

Insurers	Motor Total	Motor OD	Motor TP	Health	Grand Total	Growth %
Previous Year Sub Total	0.00	0.00	0.00	0.00	3767.64	
% Growth					**33.49%**	
Industry Total	**22253.68**	**8662.60**	**13591.08**	**22903.44**	**73968.16**	**3.59%**
Previous Year Sub Total	26406.54	10480.58	15925.96	20274.11	71406.21	
% Growth	**-15.7%**	**-17.3%**	**-14.7%**	**13.0%**	**3.59%**	
% Market Share	**30.1%**	**11.7%**	**18.4%**	**31.0%**	**100.0%**	
Previous Year Market Share	37.0%	14.7%	22.3%	28.4%	100.0%	

Recent Developments in Motor Insurance:

The Ministry of Road Transport and Highways has proposed to make FASTag mandatory for buying new third-party motor insurance for your car with effect from April 1, 2021. Besides, the ministry is also considering making FASTag mandatory from January 1, 2021 for four-wheelers sold before December 2017. FASTags are prepaid rechargeable tags for toll collection that allow automatic payment deduction from the FASTag. They are normally affixed on the windscreen of your vehicle. With the help of a FASTag, you will not have to stop your vehicle at toll plazas to pay the toll. As soon as the vehicle crosses the toll plaza, the toll fee will get deducted from the bank account/prepaid wallet linked to the FASTag affixed on the vehicle's windscreen.

The IRDAI in June asked all general insurers to withdraw from August long-term packages offering both third-party liability (TP) and own-damage (OD) motor insurance policies. Scrapping of long-term package products (for private cars and two-wheelers) were basically done to reduce the insurance premium ticket size for the customer.

ICICI Lombard developed digital platforms and practices even before the pandemic. In January 2020, ICICI Lombard received approval under the regulatory sandbox for three of its products. Prospective policyholders can buy products with features that regular policies do not offer during a six-month testing period.

The company's first offering, Pay As You Use (PAYU) is an OBD-based (On-Board Diagnostics) offering where the premium charged is based on the number of kilometers driven/opted for. The second option, Pay How You Drive (PHYU) is also an OBD-based offering where the premium charged depends on the driving behavior score as captured through the telematics device. The third product called Single Owner-Multiple Vehicles (SOMV) covers all vehicles owned by an individual under one motor policy and provides the convenience of one document, one premium and one renewal date.

The IRDAI in a circular on August 20, 2020, told companies that a valid PUC certificate was mandatory for insurance renewal. As per the prescribed standards under 115 (2) of CMV rules 1989, all vehicles that are tested for PUC should fall within the prescribed standards. For instance, for a four-stroke two-wheeler vehicle manufactured after March 31, 2000, the prescribed percentage of CO should be less than 3.5%, whereas the hydrocarbon emissions - measured in PPM (parts per million) - should be less than 4,500.

The entire automobile sector was already facing a dip in 2019-2020. New automobile purchases constitute a major portion of the premiums, and hence the lockdown and virtual stoppage of business may aggravate the situation. Challenges faced by the motor insurance industry have also increased. Lack of purchase of new vehicles is one of the biggest challenges.

Non Renewal of Motor Policy:

Many people working from home and making minimal use of their cars have decided not to renew their motor insurance policies. The Ministry of Road Transport and Highways had issued a notification that extended the validity of vehicle documents, such as driving licence, permits, and fitness certificates, till December, 2020. The General Insurance Council has, however, clarified this does not include the insurance policy. Not renewing your motor insurance policy on time can lead to several problems. Vehicle owners who have not made a claim for several years would have accumulated a no-claim bonus (NCB), which can go up to 50 percent of the premium for the own damage part. Once three months elapse after the deadline for renewal, policyholder will lose out completely on the NCB.

Some insurers charge a higher premium for renewing expired policies. Also, when for a comprehensive policy after expiry, insurers insist on inspecting the vehicle. If the inspection reveals damages, the insurer will exclude them from coverage. Insured will then have to pay for those repairs out of his own pocket. Given the severe impact of this pandemic on the lives and livelihood, no one would want an unwanted financial liability. Thus, it is advisable to have a valid comprehensive motor insurance policy.

The premium rates for motor third-party liability insurance for 2020-21 remain unchanged from last year's rate till further order. The rates for the ongoing fiscal could not be finalized because of the Covid-19 and consequential lockdown. For motor insurance, the number of claims has come down to less than 5% of the normal which led to some savings for insurers. When the country was under rigorous lockdown, motor segment claims fell significantly.

But, claims started moving up in the motor segment with lockdown being gradually eased. On the revenue side, renewals have picked up. The own damage claims are now 80-90 percent of what they used to be. And, average claim size is increasing. So, the claims outgo is more or less equal to what it used to be. But revenue is falling. Next six months will be tough in terms of loss ratios for the industry.

Health Insurance:

In fact, the health segment for general insurers has become the biggest line of business, overtaking the motor insurance segment. And it is estimated that by the year end, the health segment may be far ahead of the motor segment. The awareness around having a health insurance policy during the times of COVID-19 has done really well for the standalone health insurance sector. Standalone health insurers, in August, saw their premiums growing by 36.5 percent which compares to an average growth of 23 percent seen in the first four months of FY21.

The biggest gainer in premiums has been standalone health insurers, as they saw a 36.42 per cent rise in premiums during the period to Rs 1,462.92 crore, against Rs 1,072.32 crore. Gross direct premium income underwritten by general and standalone health insurers grew by 10.44 per cent between April and July this year to Rs.18,415.5 crore even as the overall general insurance industry expanded by 1.62 per cent in the period.

The cost of taking adequate health insurance cover

		Annual Premiums (Rs)*		
Insurance Company	**30-year-old**	**40-year-old**	**50-year-old**	**65-year-old**
New India Assurance	7,600	8,062	13,349	35,113
National Insurance^	9,072	10,189	14,764	44,698
ICICI Lombard	7,801	10,021	15,112	38,738
Bajaj Allanz	9,804	11,787	17,782	40,454
Star Health	9,275	11,775	19,865	34,295

**Premium rates (exclusive of GST) for a Rs 10 lakh cover*
^ United India's health plan is currently unavaliable online
Source : Insurers' websites

Interest in health insurance has gone up for majority of the population. While the pandemic has made health insurance the largest premium segment in general insurance, consumers prefer to buy comprehensive policies with higher sum insured rather than just targeted covers. This is driven by the fact that demand for health insurance has been on the rise due to the ongoing coronavirus (Covid-19) pandemic. Also, the regulator's drive to nudge insurers to sell standardized health products has done the trick as there is huge demand for the Corona Kavach and Corona Rakshak policies.

These schemes were launched specifically to provide protection against the virus. Insurers are capitalizing on the increased demand for health insurance policies to compensate for the negative impact from other business. Health insurance premiums grew by 18% year-on-year in July 2020, as insurers revamped product portfolio to meet consumer demand. Health indemnity policies have seen a sharp rise in sales.

The sum insured has increased significantly to anywhere between Rs. 25 lakh and Rs. 1 crore as people have realized that the cost for Covid-19 treatment can be very high. Health insurance premium in July amounted to 32.7 per cent of the general insurance market, taking over the motor segment which stood at 30.3 per cent.

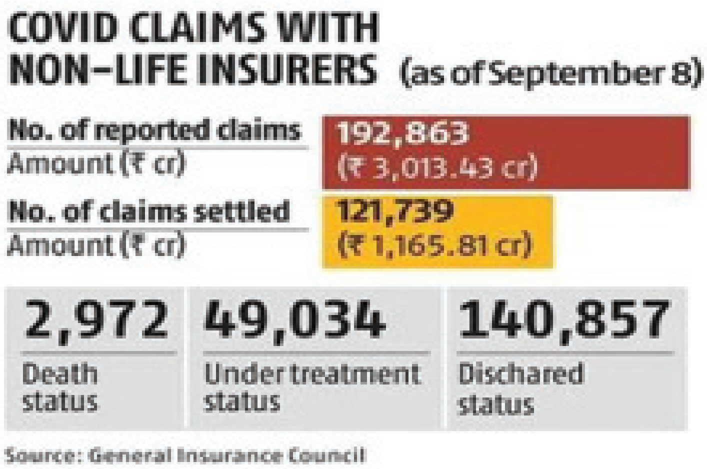
GROSS DIRECT PREMIUM INCOME UNDERWRITTEN BY NON-LIFE INSURERS WITHIN INDIA:UPTO THE MONTH AUGUST 2020 (PROVISIONAL & UNAUDITED) IN FY 2020-21 (Rs. In Crs.)

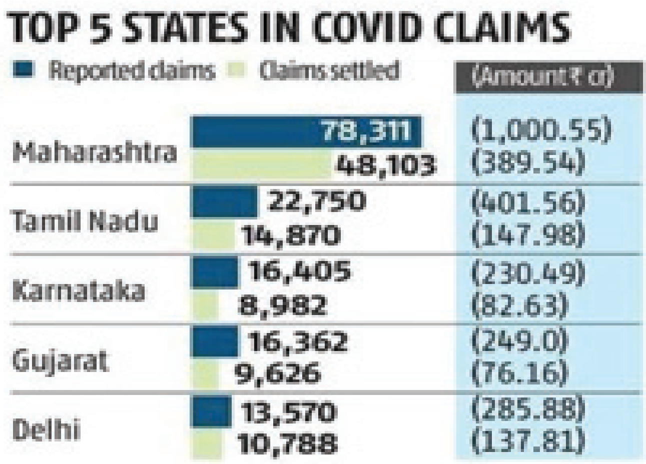
Insurers	Health-Retail	Health-Group	Health-Government schemes	Overseas Medical	Health Total	Growth %
Stand-alone Health sub Total	**4977.25**	**1108.33**	**0.00**	**10.87**	**6096.45**	**28.85%**
Previous Year Sub Total	3360.38	1041.94	261.95	67.31	4731.58	
% Growth	**48.12%**	**6.37%**	**-100.00%**	**83.85%**	**28.85%**	
Industry Total	**9645.62**	**11896.60**	**1285.84**	**75.38**	**22903.44**	**12.97%**
Previous Year Sub Total	7259.10	10819.38	1752.44	443.19	20274.11	
% Growth	**32.88%**	**9.96%**	**-26.63%**	**82.99%**	**12.97%**	
% Market Share	**42.11%**	**51.94%**	**5.61%**	**0.33%**	**100.00%**	
Previous Year Market Share	35.80%	53.37%	8.64%	2.19%	100.00%	

Reported Claims:

As cases of the novel coronavirus are steadily climbing in the country, general insurance companies continue to see higher claims for treating the disease. As on September 1, the non-life insurance industry received 1.69 lakh claims amounting to Rs 2,641 crore. Maharashtra has the highest number of claims, followed by Tamil Nadu. So far, insurers have settled over 1.06 lakh claims amounting to more than Rs 1,000 crore. The exponential rise in the number of Covid-19 cases in the country has meant that the number of claims related to Covid-19has also risen for non-life insurers.

However, the claim number is still very low, if compared with the total number of Covid-19 cases the country has seen, indicating the low level of health insurance penetration in the country. As of September 8, non-life insurers have received 192,863 claims, amounting to Rs 3,013.43 crore. Out of the total reported claims, as many as 121,739 claims have been settled by the insurers so far, amounting to Rs 1,165.81 crore, revealed claims data of General Insurance Council (GI Council), which is not publicly available.





At the end of July 31, insurers had received 81,000 claims. So, the number of reported claims has doubled in a months' time. Among states Maharashtra still leads in the number of reported and settled claims, followed by Tamil Nadu, Karnataka, Gujarat, and Delhi.

A positive that has come out of this crisis is the fact that consumers are more willing to buy health covers to protect them from the uncertainties that the current pandemic might throw up. Within a month of launching standardized Covid-19 specific products, as many as 1.5 million lives have been covered. The regulator last month had launched two Covid-19 specific policies - Corona Kavach and Corona Rakshak.

Furthermore, the industry is seeing, for the first time, the health segment overtaking motor as the largest business in the general insurance space. the average ticket size for a novel Coronavirus claim is around Rs 1.5 lakh in urban areas and around Rs 50,000-75,000 in semi-urban or rural areas. Where the condition of patient is serious, and she/he has been admitted to the intensive care unit, claims are in the range of Rs 6-8 lakh.

The reasons for higher claims were also because of increased expenses on overheads in the treatment of the virus where the risk of contagion is rather high. When it started out in March and April, the PPE kits were high due to the demand, the treatment protocols and cost patterns were not clear which took a few weeks to settle down. From a hospital perspective, there is also a pressure to improve capacity utilization.

General insurers have registered 1.92 lakh claims worth Rs. 3,013 crore as on September 8, 2020. This is the monthly claims data monitored and compiled by the General Insurance Council. Of this, about 1.2 lakh claims were settled by industry amounting to Rs. 1,165 crore, the data further showed. Maharashtra led the country with 78,000 claims, followed by Tamil Nadu, Karnataka, Gujarat, and Delhi.

Frauds in Health Insurance:

After attempts of fraud in the name of covid-19 treatment by hospitals empanelled under Ayushman Bharat-Pradhan Mantri Jan Arogya Yojna (AB-PMJAY) came to light, the government has warned of action against the erring hospitals. The third-party administrators (TPA) servicing PMJAY have brought some incidents of fraud attempts to the notice of National Health Authority (NHA), the nodal agency responsible for implementing the AB-PMJAY. The testing and treatment for covid-19 was made available free of cost for Ayushman Bharat beneficiaries at private laboratories and empanelled hospitals in May.

One of the hospitals was found with more than 100 admissions for covid-19 alone. There's no way to verify the admission or presence of patients in the hospital as no one is allowed to visit dedicated covid-19 hospitals for audits. That being a testing centre also, positive cases can be created, and admissions, too, can be created. There have been instances where hospitals claim higher cost packages wrongly, such as using 2 stents and claiming for 3 in cardiac procedures; claiming expensive packages under paediatric NICU (neonatal intensive care unit) treatment etc.

It is also noticed that expired medicines are being used by hospitals. Insurance company appoints TPAs where the scheme is run on the insurance model such as Gujarat and Punjab. Primary services that FHPL provides in any state are cashless and claims management subset of these services are creating awareness among hospitals on using PMJAY software, fraud and abuse control, hospital and beneficiary audits and feedback, verification of beneficiary and confirming the identification in Beneficiary Identification System (BIS) for registration of beneficiaries in PMJAY software and contact centre management to address beneficiary queries and grievances.

The coronavirus pandemic has prompted India's health insurance industry to flag, for the first time in a court, concerns about arbitrary overcharging of patients by private hospitals and to caution that such practices could increase annual premiums. Excessive profiteering by private hospitals for treatment of COVID-19 patients has forced the statutory body of insurance companies to seek Supreme Court's intervention. It said that this unchecked practice will raise the medical premium cost in India. It cited instances from different cities where hospitals had initially sought payments two to five times the amounts they accepted after objections by insurance companies.

The Council found, one private hospital had billed a patient Rs 282,782 for a 10-day stay of which Rs 200,000 was charged under the head "PPE (personal protection equipment) kit ward. The insurance company objected and asked the patient to ask for a revised bill as an uninsured patient and then seek reimbursement. The hospital reduced the bill to Rs 49,973 after "considerable haggling.

New Relexations:

- Regulator IRDAI has permitted health and general insurers to obtain consent of prospective policy holders through a duly validated One Time Password (OTP), thus dispensing with the practice of getting wet signature in view of the COVID-19 pandemic.
- The regulator has also exempted the insurers from mandatorily sending hard copy of the document to policyholders. However, the policies will have to be sent through electronic mode on the registered e-mail.
- To help the insurance sector provide basic financial protection to the people, the Regulator has approached the Finance Ministry again with a request to cut GST rates on life and health insurance premiums.
- To promote wellness benefits in life and health insurance, the IRDAI has issued guidelines on wellness and preventive features.
- Now, insurers have to notify the rewards accrued to the credit of a policyholder and entitlements of the policyholders under the wellness and preventive features.
- Insurance companies will offer reward points to policyholders who maintain good health and regularly take part in various wellness and fitness programmes. The rewards could be redeemable vouchers for health supplements, membership in yoga centres, gymnasiums, sports clubs or fitness centres. The insurer can also provide discounts on premiums or increase the sum insured at the time of renewal.
- Since the outbreak of Covid-19 pandemic, the insurance regulator and industry have helped ease the financial burden of policyholders by extending the grace period for premium payment, the introduction of standard health policies and Covid-19 health policies and some insurers even offered to continue cumulative bonus benefits.
- Keeping in mind the increasing medical costs, policyholders may purchase multiple health insurance policies across different insurers if there's a need for a higher sum insured in case it is insufficient under a single policy. But if you have multiple health policies, there is no need to worry. You are allowed to use multiple policies, such as the group policy from your employer, your individual health policy and your top-up health policy, for a single claim.
- The demands for a more fluid workforce for insurance would increase. At present there is a strong need for underwriters and claims investigators to work with data scientist and analysts. By having a liquid workforce component companies can have a right mix of internal employees, freelancers and technologists. This helps drive faster innovation and change within the company. This trend has been gaining popularity across industries and we expect it to become prevalent in insurance as well.

Health Insurance as gift:

Insurance provides financial stability to the family of the deceased policyholder. an insurance policy to your loved ones is among the best ways of securing their financial future. The new plan launched by SBI General Insurance, Shagun, allows you to directly gift a personal accidental insurance policy not just to your family but to anyone - your friends, cook, maid or driver. If there are any minors in the family, you can directly gift a life insurance plan to them, provided the minor (less than 18 years) is part of the immediate family (your child/grandchild).

Life insurance works on the principle of insurable interest and therefore, gifting is usually limited within family. While one cannot gift an insurance plan outside of immediate family, Shagun, SBI General Insurance's new product, overcomes this limitation. SBI's Shagun is like any other personal accidental insurance product in the market. It provides the benefit to the nominee of the insured in case of accidental death of the policyholder. It also covers for partial/total disabilities, permanent as well as temporary disabilities resulting from an accident, in which case, the benefit is paid to the life assured directly and the policy terminates. The claim amount varies with disabilities.

IRDAI has asked insurers to include the cost of telemedicine in their plan's coverage. If health plans cover the cost of doctor's consultations, they would also cover the cost of telemedicine from October 2020. This move by the IRDAI is seen in the best interests of the policyholders as their policies are set to become more inclusive in terms of coverage. Moreover, by including telemedicine in the ambit of coverage, health plans would address the current need of the pandemic and would prove more relevant. This is also expected to increase the popularity and demand for health plans as well as the penetration of health insurance in India. The government is all set to launch National Digital Health Mission (NDHM) which enables all citizens to possess digital health records. Unique Health ID will be allotted to each person and a Health Card will also be issued facilitating people to share the data with healthcare providers anywhere in the country and get the necessary medical attention.

While this should usher in a new era in the healthcare sector, this can also be a boon to the insurance industry. General insurers are gearing to come up with novel products under the regulatory sandbox, after the enthusiastic response to the first set of policies announced by the Insurance Regulatory and Development Authority of India. The pandemic has opened new avenues for innovation and, soon, there may be covers for job/income loss and business interruption. The Regulator announced the opening of the second cohort of regulatory sandbox policy. The window for filing applications opens on September 15 and closes on October 14. The regulatory sandbox refers to the live testing of innovative products in a controlled regulatory environment, backed by relaxation of certain insurance norms for the limited purpose of the pilot. Indian insurers should consider performing targeted activities to protect community interest and build more trust in the society.

The novel Coronavirus disease pandemic has led to an increase in health insurance awareness in India. Humungous hospital bills for COVID-19 treatment have prompted many to buy - or enhance - health insurance covers. However, only around 4 per cent of COVID-19 patients in the country have filed health insurance claims so far despite growing awareness - a pointer to the dismal levels of health insurance penetration in the country. Despite a rise in claims in the last two months, the insurance penetration in the country still seems to be low. Health insurance claims made till now are only 2.7 per cent of the total number of people who have been infected with the virus till now. While it is important to follow all government advisories to protect yourself physically from getting infected with the coronavirus, it is also very important to stay financially protected against not just the pandemic, but all other ailments as well.

This is because the pandemic may end in a couple of more months, but other lifestyle diseases and age-related ailments can affect you any time and it is very important to stay adequately protected against any such ailment. The hunt for a coronavirus vaccine is underway across the world. With multiple vaccine candidates entering the phase III trials, a safe and effective vaccine against coronavirus infection could become a reality soon. But will a vaccine be covered under health insurance policy? The answer is - only specific health insurance policies will bear the expenses of the coronavirus vaccine. Currently, COVID-19 vaccination is not covered under indemnity plans available in the industry.

However, in the foreseeable future, it being a critical need, insurers will evaluate covering it under their plans, once the COVID-19 vaccine availability and pricing comes in. One of the biggest offerings from the new normal has been the adoption of the 'work from home' culture across industries. Many companies have invested in technology infrastructure to enable work from home to ensure continued services. There have been reported benefits of the work from home culture and over the last few months employee behavior has also adapted. Work from home also provides companies with the opportunity to deploy its resources better and help in flexible expansion across geographies.

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BE WISE AT 60 AND ABOVE - PENSION AND ANNUITY

"It is the set of the sails, not the direction of the wind that determines which way we will go."

---Jim Rohn

Pension is generally defined as a regular payment made by the state to people who attained the age of retirement or at the time of death of an employee to the widow or to some disabled people.

Annuity is a long-term investment that is issued by an insurance company designed to help maintain a regular income to the individual or the family. This kind of regular income can be of various types as described in this article. The amounts payable also depends on the type of payment an individual chooses.

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However, in our regular conversations pension and annuity are used interchangeably conveying the same meaning. In this article also they are used interchangeably.

Pension can be a defined benefit or a defined contribution. Defined benefit is one where only the benefit is defined like 50% of the employee's last drawn salary etc., where the corpus to support that kind of pension is made available by the employer. In Defined contribution method, an amount is deducted from the employee's salary month on month and invested through a recognised fund. These amounts will get accumulated to form a corpus. At the end of the term like resignation, retirement or death of an employee, the amount accumulated will be transferred to a recognised (by government of India) pension authority from where he will get regular amounts. It can be monthly, quarterly, half-yearly or yearly pension.

In case of individuals, they can choose a pension plan which is normally sold by a life insurance company in India and keep on investing in that plan. Different life insurance companies offer products with different features. An individual can choose according to the requirement. The regular payments made to the customer by the company is termed as annuity.

In case of the pension products sold by life insurance companies, there are two types.

1. Immediate Annuity
2. Deferred Annuity

Immediate annuity plan is one where the customer invests a particular amount of money and keeps on getting annuity payments as per his choice like monthly, quarterly, half-yearly or yearly. The biggest advantage of this immediate annuity is that an individual can clearlyknow, without any uncertainty as to what is the amount he or she is going to get as per the options exercised by them. Most of these products offer the following options.

1.1. Pension as long as the person is alive with NO return of capital

1.2. Pension as long as the person is alive with return of capital

1.3. Pension with a guaranteed term of 5/10/15/20 and life thereafter

1.4. Pension for self, spouse and with return of capital

1.5. Pension for self, spouse and NO return of capital.

In case of option 1.1 above, the annuity payment is given to the person as long as the person is alive. in case of death no other payment will go to the family or nominee. Hence the rate of annuity payable in this option will generally be the highest. This option is exercised by an individual who has no one to nominate or who doesn't want to pass on the corpus after the demise. However, the individual keeps on getting the highest rate of return as long as the individual lives even if it is beyond 100 years.

In option 1.2 above, an individual gets annuity till the time he is alive and after the demise of the individual, the nominee or legal heir will get back the full amount invested by the individual. For example, if a person has invested Rs.1 Crore at the age of 60 and he happens to die at the age of 110, he will get pre-defined pension till he is alive and after his death the total amount of Rs.1 Crore is returned to the nominee or legal heir.

In option 1.3 above, one can choose the guaranteed term of getting the annuity depending on his requirement in multiples of 5 years (normally) starting from 5 to 20 (maximum in most of the companies) and life thereafter. In case a person chooses 20 years guaranteed pay and life thereafter, he will get the annuity irrespective of the fact that he is alive or not. At the end of 20 years, if he is still alive, he will continue to get the annuity as long as he is

alive otherwise it stops. The point to be noted here is that even if the person dies after say 11 years, the nominee will continue to get the annuity for the next 9 years. However, the annuity payable varies on the guaranteed term chosen by the individual customer. As the guaranteed term increases, the annuity payable will marginally decrease. Higher the guaranteed term, lower the annuity.

In option 1.4 above, an individual can get pension as long as he is alive and after his demise, his spouse can get as long as she is alive and after the demise of the spouse, the invested amount will be returned to the nominee or legal heir. In case the spouse happens to die before the policy holder, then also the invested amount will be returned to the nominee or legal heir. This is one of the best options. However, we find that the rate of return is lesser than that of option 1.1. Here also, the rate of return is fixed for entire term of payment and hence gives a guarantee of a certain amount of money during their life time.

In option 1.5 above, though it is similar to option 1.4, the invested amount will not be returned to the nominee or legal heir. In this case, the guaranteed return will be slightly higher than the option 1.4. When all the children are settled and there are no liabilities, one can opt for this options as this givens higher return.

Pension is generally defined as a regular payment made by the state to people who attained the age of retirement or at the time of death of an employee to the widow or to some disabled people.

The following table explains all the options in a nutshell.

Options	Pension Payable to the person invested as long as alive	On / after death of the person invested, Pension or ROC payable if		Return of Capital invested
		Spouse is Alive,	Spouse is not Alive payable to Nominee or Legal heir	
Life long pension	YES	Not payable	Not payable to anyone	NO
Lifelong Pension with ROC	YES	YES. Return of Capital	YES. Return of Capital	YES
Guaranteed 5 years and life thereafter	YES	Yes. Till end of 5 years from DOC	Yes. Till end of 5 YEARS from DOC	NO
Guaranteed 10 years and life thereafter	YES	Yes. Till end of 10 years from DOC	Yes. Till end of 10 years from DOC	NO
Guaranteed 15 years and life thereafter	YES	Yes. Till end of 15 years from DOC	Yes. Till end of 15 years from DOC	NO
Guaranteed 20 years and life thereafter	YES	Yes. Till end of 20 years from DOC	Yes. Till end of 20 years from DOC	NO
Life long pension and 100% to spouse	YES	YES	NO	NO
Life long pension and 50% to spouse	YES 100%	50%	NO	NO
Life long pension and 100% to spouse and ROC	YES 100%	YES	Return of Capital	YES

ROC = Return of Capital

DOC = Date of Commencement of Policy

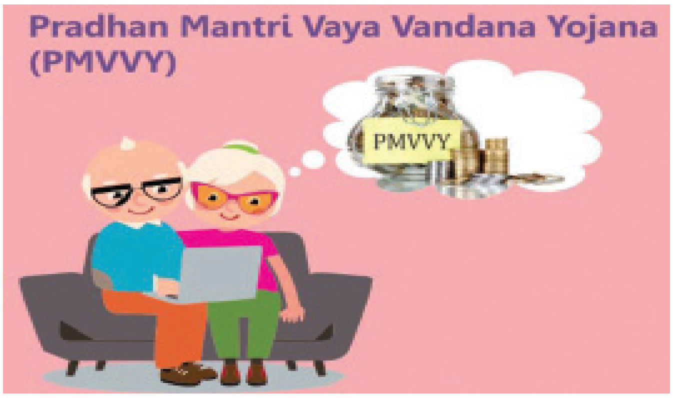
In India, there are a few schemes announced by Government which can give a better return compared to the annuity rates of Life insurance companies. However, the amount you can invest in those schemes is limited and the annuity that the individual gets is also limited for a particular period of time in most of the government plans. Given below are two such popular plans announced by Government of India.

1. Pradhan Mantri Vaya Vandana Yojana (PMVVY):

Pradhan Mantri Vaya Vandana Yojana (PMVVY) modified - 2020 (LIC Table No. 856) is modified version of earlier PMVVY (Table No. 842) which was closed on 31-03-2020. The earlier plan has been modified and made available for three more years up to 31-03-2023. This plan is available for purchase from 26-05-2020 from LIC.

Key Features

1. Policies purchased during financial year 2020-21 will get pension at the rate of 7.4% in monthly mode and 7.66% in yearly mode.
2. The interest rate will be guaranteed for entire term of 10 years. Policyholder will get assured same rate for next 10 years which was fixed at the time of buying the scheme.
3. On completion of 10 years, invested amount will be returned to the policyholder.



4. In case of death of the policyholder before completion of 10 years term, invested amount will be returned to nominee of the policyholder.

5. Interest rate for policies purchased beyond 2020-21 will be revised by Ministry of Finance on the beginning of each financial year.

2. Senior Citizens Savings Scheme (SCSS)

This scheme is also available to the people above 60 years of age. The amount deposited will have a fixed rate of interest for 5 years and can be renewed for another 3 years. However, the interest rate will be as per the prevailing rates at that time. The SCSS rate of interest for April to June 2020 has been set at 7.4%. Maximum amount that one can invest is Rs.15 Lakhs only.

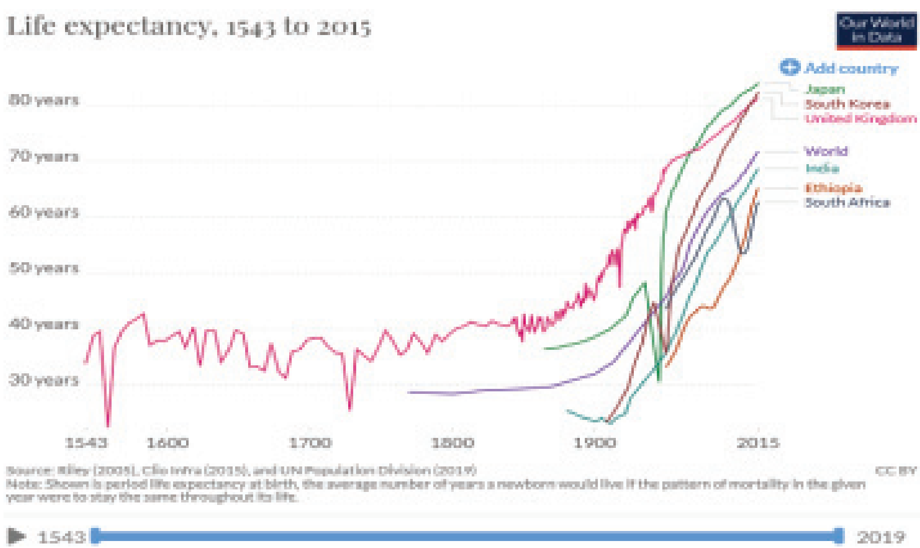
However, the amounts received under this scheme are taxable like annuity.

Need for Pension:

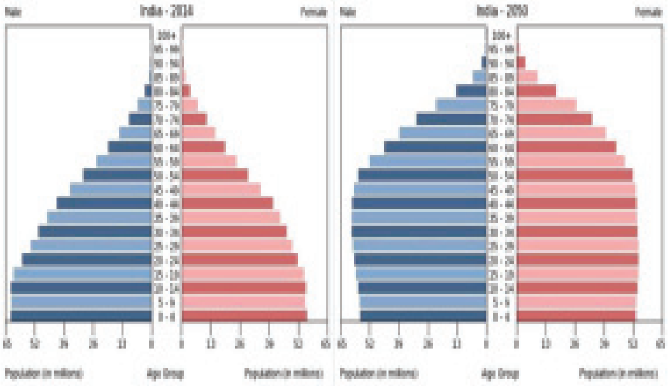
Regular Income : Any person would like to have a regular income as long as he is alive. Planning for the same can make the person live a comfortable life all through. Otherwise, at a particular age, income stops as the person may not be able to work or carry on with his business due to both external and personal family reasons. At that time also, he will need a regular income to maintain his basic needs.

How Longevity affect your life and income :

Longevity of people is increasing every decade. If we look at the longevity in India, from the year 1900, it has been increasing and in 2015 it stands at 68.3 years.



Increase in Seniors:



Those who are in their 30s now will reach their 60s by 2050 and they live longer than those who are in their 60s now. Hence, if they want to live peacefully even after their retirement at the age of 50 or 60, they need to plan for a regular income now. For such people deferred annuity plans are suitable. They can invest for about 20 years or more and they can get a regular income on the basis of accumulated corpus and prevailing annuity rates at that time.

During 1881, the average life expectancy of Indians was 25.44 years!! In 2019, as per our world in data website, it is 69.56 years. If someone is planning for retirement goal and his age is 30 years at present, and planning to retire at 50 years of age, then the life expectancy with 0.5% inflation would be 83 years when this guy turn 50 years of age. Whether you planned your retirement planning with 80 years or 90 years of life expectancy?

Conclusion

In both the government schemes shown above, the maturity period is limited. It is 5 years (extendable by another 3 years) in SCSS and 10 years in case of PMVVY. In case the interest rates go down, which is very likely in future, the senior citizens invested in these schemes have to suffer a lower returns as the age increases. This will be a serious cause of concern for those who invest in these schemes. You will also find that there is no option to enrol spouse in these schemes. This means that in case the person dies, the amount will be given to the nominee or legal heir and if the legal heir is above 60 years of age, they can again invest in these schemes as per the interest rates prevailing at that time.

However, the annuity schemes provided by life insurance companies have a fixed rate of interest as long as the person is alive and in some options even for the spouse. So, the same amount is assured for the rest of their lives even if it is a little less than the government schemes.

In case a 60 year old person invests in any of the above mentioned government schemes, in the current trend of longevity which is likely to go up as per the indications shown in the following graphs, it will be a big disadvantage for that person.

One can choose any scheme as per their requirement, however it is strongly suggested to go for an annuity scheme floated by a life insurance company. You can also compare the rates offered by different life insurance companies, as they differ from company to company and also the age of the person buying annuity. As a general formula, higher the age higher the rate of return. This also depends of the option chosen by the person as shown above.

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This article is written with various references of reports available on the internet such as world population report etc..

Reliance General Insurance unveiled its new brand campaign "BroBot"

Reliance General Insurance, has unveiled its new brand campaign Tech + Heart with its new brand mascot "BroBot". The campaign is aimed at re-enforcing Reliance General Insurance's positioning as a new-age general insurance brand, that offers customers the convenience of Technology along with the empathy of a human Heart and extends the brand philosophy of LiveSmart.

The campaign begins with a set of 3D animated characters distressed under different circumstances in their lives and BroBot enters to rescue them as a superhero, with the power of insurance solutions that are both tech-enabled and compassionate. While the film is easily relatable and fun to watch, the music of the film is a beautifully edited version of a famous 90s Bollywood song that gels well into the theme of the film.

Rakesh Jain, ED and CEO, Reliance General Insurance said, "During COVID-19 majority of customer interactions happened digitally and we brought about a series of tech innovations to simplify and make those interactions seamless. However, we as a General Insurance company also understood that Technological disruption needs to amalgamate with humane values and focus on being customer-first, always. That is why we decided to have a brand mascot 'BroBot' that embodies this ethos and presents insurance with a fresh perspective to our customers in the new normal"

As part of a multimedia campaign, Reliance General Insurance had also released a set of teasers a week prior to the launch by the name of 'BroBot' without unveiling the brand or product mention. The teasers created quite an intrigue within the audience and media alike. The one-of-a-kind 3D animation was produced in New Zealand and conceptualized by Enormous Brands LLP that manages the creative mandate for the brand.

Ajay Verma, Managing Partner, Enormous Brands LLP said, "Reliance General Insurance is among the largest General insurance players in the country, hence it was important for us to stay away from category generic and create a newer, fresher conversation both in terms of look, tone, and feel. RGI is a new age Insurance company and have devised many industry-first tech initiatives designed keeping the customers in mind. Hence, it was imperative for us to create a new world where the product and services are governed by tech and driven by heart, which brought us to a new brand articulation 'Tech+Heart = LiveSmart'."

THE BIG PIVOT: HOW COVID-19 HAS CHANGED COLLABORATION AND INNOVATION

In these unprecedented times for us all, innovation in the insurance industry has not slowed - indeed, responses to the COVID-19 pandemic have in many cases accelerated innovation and change. The pandemic has changed the way many businesses operate and the risks they face now and in the future.

The COVID-19 pandemic has altered the way that we all work - in many cases forever. Businesses have changed the way they operate, with many seeing colleagues now working outside of an office environment. Many companies adapted to make different products or use their facilities in different ways. This has changed the risks that companies face - and the way in which they need to manage, mitigate and transfer them.

At times like these, collaborative thinking is more important than ever. As we approach AIRMIC Fest, I am looking forward to catching up - virtually - with many clients and brokers, to bouncing ideas around, to hearing innovative thoughts and to having discussions about the changing face of risk.

About the author

Tim Smith

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Things have changed for the insurance industry too. With traditional face-to-face meetings in many cases impossible, we have all adapted our routines and become used to video calls. We have needed to change the way we do things - innovation has, to some extent, been forced upon us all.

At Lloyd's of London, for example, the more-than-three-hundred-year-old tradition of face-to-face meetings and physical signing of slips was rendered impossible when the underwriting room was forced to close. In response, one of our underwriters devised a way to sign scratches and slips virtually - a great example of someone thinking on their feet and innovating to solve a very immediate problem.

But innovation isn't and shouldn't be just a reaction to events. In some cases, though, the restrictions on movement of people necessitated by COVID-19 lockdowns, certainly accelerated innovation - and set in motion changes that are probably here to stay. Two great examples of that are our Remote Risk Dialogue and our Digital Risk Engineer.

During the lockdown period, the development of our new Digital Risk Engineer solution became particularly relevant, especially when facilities were empty or idle. The Digital Risk Engineer uses the Internet of Things to monitor buildings and assets 24 hours a day, seven days a week. It "listens" to building management systems and captures data to inform us about the building's health.

When governments around the world-imposed restrictions on the movement of people, our risk engineers needed to find a way to carry out the many hundreds of risk surveys they perform each year on our clients' facilities. By using data capture and remote analysis, risk engineers were able to continue to carry out surveys and consultations without needing to visit a site.

Often, the use of those facilities had changed as clients innovated to adapt to the pandemic; for example, some alcohol distilleries began producing hand sanitiser, and some clothing manufacturers began making face masks. In these instances, insurers needed not only to adapt the way they carried out risk analysis, but also to adapt insurance coverages to respond to this change in risk profile. We - insurers, brokers and risk managers - all had to work together to innovate.

Co-creation

It hasn't only been the change in working patterns that have driven innovation in risk and insurance. The COVID-19 pandemic has been a human disaster on a global scale, with tragic loss of life and life-changing effects on so many people across the world.

The search for a vaccine, and other ways to combat the effects of COVID-19, is an urgent, global effort. And risk transfer has a part to play in supporting that. AXA XL is part of syndicate 1796, a new global health facility at Lloyd's. This is a great example of our industry responding to a global health emergency and collaborating to find new ways to do things in this "new normal."

Risk management and transfer has always been about collaboration between client, broker and insurance carrier to find the most suitable solutions for risk problems. Without a doubt, the COVID-19 pandemic has forced us all to find different ways to do that - with the opportunity for face-to-face brainstorming put on hold, we need to find other ways to continue to innovate.

Late last year, we launched Cube, the world's first ever risk innovation incubator. The concept originally worked around a series of workshops in which our clients and risk experts worked together to create solutions to the most complex risks. Naturally, the COVID-19 pandemic meant that face-to-face workshops were out of the question. But the need for co-created solutions to complex risks was even more acute.

With that in mind, we completely virtualised the Cube process. Clients can now take part in virtual workshops and brainstorming sessions to test problems and find solutions. This evolution will, we believe, be of huge benefit to our clients even when restrictions on meets are eased.

Meeting of minds

Innovation is so often fostered by the meeting of minds as we - client, broker and carrier - examine problems and look to find answers. Even while we cannot meet in person, I urge you to challenge your insurers to support you in the changes your businesses are facing as a result of this different world.

The AIRMIC conference has always been a great opportunity to meet up with clients and brokers and to bounce ideas around. And I will miss that this year - that face-to-face human interaction is not easily replicated. However, I believe there are ways we can all work on those "softer" elements of relationship-building even while we cannot meet in person.

We have a packed programme of sessions, workshops, discussions and debates at Airmic Fest. And we are hosting social events too, including a virtual wine-tasting. I look forward to "meeting" many of you there.

As we head towards renewal season for many insurance buyers, I feel confident that we can continue to talk, collaborate and co-create to find ways to assess, manage and transfer risks in innovative ways in this new normal facing us all. ❑

CHANGING TIMES FOR INSURANCE CLAIMS ORGANIZATIONS

Insurers are renowned for their risk management capabilities. Their core business proposition is to identify risks, assess them, create products around the risks and sell them to customers with a promise to financially compensate when the covered risk event occurs, in exchange for a premium. Despite their specialization, insurers have a paradoxical relationship with risk. When any risk is eradicated, insurers will have no business, and when a risk grows to uncontrollable proportions they will be out of business. Claims management, which is the last core business function in the insurance value chain is important both to customers and insurers. For customers, it is the ultimate moment of truth in the insurance business that is generally known for low-touch processes and serves as the testimony to the insurer-customer relationship. To insurers handling claims efficiently would not only help them win over customers but also improve the bottom-line by containing the losses. Due to these reasons, the focus of insurers is to contain claims wherever possible, arrest the leakages and settle them promptly. This article provides an overarching commentary regarding the changes that personal auto and home insurance claims organizations are currently going through, and how emerging technologies are helping insurers to redesign the value proposition.

About the author

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Drivers of Change and Force Multipliers

Claims organizations are now beginning to gain more strategic and operational focus. Consequently, they are starting to command a larger share in the innovation and transformation investment budget. Several important drivers of change are simultaneously influencing this paradigm shift whereby claims functions are seen to be competing with procurement, which has been a traditional rallying pole for investments. While the pressure on operations to reduce the loss ratio, claim cycle time, and cost of settlement still remains as the traditional driver of change for claims organizations, several new forces have emerged.

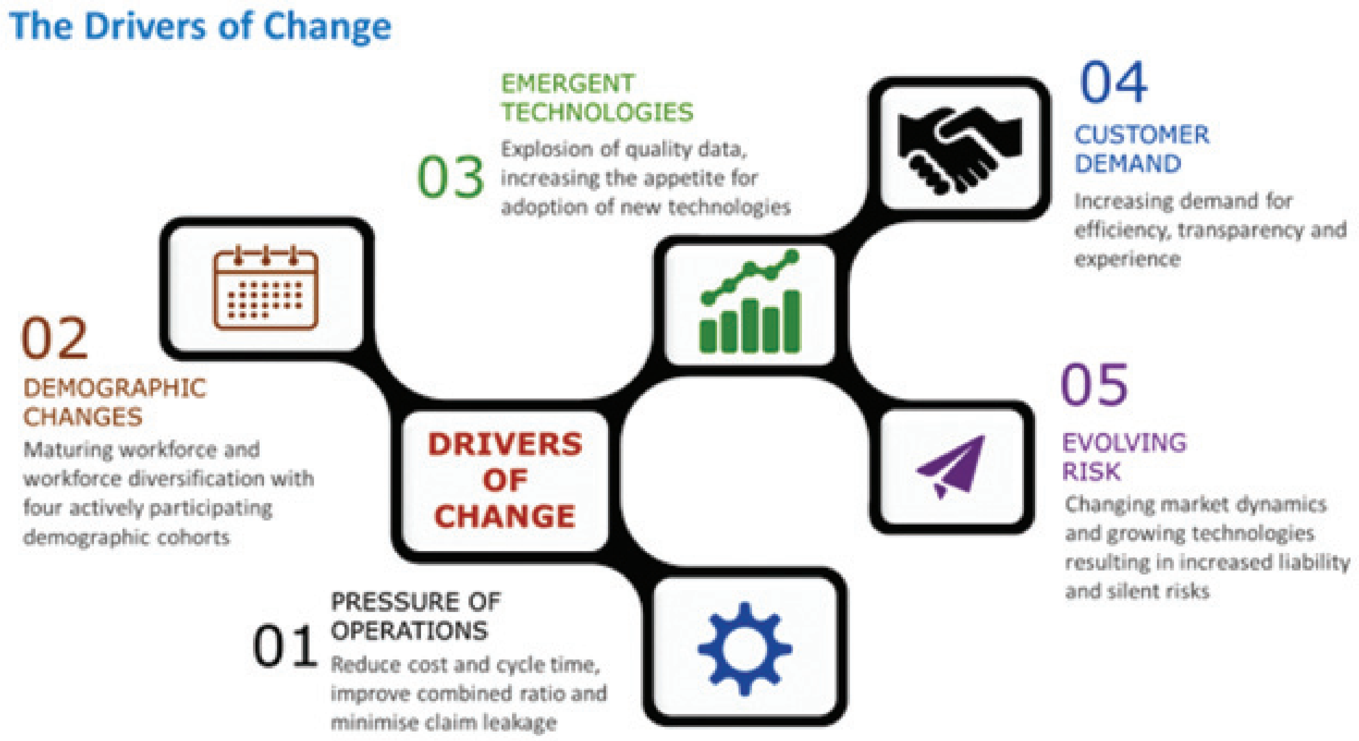


Figure 1: The Drivers of Change

- **Demographic changes:** With the boomer generation retiring in troves, insurers are facing the risk of a shortage of talent. Due to the challenges associated to recruiting and managing millennials and digital natives, insurers are now compelled to make the work environment attractive both in terms of work-culture and technology adoption. This is in turn driving companies towards reskilling older employees.
- **Emergent technologies of convenience:** The advent of the fourth industrial revolution (4IR) pioneered by technologies such as smartphones, big data, 4G,and cloud is redefining the contours of the art of possible in connectivity, access, demand, and usage. Further, the extensive progress in various streams of artificial intelligence is providing organizations with new capabilities that were not available earlier. Due to their proliferation and ubiquity, what initially started as technologies of convenience are now growing to become technologies of necessity.
- **Customer Demand:** Though the demand of customers for better claim experience is a primitive and long-held expectation, it is now turning intense. This change is fueled by two factors: experience-focused millennials becoming the most influential demographic cohort and the explosion in the technologies of convenience with which personalized service is much achievable.
- **Evolving Risk:** The growth of sharing and access economy is changing the concept of insurable interest. Consequently, the dimensions of liability risk are seen expanding. The technological confluence of physical, digital, and biological spaces is affecting the equation of risk by increasing the surface of risk and birthing highly complex cyber risks and new silent risks.

In addition to the above drivers of change, force multipliers such as the recent outbreak of COVID-19,exacerbated climate change, and simmering geopolitical tensions are disrupting the global risk dynamics and turning the drivers of change more potential. For instance, the past few months of fighting COVID-19threw a lot of operational challenges and in turn catapulted the digital drive of insurers forward by a minimum of five years.

The Unravelling of Future Claims Organizations

These change drivers and force multipliers are forcing insurers to design an overarching future-proof claims application landscape that is intelligent, agile, and scalable. The future claims systems will be enabled by several of the emergent technologies. To support the changing business models, risk landscape and technologies, the claims organizations are reinventing their operating models and the supporting application landscape.

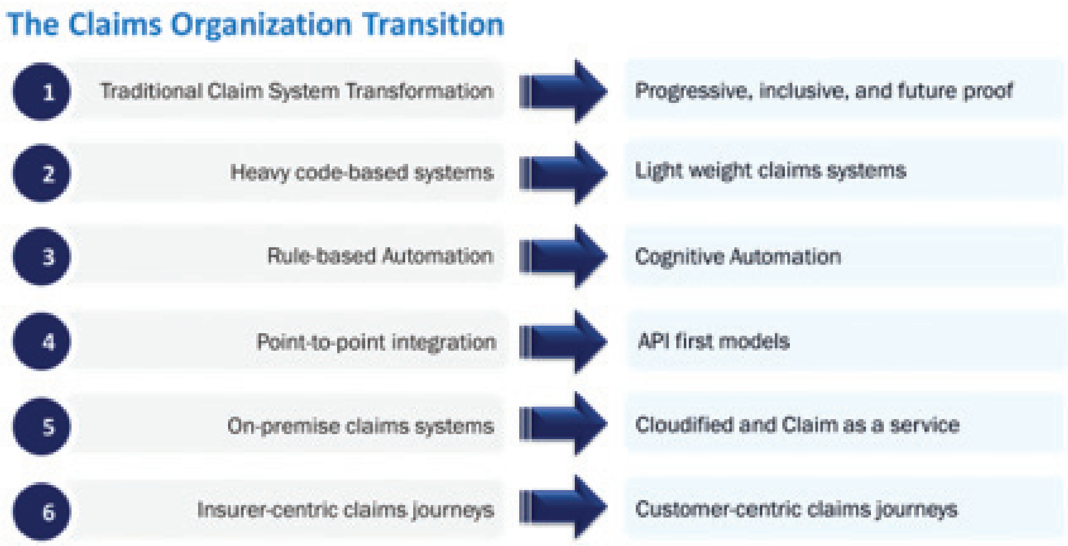


Figure 2: The Claims Organization Transition

Insurers are embracing an API-first model while redesigning their applications and interfaces to architect a plug-and-play operating mechanism to enable claims as a service operating model. The success of open banking is nudging insurance companies to inherit open insurance models. Open insurance facilitates newer customer engagement and improves operational metrics. Insurers are forging new partnerships with many other stakeholders to create various digital ecosystems for the safety, experience, and transformation of end-customers. They are consenting to share data among other ecosystem partners for providing additional services to customers.

As these digital ecosystems mature, the insurance products are forecasted to transform into parametric and invisible contracts that facilitate event triggered claim settlements. Towards this destination, the claims organizations are shifting from paper-based, manually intensive, and company-focused traditional processes to digital, intelligent, automated, ecosystem-driven, and customer-centric processes. The emergence of 4IR technologies and the growing capacity to sense, generate, transmit, store, retrieve, and analyze data to predict and act is revolutionizing the way every business process is handled both internally and externally.

Re-organizing Claims Functions

The growth of connecting technologies such as internet-of-things (IOT), telematics, and 4G networks, in addition to geographical information systems and artificial intelligence, has significantly improved the risk prediction capability. This has become a key factor while redesigning the claims function. These technologies are upending the traditional methods in which risk has been perceived and managed by insurers. They are enabling insurers to leverage the streaming data deluge to continuously monitor the risk faced by the subject of insurance. Insurers who always depended on post-loss data and several correlative associations to ascertain how risk could manifest in the future, are now able to get access to the real-time causal associations. Hence, the risk management function is getting skewed to the front even before the risk manifests.

The pre-loss activity that includes proactively engaging with the customers to monitor, prevent, mitigate, and minimize leakage is branching out as a new function in the claims value chain. Insurers are establishing a strategic partnership with several other stakeholders to build a risk-prevention connected ecosystem that focuses on containing risks before they turn into a loss. The at-loss function which is oriented towards providing support and assistance after the occurrence of a risk event is not a new one.

However, this function is taking a new shape due to the proliferation of technologies of convenience such as smartphones, cloud, video streaming, analytics, artificial intelligence. These technologies are empowering the customers with several ways to connect with the insurers and in turn the insurers to provide 24x7, real-time, contextual, and frictionless support to customers for intimating the loss and getting required assistance. In sum, the demand for the experience and how it is staged have both increased exponentially.

The post-loss remediation function that focuses on loss indemnificationis the oldest and has always invited the attention of insurers from an inside-out perspective. This function is now going through several strategic changes. Driven by the shortage of adjusters, insurers are exploring options for outsourcing granular functions. Insurers who are in short of adjusters are starting to participate in crowd sourcing and on-demand platforms that handle claim investigation. Those who are having excess capacity are contemplating on uberizing it to monetize by offering claims adjuster as a service. For catering to the post-loss, insurers have traditionally created and operated an ecosystem. The ecosystems are now becoming extensively digital, API-driven, and cater to a whole gamut of services.

Emerging Technologies Reshaping Claims Functions

The growing technologies of convenience are enabling a paradigm outside-in shift in the way processes are being redesigned. A digitally intensive transformation of the claims processes is enacted to increase the customer touch points, interactions, participation, and experience. The most popular technologies that are exploited are IOT and telematics in addition to algorithm dominated technologies such as machine learning, predictive analytics, and natural language processing (NLP). These are leading the pack for being extensively leveraged across the business processes in the claims value chain. However, when it comes to the business processes, the maximum experiments and implementations are seen in loss reporting, workflow, investigation, prediction, estimation, and fraud detection.

A matrix depicting the emerging technologies and an indicative view of their experimentation or implementation in the claim value chain is given below.

Emerging Technologies in Claims Function

Technology	Pre-Loss			At-Loss	Post Loss													Others		
					Registration		Assessment					Adjudication								
	Prevent	Mitigate	Leakage	Support & Assistance	FNOL	Verify	Triage	Validate	Investigate	Fraud	Litigation	Estimate	Reserve	Decide	Settle	Subrogate	Salvage	Case Management & Workflow	Document Management	Reporting
AR/VR		●							●											
Chatbots					●															
Claims App				●	●															
Computer Vision						●		●	●	●		●								
Drones		●							●	●										
GIS / Satellites		●							●	●		●								
IOT / Sensors	●	●	●	●	●					●		●								
Machine Learning	●	●	●	●		●	●	●		●	●	●	●	●		●	●			
NLP		●			●	●			●	●	●							●		
OCR		●							●		●							●	●	
Predictive Analytics	●	●	●					●	●	●	●	●	●	●		●	●			●
RPA						●		●	●	●				●	●			●		
Telematics	●	●	●		●				●	●		●		●		●				
Video Streaming					●				●	●		●								●

Figure 3: Emerging Technologies in Claims Function

There are many ways in which a specific technology could be used to redesign the claims processes. How an individual technology or a mix of multiple technologies is leveraged is always determined by the business, operations, customer and technology philosophies of the insurer. This variance could be too complex for a technology like artificial intelligence that exhibits different capabilities and comprises several methods. Hence, there are many ways to design a business function and an insurer could instantiateit in a unique way.

Considering the application and adoption of the most popular technology of telematics by insurers. Most of the insurers are using telematics in underwriting and risk assessment to offer premium discounts, analyze driver behavior, offer usage-based pricing and proactively engage to shape the driving behavior. However, some insurers are extending the use of telematics data in claims functions to analyze the driving signature for identifying ex-ante moral hazards, trigger an automated loss reporting post-accident based on the impact data, and to use the data as corroborative evidence for simulating the accident scene for identifying the proximate cause and to ascertain if the accident could have been prevented.

An insurer could tweak a business process slightly with the help of a certain technology or completely overhaul it with the confluence of many. For example, considering loss intimation, which is the most popular use case that is being redesigned with emerging technologies, an insurer could partially or fully automate the processes from loss intimation to settlement based on factors such as frequency, complexity, and severity. The decision by the management on whether they want to build a human-out-of-the-loop, human-in-the-loop, or human-on-the-loop process will be a major factor in the redesign.

A complete reimagination of the customer claims journey digitally from loss intimation to settlement would involve the following technologies orchestrating a symphony.

If an insurer chooses to provide additional value-adds such as offering roadside assistance, identifying the best repairer for each damage, providing upfront settlement options for simple losses, or providing in-kind settlement options for improvising customer experience, they will have to invoke several other technologies in the process. In addition to core claims processes, insurers are also trying to experiment technologies in functions such as workflow management,

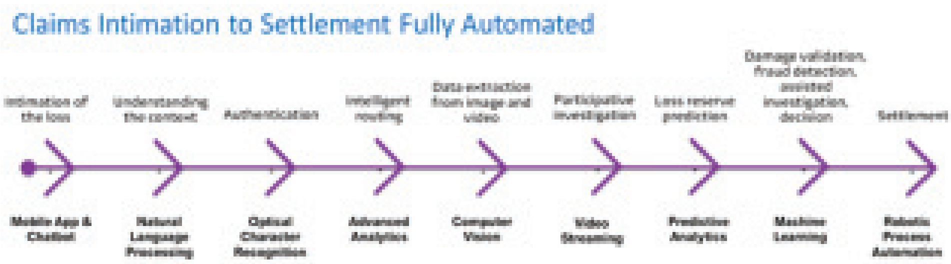


Figure 4: Claims Intimation to Settlement Fully Automated

document management, and reporting. A dominant design regarding where and how in the claims value chain the technologies are leveraged, and how a business function is reimagined with a confluence of these technologies is yet to emerge. As the clarity emerges, regulations, standards and governance models will need to be formulated to prevent the occurrence of bad-faith claims.

The Present State and the Challenges

Despite the widespread experiments and implementations, the adoption of these technologies is yet to cross the basic threshold. They are continuing to face ground-zero challenges such as the following:

❖ **Still Emerging:** Many of these technologies are still evolving and yet to mature. This leaves more options for pilot experiments and less for actual implementations. Due to this many of these experiments have not progressed beyond the pilot purgatories

❖ **Friction to adopt:** Technologies such as virtual reality faces friction for adoption due to device dependency. IOT devices for instance face challenges such as incompatibility issues with devices from other manufactures or other technologies, and shorter planned obsolescence periods

❖ **Fear of discrimination:** Customers fear monopolistic surveillance and loss of privacy due to technologies like IOT and telematics. There is also a fear of inexplicable algorithmic discriminatory judgments and litigations

❖ **Still unregulated:** For technologies such as AI, drones, and blockchain, the regulations are fluid and still evolving. This is prompting insurers to adopt a cautious approach

❖ **Lack of killer use cases:** For a technology like 5G network, killer use cases that are curated and instantiated for the insurance industry and especially in claims is yet to be identified. While the global roll out of 5G is yet to happen, the insurance industry is yet to start debating about its fitment

" **Shortage of talent:** Companies are facing an internal shortage of the requisite skill set for new technologies. While collaborating with startups benefits them, it also creates a problem of another kind whereby the value chain innovation becomes a black box on which insurers cease to have any intellectual control

❖ **Investment risk:** Many of these technologies pose investment risks to insurers. As multiple ways existing for the implementation of these technologies, it is not yet clear to insurers regarding the return-on-investment that could be extracted

On a realistic note, the challenges cited above are commonly observed during the early stages of any industrial revolution, when several new technologies evolve simultaneously, risks are unknown, and the businesses will have to repurpose them to suit their processes.

Preparing for the Future

The changing risk scenario indicates the simultaneous evolution of both extremes - the eradication of some risks and the explosion of some. While technologies like IOT, telematics, and autonomous vehicles, are increasing the prediction and prevention of certain types of risks, force multipliers like climate change are seen to drastically increase the frequency and severity of certain types of risks.

In addition to these, the 4IR ushers a future that is excessively digitized, connected, data-driven, algorithmic and autonomous environment. Looking from today's perspective, it is difficult to see how the new risks will look like and where they will arise from. While we can say generally that due to the increasing risk surface cyber risk will be a major risk, the intensity and severity that it could cause in an ecosystem where physical, digital and biological systems are blended is unfathomable.

Considering this predicament, insurers will have to accelerate the adoption of digital ecosystems and operating models to strengthen the risk prevention function for all the risk where it is possible and offer it as a separate or bundled product. For risks that are increasing, they will have to start looking at leveraging the technologies in new ways, recalibrating the risk models, introducing a new breed of parametric products, and building resilience models in partnership with customers and other stakeholders. Insurers will have to experiment and gain experience in these technologies to efficiently maneuver through the changing dynamics of risk, as those that refrain face the risk of being left behind. ❑

Canara HSBC OBC Life Insurance launches Invest 4G plan with multiple saving options, protection cover

Canara HSBC Oriental Bank of Commerce Life Insurance has launched a new Unit Linked insurance plan (Ulip) titled 'Invest 4G'. It is an individual life insurance savings plan which can be customized as per the goals and changing requirements of the individual.

This Unit Linked Individual Life Insurance cum Savings Plan provides a combination of Portfolio Management Options and flexibilities which gives choice to opt for protection suiting the demand for every individual as well as provide an opportunity to save for future goals.

New "Invest4G" offers three options to the individuals: Life Option, Care Option and Century Option. Life option ensures financial protection to a family in case of the customer's unfortunate demise. Care Option provides life coverage along with Premium Funding Benefit and Century Option is a whole life option available for the policyholder till the age of 100 years.

Death Benefits

1. Life Option and Century Option

Higher of Sum Assured (less applicable Partial Withdrawal/ Systematic Withdrawal/ Milestone Withdrawal) or Fund Value will be paid as on date of intimation of death claim and policy will terminate.

2. Care Option

On the death of the Life Assured, a lump sum is paid immediately and remaining future premiums are funded by the Company as & when due and Fund Value is paid at maturity.

Maturity Benefits

On maturity, You will receive the Fund Value based on the prevailing NAVs.You also have the option to take Fund Value on maturity in periodic installments as per Settlement Option.

Fund Options

This Plan gives you the flexibility to manage & control the savings in your own way. Here you can choose from a range of 8 Unit Linked Funds. You can choose to allocate your Premiums to any, all or a combination of the Unit Linked Funds as per your risk preference.

- Emerging Leaders Equity Fund
- India Multi-Cap Equity Fund
- Equity II Fund
- Growth Plus Fund
- Balanced Plus Fund
- Large Cap Advantage Fund
- Debt Fund
- Liquid Fund

Alternatively, one may select one among the following 4 different Portfolio Management Options to manage and build on wealth.

1. Systematic Transfer Option (STO)

If you want to invest in equity-oriented fund but worry about market volatility and risk associated with lump sum investment, then you can opt for STO which enables you to enter the equity market in a systematic manner.

Through this option, your entire premium will be first allocated to the Liquid Fund and then systematically transferred on a monthly basis into any one of the Unit Linked Funds - India Multi-Cap Equity Fund or Equity II Fund or Emerging Leaders Equity Fund as chosen by you.

2. Return Protector Option (RPO)

This option enables you to take advantage of the equity market by protecting your gains from the future equity market volatility. Through RPO, starting from the 2nd policy year onwards, your gains made from an equity fund basis your chosen 'Target Appreciation' are automatically transferred to a lower risk Debt Fund. This way, your gains are protected from further market volatility.

3. Auto Funds Rebalancing (AFR)

If you wish to maintain the allocation of your investments in a specific proportion across different Unit Linked Funds, irrespective of market movements, you can do so through Auto Funds Rebalancing. Once opted, after every 3 months, it automatically rebalances the allocation of your investments in various Unit Linked Funds to the allocation proportions chosen by you.

4. Safety Switch Option (SSO):

As your policy nears maturity, you may want to avoid market movements and safeguard your funds. The Safety Switch Option enables you to move your funds systematically to a relatively low-risk Liquid Fund at the beginning of each of the last four policy years.

Loyalty Additions

This plan offers fund value related Loyalty Additions from the end of 5th policy year and every 5th year till the end of the Premium Payment Term provided all the due premiums are received till that time. The Loyalty Additions for each Unit Linked Fund will be equal to a percentage of the average fund value of last 60 monthly policy anniversaries for the respective Unit Linked Fund.

Wealth Boosters

This plan also offers the additional allocation of units which will be added to the Unit Linked Fund(s) at specific policy intervals provided all due premiums till date have been paid. These wealth boosters will be a percentage of the average fund value of last 60 monthly policy anniversaries.

Some of the key features of the plan:

Return on Mortality Charge: An amount equal to the total of all the Mortality Charges deducted during the Policy Term (excluding charges due to extra mortality risk) will be added to the Fund Value at the maturity date.

Flexibility of Single Pay: Single Premium Payment Option added. Includes both 10x cover multiple and 1.25x cover multiple.

Systematic withdrawal Option: A pre-decided percentage ranging from 1% to 12% of the Fund Value will be paid to the Policyholder at a chosen frequency for the remainder of the Policy Term. PPT has to be greater than or equal to 10 years.

Milestone Withdrawal Option: For enhanced liquidity at regular milestones.

Premium Reduction: After payment of premiums for the first five Policy Years, option to decrease the premium up to 50% of the original Annualized Premium.

Anuj Mathur, MD & CEO, Canara HSBC Oriental Bank of Commerce Life Insurance Company Limited says, "Canara HSBC Oriental Bank of Commerce Life Insurance has always been on the forefront in innovating new policies with benefits that are best in the given segment and suit the needs of customers.

The new Invest 4G plan is a product suited for new-age digital buyers and has been overhauled to provide life insurance as well as multiple saving options fulfilling the financial needs of individuals. We are confident that this product, which comes with 3 options namely Life Option, Care Option and Century Option, will cater to the new needs and life goals of our customers. ❑

Bharti AXA Life rolls out Premier Protect Plan with increased security at different life stages

Bharti AXA Life Insurance, announced the launch of its new protection solution - Bharti AXA Life Premier Protect Plan - that offers life cover and various death benefit payout options.

Bharti AXA Life Premier Protect Plan is a pure risk premium life insurance scheme which provides the policyholder with financial protection and security for his/her family's financial future at an affordable premium.

"As a customer-centric organization, we designed this innovative insurance solution to give our customers optimal benefits which take care of their growing needs with the passage of time. Apart from providing life insurance coverage and financial security, Bharti AXA Life Premier Protect Plan also adapts to the changing requirements of the customers in their different life-stages on the back of increased protection option that helps in securing family's finances,'' said Parag Raja, Managing Director and Chief Executive Officer, Bharti AXA Life Insurance.

In case of unfortunate death of the life insured during the policy term, the death benefits will be paid to the nominee or beneficiary immediately on death.

Bharti AXA Life Premier Protect Plan empowers the life insured with three death benefit payout options. Under the lump sum option, 100 per cent of the death benefits will be paid immediately on death as lumpsum. As per monthly income option, the death benefit will be paid as 1.04 per cent of the sum assured every month in the form of monthly income, payable for 10 years with the first installment being payable immediately on death.

Under lumpsum plus monthly income option, 50 per cent of death benefit will be paid immediately on death as lump sum and the remaining 50 per cent of the death benefit will be paid as 0.93 per cent of the total sum assured every month in the form of monthly income, payable for 5 years with the first installment being payable immediately on death.

The regular premium mode of the plan allows the policyholder to increase the sum assured on three milestones - marriage, purchase of house and birth of child provided that the policyholder's age is less than or equal to 45 years. The sum assured may be increased by up to 100 per cent cumulatively without any further medical underwriting.

Bharti AXA Life Premier Protect Plan offers customers the choice of multiple policy and premium payment terms. The minimum policy term of Bharti AXA Life Premier Protect Plan is 10 years and the maximum term is 35 years under fixed policy term and 57 years under to age 75 policy term, while minimum entry age is 18 years and the maximum entry age is 65 years, but the maximum cover ceasing age is 75 with a minimum sum assured of Rs 50 lakh. It gives three options to customers to pay premium - Single Premium, Regular Premium and Limited Premium.

The unique protection plan also offers some riders - Bharti AXA Life Hospi Cash Rider, Bharti AXA Life Accidental Death Benefit Rider and Bharti AXA Life Premium Waver Rider - to the customers for enhancing their protection by paying an additional premium. The insured will also be entitled for tax benefits on premium payment, as applicable.

"The unprecedented times following COVID-19 have strengthened the bias towards protection policies which bring real insurance products to the customers and build a safety net for their families. With this new term insurance plan, we would help the customers achieve their different life and financial goals and sharpen our focus on the pure protection segment for increasing its share and boosting the long-term growth," Raja adds.

Bharti AXA Life Insurance helps the insured in ensuring that his/her family is financially secure even in his/her absence with a pure term insurance plan combined with an accident protection plan. The new term plan protects your loved ones from the financial crisis.

Premier Protect Plan gives you a term plan that fits your every need.

Flexibility in Policy Term/Premium Payment Terms: The plan offers the choice of multiple policy terms ranging from 10 years to 35 years and To Age 75 years with multiple premium payment terms (Single, Limited and Regular Pay Options)

Multiple Death Benefit Payout Option: Flexibility to choose from 3 Death Benefit Payoutoptions : a) Lumpsum - where 100% of Death Benefit is paid immediately b) Monthly Income - where Death Benefit is paid as 1.04% of the Sum Assured as monthly income for 10 years c) Lumpsum plus Monthly Income - where 50% of the Death Benefit is paid immediately as lumpsum and the remaining 50% is paid as 0.93% of the Sum Assured as monthly income for 5 years.

Increase the Sum Assured on important milestones: Flexibility for the customer to increase the Sum Assured during the Policy Term by 50% of the Sum Assured chosen at inception on 3 milestones - Marriage, Purchase of House, Birth of Child.

Tax benefits: You can avail the tax benefits on the premiums paid and the benefits received subject to the prevailing provisions under Income Tax Act, 1961. The tax benefits are subject to change as per change in tax laws from time to time. ❑

LIC HF posts record Sept biz

LIC Housing Finance (LIC HF), the country's second-largest home loan company, has said new business last month has been the best for any September in its history. The company is also expecting to end the year with double-digit growth, given the smart recovery in applications, said MD & CEO Siddhartha Mohanty.

"People are deciding to buy because there are so many incentives on offer by builders and state governments have reduced stamp duty. I believe the momentum will continue because of the festival season and we will have double-digit growth for the current financial year," said Mohanty.

Mohanty was addressing newspersons to announce the appointment of Boston Consultancy Group (BCG) to help bring about a digital transformation to make it possible for borrowers to apply and obtain home loans through an end-to-end digital process. "We are investing in this project with long-term objectives that would generate more stakeholder value, expand geographies, thereby contributing to the economic growth of the country. Winning will require a new playbook. The ultimate objective is to organise and automate every facet of customer interaction to deliver elevated customer experience," said Mohanty.

DIPAM to determine shareholder value

The Department of Investment and Public Asset Management (DIPAM) will soon issue a Request for Proposal (RFP) to appoint an actuary for determining the Indian Embedded Value (IEV) for Life Insurance Corporation of India. The IEV is a measure of the consolidated value of shareholders' interest in the life insurance business within the meaning of the Insurance Act, 1938, and applicable IRDAI regulations.

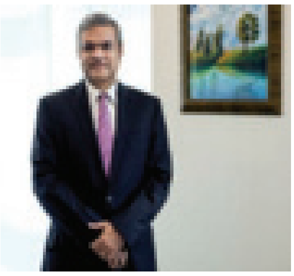
"IEV is one of pre-condition of the IPO for LIC and that needs to be determined by an independent actuary," a top Finance Ministry official told. The official also said this is one of the processes being finalised along with other requirements for IPO The official did not rule out the possibility of the IPO being shifted to the next fiscal.

IRDAI regulations require an applicant company to file the 'Embedded Value' before an IPO. The valuation report needs to be prepared by an independent actuary and peer reviewed by another professional.

Advertorial

Upcoming Leadership Talk at BIMTECH

In continuation of the series of 'Interactive Talks from the Top', Birla Institute of Management Technology (BIMTECH) hosts its second talk on the topic "Reimagining Insurance Industry Post COVID19" by Mr. Bhargav Das Gupta, visionary MD, and CEO of ICICI Lombard General Insurance Company Ltd,India's largest non-life private insureron Saturday, October 31, 2020, from 6.00 pm to 7.30 pm. Renowned Thought Leader and Economist, Dr. Ajit Ranade, Group Executive President & Chief Economist at the Aditya Birla group spoke on 'The Indian Economy Post COVID -19'in the first "Interactive Talks from the Top" series on August 21, 2020.



Mr. Dasgupta took over the current assignment in 2009. Under his dynamic tutelage, the company has strengthened its position as the country's largest private non-life insurance firm, consistently delivering long term value to its stakeholders. ICICI Lombard is also the first non-life insurer to be listed on the stock exchanges of India. Bhargav's philosophy of customer centricity has enabled the company to introduce several 'best-in-class' risk management solutions backed by the latest technology platforms to meet the risk mitigation needs of its customers.

Bhargav began his career with the erstwhile ICICI Limited in 1992 and he has held critical leadership positions in diverse business areas in the ICICI Group including Project Finance, Corporate Banking, and Treasury; E-commerce; Strategy; International Banking and Life Insurance. Some of his key roles include COO - ICICI Econet Limited, where he was responsible for private equity investments in the internet, communications, and technology sectors, incubation of new internet-related businesses, and e-initiatives of the various business units of the ICICI group. He also set up the International Banking Group of ICICI Bank and built its presence in 15 countries within 4 years. The International Banking business strategy became a case study at Harvard Business School. Before the current role at ICICI Lombard, he was the Executive Director of ICICI Prudential Life Insurance from October 2006 to May 2009.

The virtual event is expected to generate huge participation from students, alumni, faculty members, industry experts, and professionals. They would be eagerly awaiting to listen to one of the top business thought leaders coming from the insurance domain. ❑

IRDAI offer more disease-specific health insurance products

IRDAI Chairman Subhash Khuntia has urged health insurance providers to develop disease-specific products which could help policy holders in preventing different ailments. "I would urge insurers to develop more disease-specific products like for diabetics or for heart or kidney related issues," Khuntia said while speaking at a health insurance summit. Under such focused products, insurance companies can bring together medical experts to make aware policy holders on steps to be taken to prevent various diseases, he said. The chairman said the insurance sector, for too long, has concentrated on tertiary care or hospitalisation and now there was a need to focus more on primary and secondary care, the outpatient care and more on to have preventive care.

RMAI Certificate Course on Risk Management

Join Today

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
Final Exam	After 2 Months
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 200 Registrations:	25% Discount on Course Fees — INR 11,250 Plus Exam Fees Rs.750 – Total Rs.12000 International USD 262.50 Plus Exam Fees US₹20 Total US ₹ 282.50
Special Offer for RMAI Members:	40% Discount on Course Fees for Registration – INR Rs.9000 Plus Exam Fees Rs.750 (9750/-)
Final Exam Fees	INR Rs.750 Examination Fees – Indian Students US ₹ 20 – International Students 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.

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
- 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. 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: 9073791022/8232083010
Post: Risk Management Association of India,
25/1, Baranashi Ghosh Street,
Kolkata – 700007. India

LEGAL

Case Law Analysis: Ramla v. National Insurance Company Limited

Case law analysis on the judgment passed by the Supreme Court in the case titled as "Ramla v. National Insurance Company Limited", Civil Appeal No. 11495 of 2018, Special Leave to Appeal (C) No.22334 of 2017.

Through a bench comprising of Justice N.V. Ramana and Justice M.M. Shantanagoudar, the Hon'ble Supreme Court has held that there is no restriction in awarding compensation over and above/ exceeding the amount claimed under Section 168 of Motor Vehicles Act, 1988.

Facts of the case

In the present case, claimants before the Hon'ble Supreme Court were seeking further enhancement of compensation from Rs. 21,53,000/- awarded by the High Court of Kerala at Ernakulam.

The claimants were the dependents i.e the wife, two children, and an aged father of the deceased who succumbed to death due to grievous injuries in an accident in the year 2008. Initially, the claimants moved a claim petition before the Motor Accidents Claim Tribunal seeking a total compensation of Rs. 25,00,000/- (Rupees Twentyfive Lakhs). After hearing the arguments, the Tribunal granted a compensation of Rs 11,83,000/- which was enhanced by the High Court of Kerala by an additional award of Rs. 9,70,000/-. Being aggrieved by the decision of the High Court of Kerala, the claimants preferred an appeal before the Hon'ble Supreme Court for further enhancing the amount of compensation.

Decision of the Hon'ble Supreme Court

While deciding the present appeal filed by the claimants, the Hon'ble Supreme Court considered the salary certificate of the deceased, cost of living, and other relevant factors. The Hon'ble Supreme Court elaborated on the term of "just compensation" under Section 168 of the Motor Vehicles Act. Section 168 of the Motor Vehicles Act reads as under:

1. Award of the Claims Tribunal — On receipt of an application for compensation made under section 166, the Claims Tribunal shall, after giving notice of the application to the insurer and after giving the parties (including the insurer) an opportunity of being heard, hold an inquiry into the claim or, as the case may be, each of the claims and, subject to the provisions of section 162 may make an award determining the amount of compensation which appears to it to be just and specifying the person or persons to whom compensation shall be paid and in making the award the Claims Tribunal shall specify the amount which shall be paid by the insurer or owner or driver of the vehicle involved in the accident or by all or any of them, as the case may be; provided that where such application makes a claim for compensation under section 140 in respect of the death or permanent disablement of any person, such claim and any other claim (whether made in such application or otherwise) for compensation in respect of such death or permanent disablement shall be disposed of in accordance with the provisions of Chapter X.

(2) The Claims Tribunal shall arrange to deliver copies of the award to the parties concerned expeditiously and in any case within a period of fifteen days from the date of the award.

(3) When an award is made under this section, the person who is required to pay any amount in terms of such award shall, within thirty days of the date of announcing the award by the Claims Tribunal, deposit the entire amount awarded in such manner as the Claims Tribunal may direct.

The Supreme Court held that the High Court was not right in deducting 2/3rd of the deceased's total income towards his personal expenses and was of the view that a deduction of 40% would be appropriate for quantifying compensation. In the opinion of the Supreme Court, the claimants were entitled to a total compensation of Rs 28,00,000/- which was higher than the amount claimed by the claimants/ dependents of the deceased. The Hon'ble Supreme Court relied upon the judgements of Nagappa v. Gurudayal Singh1, Magma General Insurance v. Nanu Ram2, and Ibrahim v. Raju3; the Court observed, "There is no restriction that the Court cannot award compensation exceeding the claimed amount, since the function of the Tribunal or Court under Section 168 of the Motor Vehicles Act, 1988 is to award 'just compensation'".

The court observed that the Motor Vehicles Act is a beneficial and welfare legislation. A 'just compensation' is one in which the compensation awarded is reasonable on the basis of evidence produced on record. It cannot be said to have become time-barred. The court further observed that there is no need for a new cause of action to claim an enhanced amount. The courts are duty bound to award just compensation." ❑

IRDAI Circular

Additional Norms on portability under Health Insurance policies

IRDAI/HLT/REG/CIR/249/10/2020

Date:07-10-2020

1. Reference is drawn to Chapter VIII of "Consolidated Guidelines on Product filing in Health Insurance Business" (Ref: IRDAI/HLT REG/CIR/194/07/2020 dated 22.07.2020) through which guidelines on migration and portability of health insurance policies were specified.
2. Further to the above referred guidelines, for seamless coverage with continuity of benefits to the account holders of various banks who are provided health insurance coverage through group insurance schemes, the following guidelines are hereby issued.
   a. Members of an indemnity based group health insurance policy offered to account holders of a bank are allowed portability of their coverage to another indemnity based group health insurance policy offered by a different insurer to the account holders of the same bank.
   b. The portability will be offered subject to the option exercised by an individual member of the group policy.
   c. All other norms specified in Chapter VIII of the above referred guidelines are also applicable.
3. These additional guidelines are issued in exercise of the powers vested under Regulation 17 of IRDAI (Health Insurance) Regulations, 2016 read with Section 34(1) of the Insurance Act, 1938 and will come into force with immediate effect.
4. This has the approval of the competent authority.

(D V S Ramesh)
General Manager (Health)

Designated Nodal Officers for Ombudsman Offices

IRDAI/CAD/Cir/Misc/255/10/20

15th October, 2020

1. The Institution of Insurance Ombudsman plays a vital role in providing resolution in timely and cost effective manner. Insurers need to have a greater liaison with every Insurance Ombudsman office in order to ensure that the complaints are disposed of in a timely manner.
2. Insurance Ombudsmen have expressed that they are facing difficulties in dealing with cases of PSU General Insurance Companies in the absence of any responsible Officer who can liaison with their Offices to ensure that the self contained note is filed in time and documents/ information sought by Insurance Ombudsman is submitted without any delay.
3. To ensure proper and timely disposal of complaints, the following procedure shall be adopted by all the PSU general insurance companies:
   a) Appoint a "Nodal Officer", not below the rank of Deputy Manager for each of the 17 Ombudsman Centres.
   b) The names /Phone No's including mobile No's / e-mail id's of the Nodal Officers shall be shared with the Ombudsman/ECOI.
   c) The Nodal Officer shall be responsible for placing self contained notes before Insurance Ombudsman

within the specified timeline. He/she shall also ensure that all the information/documents called for by Insurance Ombudsman are submitted in a timely manner.

d) The Nodal officer shall ensure that the concerned officer of the Insurance Company attend the hearing on the date and time specified by Ombudsman in the notice for hearing.

e) The Nodal Officer shall ensure compliance with the recommendation or Award of the Ombudsman as the case may be within the specified timeline, and update the details of compliance in Complaints Management System of ECOI.

4. The Public Sector General Insurance Companies shall designate Nodal Officers for all the offices of Insurance Ombudsman Office latest by 2010.2020 and forward the list of the same with contact details (e-mail id, Phone no.) by uploading the same in their website. As and when there is a change in the said list, the same shall be notified to ECOI immediately so as to enable them to keep the list updated at all times. The ECOI shall share the updated list with IRDAI from time to time.

The above procedure shall come into force with immediate effect.

T L Alamelu
Member (Non-Life)

Guidelines on Standard Individual Term Life Insurance Product, "Saral Jeevan Bima"

IRDAI/Life/Cir/Misc/254/10/2020

Date:15-10-2020

A: Preamble:

It is observed that during the last few years, there has been an increased customer preference towards pure term life insurance products. In line with this growing demand, the Life Insurers have been introducing innovative protection products, with different features, options, riders, etc..

There are many term products in the market with varying terms and conditions. Customers who cannot devote adequate time and energy to make informed choices find it difficult to select the right product. Also, products may not be available for the intended sum assured. To take care of this situation and to make available a product by all Life Insurers that will broadly meet the needs of an average customer, it is felt necessary to introduce a standard, individual term life insurance product, with simple features and standard terms and conditions. Such a standard product will make it easier for the customers to make an informed choice, enhance the trust between the Insurers and the insured, and reduce mis-selling as well as potential disputes at the time of claim settlement.

Therefore, in exercise of powers under Section 34 (1) (a) of the Insurance Act, all Life Insurers are directed to offer the following product mandatorily.

B. The Standard Term Life Insurance Product:

1) The standard individual term life insurance product shall be called, "Saral Jeevan Bima"; the Insurer's name shall be prefixed to the product name.

2) "Saral Jeevan Bima" is a non-linked non-participating individual pure risk premium life insurance plan, which provides for payment of Sum Assured in lump sum to the nominee in case of the Life Assured's unfortunate death during the policy term.

3) Apart from the benefits and riders stated in the Annexure, no other riders / benefits / options / variants shall be offered. There shall be no exclusions under the product other than the suicide exclusion.

4) The product shall be offered to individuals without restrictions on gender, place of residence, travel, occupation or educational qualifications.

5) The Insurers shall have to file the product as per the above parameters and in compliance with the extant regulatory provisions through File and Use (F&U). The policy document and the terms and conditions of the Standard Product shall be in the format specified in Annexure -1 to this Circular.

C: Plan Features and Parameters:

1.	Minimum Age at Entry	:	18 Years
2.	Maximum Age at Entry	:	65 Years
3.	Policy Term	:	5 to 40 years
4.	Maximum Maturity Age	:	70 years
5.	Sum Assured	:	Minimum Rs. 5,00,000; Maximum Rs. 25,00,000* (SA would be allowed only in the multiple of Rs. 50,000) *Insurers have the option of offering Sum Assured beyond Rs. 25,00,000

			under Saral Jeevan Bima with all other terms and conditions remaining the same.
6	Large Sum Assured rebate	:	If any, it shall be clearly indicated in F&U
7.	Premium Payment Options	:	i) Regular Premium; ii) Limited Premium Payment Term for 5 years and 10 years; iii) Single Premium
8.	Mode of Premium Payment	:	Regular and Limited Premium Payment Options: - Yearly; Half Yearly; - Monthly (only under ECS / NACH) Single Premium: In Lump sum.
9.	Death Benefit	:	For Regular & Limited Premium Payment policies: Highest of: - 10 times of annualized premium; - 105% of all the premiums paid as on the date of death; - Absolute amount assured to be paid on death. For Single premium policies: Higher of: - 125% of single premium; - absolute amount assured to be paid on death.
10.	Maturity Benefit	:	There shall be no maturity benefit under the policy.
11.	Exclusions	:	Only suicide clause, as per extant regulations.
12.	Waiting period	:	45 days from the date of commencement of risk. In case of revival of Policy, the Waiting Period shall not be applicable. The following words shall be prominently displayed in BOLD, on the welcome letter of Policy Document as well as on the first page of Sales Literature. "This Policy will cover death due to accident only during the waiting period of 45 days from the date of commencement of risk. In case of death of the life assured other than due to accident during the waiting period, an amount equal to 100% of all premiums received excluding taxes, if any, shall be paid and the Sum Assured shall not be paid."
13.	Surrender Value	:	Surrender Value is not applicable under this Policy.
14.	Policy Cancellation Value	:	Policy Cancellation Value shall be payable: - upon the Policyholder applying for the same before the stipulated date of maturity in case of Single Premium Policy; - upon the Policyholder applying for the same before the stipulated date of maturity or at the end of revival period if the policy is not revived, in case of Limited Premium Payment Policies. The amount payable shall be as follows: For Single Premium: The Policy Cancellation Value acquires immediately after receipt of Single Premium and is calculated as follows:

		$= 70\% \times \text{Single Premium Paid} \times \dfrac{\text{Unexpired policy term}}{\text{Original policy term}}$ Single Premium shall be inclusive of extra premium, if any. Limited Premium Payment Term (LPPT): 5 and 10 years: Policy Cancellation Value acquires if at least two (2) consecutive full years' premiums are paid and is calculated as follows: $= 70\% \times \text{Single Premium Paid} \times \dfrac{\text{Unexpired policy term}}{\text{Original policy term}}$ Total Premiums Paid shall be inclusive of extra premiums, if any. No policy cancellation value shall be payable in respect of regular premium policies.
15	Loan	: No loan will be allowed against the policy
16.	Optional Riders	: Approved Accident Benefit and Permanent Disability Benefit Riders can be attached.
17.	Pricing	: As per the F&U
18.	Underwriting and Medical Requirements	: As per the Board Approved Underwriting Policy of the Insurer, subject to above criteria and any statutory requirements.
19.	Interest on delayed payment of premiums	: The rate of interest on delayed payment of premiums shall be as per the Insurer's policy for similar products.

The Insurer may suitably modify the definitions and other clauses of the policy contract prospectively based on the regulations or guidelines that may be issued by the Authority from time to time.

All Life Insurers permitted to transact new business shall mandatorily offer the standard product with effect from 1st January, 2021. The product may be filed by the Insurers latest by 1st December, 2020. However, Insurers may file the product earlier and offer the same on approval even before 1st January, 2021.

This is issued with the approval of the Competent Authority.

Chief General Manager (Life)

Implementing RFQ platform for Investments in Corporate Bonds / Commercial Papers

IRDAI/F&I/CIR/INV/246/09/2020

Date:25-09-2020

1. With a view to enhance and coalescing the fragmented liquidity in Corporate Bonds, SEBI has implemented Request for Quote (RFQ) Platform through Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). The RFQ platform seeks to replicate the OTC market albeit on an electronic platform in a move to bring more transparency, centralization in protecting investor interest apart from having enough liquidity in Secondary Market.
2. To achieve the above, SEBI,vide Circular: SEBI/HO/IMD/DF3/CIR/P/2020/130 Dated 22nd July,2020 has mandated all Mutual Funds (MFs) to undertake 10% of their total Secondary Market tradesof Corporates Bonds through RFQ to start with.As this is likely to bring transparency and liquidity in the Corporate Bond segment, the Authority, in consultation with the Life and General Insurance Councils directs all Insurers as follows:
   a. On monthly basis, the Insurers shall undertake at least 10% of their total Secondary Market trades in the Corporate Bonds in Valueplace/seek Quotes through one-to-many mode on RFQ platform available on BSE/NSE. The 10% limit shall be reckoned on the average of Secondary Market Trades by Value, in the immediately preceding 3 months on rolling basis.
   b. Concurrent Auditor of the Insurer in his Quarterly Audit Report shall confirm that the Insurer has complied with the directions of this Circular.
3. The above procedure will be followed by all Insurers with effect from 1stNov, 2020.

SN Jayasimhan
HOD-Investments

Performance Statistics - Non-Life Insurance

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

(Rs. in crores)

INSURER	For the month of September		Upto the Month of September		Market Share upto the Month of Sep 2020 (%)	Growth over the corresponding period of previous year (%)
	2020-21	2019-20	2020-21	2019-20		
Acko General Insurance Limited	38.43	41.53	149.41	165.43	0.15	(9.68)
Bajaj Allianz General Ins. Co. Ltd.	937.90	2,002.91	6,408.94	7,086.05	6.61	(9.56)
Bharti AXA General Ins. Co. Ltd.	393.52	370.32	1,555.96	1,570.68	1.60	(0.94)
Cholamandalam MS General Ins.	375.00	365.84	1,949.00	2,189.73	2.01	(10.99)
DHFL General Insurance Limited	8.47	34.76	38.73	106.51	0.04	(63.64)
Edelweiss General Ins. Co. Ltd.	12.20	7.21	94.02	51.52	0.10	82.49
Future Generali India Ins. Co. Ltd.	348.58	320.82	1,597.39	1,424.27	1.65	12.16
Go Digit General Ins. Ltd.	253.87	233.20	1,300.02	994.47	1.34	30.73
HDFC Ergo General Ins. Co. Ltd.	1,760.90	1,936.80	4,884.65	5,050.56	5.03	(3.28)
ICICI Lombard General Ins. Co. Ltd.	1,088.53	1,014.37	6,491.46	6,439.51	6.69	0.81
IFFCO Tokio General Ins. Co. Ltd.	820.13	741.19	4,227.94	4,180.19	4.36	1.14
Kotak Mahindra General Ins. Co.	44.36	34.66	233.58	182.72	0.24	27.84
Liberty General Ins. Ltd.	105.96	114.72	650.72	711.04	0.67	(8.48)
Magma HDI General Ins. Co. Ltd.	94.12	95.97	513.57	554.72	0.53	(7.42)
National Ins. Co. Ltd.	2,392.77	2,015.85	7,214.30	7,603.68	7.44	(5.12)
Raheja QBE General Ins. Co. Ltd.	19.64	13.74	90.38	60.27	0.09	49.95
Reliance General Ins. Co. Ltd.	1,391.96	1,274.04	4,500.55	4,445.01	4.64	1.25
Royal Sundaram General Ins. Co.	218.63	585.85	1,220.07	1,793.70	1.26	(31.98)
SBI General Ins. Co. Ltd.	1,012.64	927.04	3,619.67	3,114.10	3.73	16.23
Shriram General Ins. Co. Ltd.	195.51	228.62	1,008.94	1,176.71	1.04	(14.26)
Tata AIG General Ins. Co. Ltd.	695.28	578.09	3,781.01	3,961.48	3.90	(4.56)
The New India Assurance Co. Ltd.	2,844.65	2,829.11	14,099.99	13,544.01	14.53	4.10
The Oriental Ins. Co. Ltd.	1,701.85	1,632.24	6,261.35	6,855.55	6.45	(8.67)
United India Ins. Co. Ltd.	1,633.02	1,890.18	8,266.17	7,895.85	8.52	4.69
Universal Sompo General Ins. Co.	453.76	402.42	1,353.65	1,191.68	1.40	13.59
General Insurers Total	**18,841.67**	**19,691.48**	**81,511.49**	**82,349.43**	**84.01**	**-1.02**
Aditya Birla Health Ins. Co. Ltd.	109.84	63.89	550.02	314.87	0.57	74.68
HDFC Ergo Health Ins. Co. Ltd.	203.01	189.69	1,031.34	1,062.51	1.06	(2.93)
ManipalCigna Health Ins. Co. Ltd.	61.07	41.64	329.17	252.90	0.34	30.16
Max Bupa Health Ins. Co. Ltd.	141.28	94.78	719.27	531.66	0.74	35.29
Religare Health Ins. Co. Ltd.	212.79	164.59	1,140.17	1,136.42	1.18	0.33
Star Health & Allied Ins. Co. Ltd.	814.00	563.00	4,041.00	2,795.00	4.16	44.58
Reliance Health Ins. Ltd.*	(0.00)	0.66	(0.01)	6.15	(0.00)	NA
Stand-alone Pvt Health Insurers	1,542.00	1,118.25	7,810.97	6,099.50	8.05	28.06
Agricultural Ins. Co. of India Ltd.	2,569.64	3,187.57	7,250.80	6,554.36	7.47	10.63
ECGC Limited	103.49	124.26	451.78	525.11	0.47	(13.96)
Specialized PSU Insurers	**2,673.13**	**3,311.83**	**7,702.58**	**7,079.47**	**7.94**	**8.80**
GRAND TOTAL	**23,056.80**	**24,121.56**	**97,025.04**	**95,528.40**	**100.00**	**1.57**

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*

NET PREMIUM INCOME EARNED, INCURRED CLAIMS & INCURRED CLAIMS RATIO - PUBLIC & PRIVATE SECTOR GENERAL INSURERS

Insurer	FIRE INSURANCE																	
	NET PREMIUM EARNED (₹ Crore)						CLAIMS INCURRED (NET) (₹ Crore)						INCURRED CLAIMS RATIO (Percent)					
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Acko	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Bajaj Allianz	144.65	146.62	165.85	176.39	179.63	187.71	45.06	93.66	111.25	55.03	88.64	139.69	31.15	63.88	67.08	31.20	49.35	74.42
Bharti AXA	12.08	11.43	9.36	9.59	9.48	18.43	16.58	9.16	22.21	8.29	6.06	12.16	137.24	80.12	237.29	86.44	63.87	65.95
Cholamandalam	40.97	43.41	46.59	49.23	81.19	92.64	27.94	27.69	17.02	15.32	12.59	36.95	68.19	63.78	36.53	31.12	15.51	39.89
DHFL	---	---	---	---	27.71	52.24	---	---	---	---	0.49	6.47	---	---	---	---	1.78	12.39
Edelweiss	---	---	---	---	---	0.62	---	---	---	---	---	1.46	---	---	---	---	---	236.26
Future Generali	30.46	33.47	43.15	45.72	53.56	64.93	20.20	16.49	34.66	32.94	30.61	44.71	66.33	49.27	80.32	72.05	57.14	68.86
GoDigit	---	---	---	---	(0.10)	3.56	---	---	---	---	0.19	7.85	---	---	---	---	(184.37)	220.37
HDFC ERGO (Earlier known as L&T General Ins. Co. Ltd.)**	6.65	8.48	7.61	25.23	97.36	99.14	6.89	6.92	14.13	11.98	64.15	52.87	103.54	81.59	185.68	47.48	65.88	53.33
HDFC ERGO*	52.82	68.40	73.30	61.67	NA	---	15.21	60.15	37.18	34.47	NA	---	28.80	87.94	50.72	55.89	NA	---
ICICI Lombard	153.49	108.85	99.50	123.71	144.09	157.88	102.73	102.35	63.30	84.65	62.08	131.36	66.93	94.03	63.62	68.43	43.08	83.20
IFFCO Tokio	37.23	39.20	44.93	40.33	48.14	47.13	27.80	21.55	25.08	21.15	47.91	30.58	74.68	54.97	55.83	52.43	99.51	64.89
Kotak Mahindra	NA	NA	NA	1.43	2.36	4.98	NA	NA	NA	-0.04	0.92	2.92	NA	NA	NA	(2.66)	39.15	58.61
Liberty Videocon	1.64	3.63	4.54	3.48	2.99	3.75	0.79	3.71	8.06	11.55	1.85	7.95	48.34	102.17	177.53	331.55	62.00	212.02
Magma HDI	0.12	1.48	1.90	7.05	5.04	6.20	0.22	5.84	4.41	2.34	6.84	5.75	175.32	394.77	232.11	33.13	135.52	92.83
Raheja QBE	0.46	0.47	0.35	0.33	0.58	0.49	0.25	0.73	0.22	1.04	(0.42)	0.02	53.66	154.91	62.86	320.81	(73.42)	4.60
Reliance	41.09	48.39	56.04	63.27	76.84	103.84	36.55	36.50	36.27	67.70	47.15	56.42	88.95	75.43	64.72	107.01	61.37	54.34
Royal Sundaram	16.78	18.24	21.74	24.29	29.92	30.82	7.77	9.33	10.96	11.68	13.39	24.04	46.32	51.15	50.41	48.10	44.75	78.01
SBI General	111.48	139.42	152.78	171.92	138.34	153.62	55.82	57.03	99.00	69.27	58.37	113.69	50.07	40.90	64.80	40.29	42.19	74.01
Shriram	4.89	6.60	7.48	12.02	17.93	19.01	3.67	4.28	4.00	5.72	8.68	9.87	75.00	64.83	53.48	47.59	48.42	51.91
Tata AIG	26.82	24.23	26.76	33.74	66.07	106.44	16.73	20.32	25.55	27.16	24.18	79.76	62.38	83.84	95.48	80.50	36.60	74.93
Universal Sompo	44.85	58.34	55.18	58.55	58.95	58.24	18.64	27.79	28.50	15.23	17.10	20.74	41.56	47.64	51.65	26.01	29.01	35.61
PRIVATE-TOTAL	**726.48**	**760.65**	**817.06**	**907.95**	**1040.08**	**1211.66**	**402.84**	**503.49**	**541.80**	**475.48**	**490.77**	**785.26**	**55.45**	**66.19**	**66.31**	**52.37**	**47.19**	**64.81**
National	721.23	753.31	756.46	763.76	674.88	697.31	527.86	563.33	687.87	396.55	864.01	389.86	73.19	74.78	90.93	51.92	128.02	55.91
New India	1784.63	1887.33	2073.26	1918.69	1962.34	1890.90	1530.06	1441.52	1471.97	1959.37	1510.40	2138.08	85.74	76.38	71.00	102.12	76.97	113.07
Oriental	660.44	590.02	565.59	610.39	590.38	601.95	555.25	425.06	435.33	555.43	509.57	677.16	84.07	72.04	76.97	91.00	86.31	112.49
United	808.87	806.40	790.68	849.63	856.88	768.20	582.43	606.51	587.54	874.75	845.48	687.41	72.01	75.21	74.31	102.96	98.67	89.48
PUBLIC-TOTAL	3975.16	4037.06	4185.99	4142.47	4084.48	3958.36	3195.60	3036.42	3182.70	3786.10	3729.46	3892.52	80.39	75.21	76.03	91.40	91.31	98.34
GRAND TOTAL	**4701.64**	**4797.71**	**5003.05**	**5050.42**	**5124.56**	**5170.02**	**3598.44**	**3539.91**	**3724.50**	**4261.58**	**4220.22**	**4677.79**	**76.54**	**73.78**	**74.44**	**84.38**	**82.35**	**92.47**

Note: * HDFC Ergo General Insurance Co. Ltd. merged with L&T General Insurance Co. Ltd. w.e.f. 01.01.2017, therefore premiums and claims have been taken upto 31.12.2016

** L&T General Insurance co. Ltd. is renamed as HDFC Ergo General Insurance Co. Ltd. Figures in brackets indicate negative values; '---' Not yet started business; NA- Not applicable

NET PREMIUM INCOME EARNED, INCURRED CLAIMS & INCURRED CLAIMS RATIO - PUBLIC & PRIVATE SECTOR GENERAL INSURERS

Insurer	MARINE INSURANCE																	
	NET PREMIUM EARNED (₹ Crore)						CLAIMS INCURRED (NET) (₹ Crore)						INCURRED CLAIMS RATIO (Percent)					
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Acko	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Bajaj Alianz	79.89	72.01	84.88	83.97	88.36	103.86	29.91	64.68	41.35	56.67	55.23	97.50	37.44	89.82	48.72	67.49	62.50	93.87
Bharti AXA	7.16	8.08	11.81	18.52	13.99	26.65	4.37	7.83	12.37	12.98	13.46	20.82	60.93	96.88	104.74	70.09	96.26	78.1
Cholamandalam	20.11	20.27	15.74	11.22	15.85	18.43	11.52	14.54	8.64	5.93	8.94	10.87	57.30	71.74	54.89	52.81	56.44	58.97
DHFL	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Edelweiss	---	---	---	---	---	(0.00)	---	---	---	---	---	0.00						-10.24
Future Generali	21.24	39.99	48.66	47.00	43.89	48.27	18.46	26.39	36.73	30.60	24.48	35.30	86.92	65.98	75.48	65.11	55.76	73.12
GoDigit	---	---	---	---	---	0.00	---	---	---	---	---	0.00	---	---	---	---	---	91.67
HDFC ERGO (Earlier known as L&T General Ins. Co. Ltd.)**	4.33	4.36	5.88	19.73	48.61	60.33	2.32	5.39	5.09	14.47	39.85	56.23	53.69	123.86	86.56	73.34	81.97	93.2
HDFC ERGO*	52.28	71.69	74.78	44.10	NA	---	59.57	81.52	76.15	51.46	NA	---	113.95	113.71	101.83	116.69	NA	---
ICICI Lombard	156.61	160.11	184.93	192.08	195.76	236.73	152.63	157.99	180.33	161.24	106.08	198.86	97.46	98.68	97.51	83.94	54.19	84
IFFCO Tokio	42.92	49.09	39.61	53.43	57.61	68.31	40.13	37.78	40.03	38.41	31.47	41.31	93.51	76.96	101.06	71.89	54.63	60.48
Kotak Mahindra	NA	NA	NA	0.00	---	---	NA	NA	NA	0.00	---	---	NA	NA	NA	0.00	---	
Liberty Videocon	(0.10)	1.05	3.31	6.30	10.42	16.33	0.15	2.09	3.01	5.93	8.89	19.42	(155.11)	199.18	90.94	94.03	85.33	118.95
Magma HDI	(0.45)	(1.21)	1.05	1.50	0.96	1.14	0.05	1.00	3.30	2.09	0.56	2.20	(10.64)	(82.47)	314.29	139.91	58.39	192.82
Raheja QBE	0.03	0.01	0.02	0.01	0.03	0.06	(0.01)	(0.01)	(0.00)	0.00	0.01	0.01	(33.66)	(85.00)	0.0	(69.93)	25.60	14.1
Reliance	19.31	21.87	26.83	17.72	5.41	5.79	17.98	18.61	31.42	18.40	6.28	13.02	93.10	85.07	117.11	103.86	115.96	224.79
Royal Sundaram	9.58	12.13	14.12	14.76	16.07	18.35	7.32	9.86	10.86	7.45	7.45	15.84	76.42	81.26	76.91	50.46	46.39	86.31
SBI General	4.14	7.63	15.88	14.08	10.79	12.06	2.78	10.75	15.55	13.79	8.88	13.77	67.07	140.91	97.92	97.96	82.33	114.17
Shriram	0.18	0.26	0.56	0.76	1.26	1.30	0.16	(0.24)	0.51	1.21	1.07	0.69	88.00	(92.08)	91.07	159.21	84.67	52.67
TATA AIG	218.56	210.88	225.82	231.93	247.71	280.38	104.33	154.58	182.48	149.36	191.80	240.18	47.73	73.30	80.81	64.40	77.43	85.66
Universal Sompo	4.26	6.72	7.26	6.62	5.69	5.55	4.32	5.72	6.03	2.90	5.87	5.00	101.37	85.17	83.06	43.86	103.18	89.97
PRIVATE TOTAL	**640.05**	**684.93**	**761.14**	**763.73**	**762.42**	**903.53**	**455.99**	**598.48**	**653.85**	**572.88**	**510.32**	**770.98**	**71.24**	**87.38**	**85.90**	**75.01**	**66.93**	**85.33**
National	191.29	201.38	205.72	172.81	159.39	143.89	138.05	117.48	104.80	117.09	77.13	129.42	72.17	58.34	50.94	67.76	48.39	89.94
New India	461.02	611.04	473.00	462.03	377.87	419.31	214.32	321.67	272.44	349.34	226.16	345.44	46.49	52.64	57.60	75.61	59.85	82.38
Oriental	285.50	300.19	290.18	247.03	230.15	208.40	166.60	121.29	216.85	209.96	160.91	138.90	58.35	40.40	74.73	84.99	69.91	66.65
United	300.02	304.54	288.77	268.67	232.73	222.51	215.02	258.65	206.56	186.00	176.50	218.39	71.67	84.93	71.53	69.23	75.84	98.15
PUBLIC TOTAL	**1237.83**	**1417.14**	**1257.67**	**1150.54**	**1000.15**	**994.11**	**733.99**	**819.08**	**800.64**	**862.39**	**640.70**	**832.14**	**59.30**	**57.80**	**63.66**	**74.96**	**64.06**	**83.71**
GRAND TOTAL	**1877.88**	**2102.07**	**2018.81**	**1914.27**	**1762.57**	**1897.64**	**1189.98**	**1417.57**	**1454.49**	**1435.27**	**1151.02**	**1603.12**	**63.37**	**67.44**	**72.05**	**74.98**	**65.30**	**84.48**

Note: * HDFC Ergo General Insurance Co. Ltd. merged with L&T General Insurance Co. Ltd. w.e.f. 01.01.2017, therefore premiums and claims have been taken upto 31.12.2016

** L&T General Insurance co. Ltd. is renamed as HDFC Ergo General Insurance Co. Ltd. Figures in brackets indicate negative values; '---' Not yet started business; NA- Not applicable

Performance STATISTICS - LIFE INSURANCE

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

(₹ Crores)

Sl. No.	Particulars	Premium in Rs. Crore					No. of Policies / Schemes				
		Month of Sep-2020	Upto Sep-2020	Month of Sep-2019	Upto Sep-2019	YTD Variation in %	Month of Sep-2020	Upto Sep-2020	Month of Sep-2019	Upto Sep-2019	YTD Variation in %
1	**Aditya Birla Sun Life Insurance Co. Ltd.**										
	Individual Single Premium	10.70	53.11	8.35	57.13	-7.04%	184	914	235	1640	-44.27%
	Individual Non Single Premium	166.30	738.62	122.11	687.12	7.50%	21810	113201	23952	116966	-3.22%
	Group Single Premium	206.09	1154.05	220.52	639.97	80.33%	6	27	4	31	-12.90%
	Group Non Single Premium	1.00	9.63	0.29	2.52	281.55%	0	1	0	0	---
	Total	**388.32**	**2000.44**	**358.11**	**1423.22**	**40.56%**	**22043**	**114424**	**24239**	**118931**	**-3.79%**
2	**Aegon Life Insurance Co. Ltd.**										
	Individual Single Premium	0.09	0.31	0.37	1.45	-78.35%	3	15	1007	1029	-98.54%
	Individual Non Single Premium	4.49	21.46	6.08	35.62	-39.75%	1677	8696	2139	12422	-30.00%
	Group Single Premium	0.00	0.00	1.08	1.08	-100.00%	0	0	0	0	---
	Group Non Single Premium	0.00	0.00	0.00	0.00	---	0	0	0	0	---
	Total	**5.27**	**29.60**	**9.10**	**45.23**	**-34.55%**	**1691**	**8753**	**3152**	**13507**	**-35.20%**
3	**Aviva Life Insurance Co. Ltd.**										
	Individual Single Premium	1.60	7.78	0.59	4.31	80.50%	97	200	13	93	115.05%
	Individual Non Single Premium	11.10	58.17	9.51	47.07	23.59%	1715	9460	1635	8341	13.42%
	Group Single Premium	0.11	0.77	0.12	1.08	-28.92%	0	0	0	0	---
	Group Non Single Premium	0.13	0.81	0.08	0.62	30.16%	0	0	0	0	---
	Total	**19.97**	**98.71**	**21.12**	**95.23**	**3.66%**	**1825**	**9738**	**1652**	**8452**	**15.22%**
4	**Bajaj Allianz Life Insurance Co. Ltd.**										
	Individual Single Premium	4.80	23.71	4.13	29.95	-20.84%	103	430	45	272	58.09%
	Individual Non Single Premium	183.28	862.95	157.68	778.87	10.80%	33327	188257	24284	129668	45.18%
	Group Single Premium	211.73	1153.37	350.48	1352.21	-14.70%	13	33	4	34	-2.94%
	Group Non Single Premium	0.00	0.00	0.00	0.00	-423.43%	0	0	0	0	---
	Total	**413.73**	**2114.00**	**520.16**	**2248.57**	**-5.98%**	**33449**	**188747**	**24336**	**129999**	**45.19%**
5	**Bharti AXA Life Insurance Co. Ltd.**										
	Individual Single Premium	8.97	66.67	4.30	23.28	186.42%	279	2530	34	5152	-50.89%
	Individual Non Single Premium	41.92	202.04	48.29	269.71	-25.09%	8684	45561	14696	112615	-59.54%
	Group Single Premium	10.45	47.60	18.96	121.26	-60.74%	-1	7	0	2	250.00%
	Group Non Single Premium	0.00	0.00	0.02	0.02	-100.00%	0	0	1	1	-100.00%
	Total	**63.03**	**318.00**	**71.56**	**414.27**	**-23.24%**	**8965**	**48101**	**14731**	**117770**	**-59.16%**
6	**Canara HSBC OBC Life Insurance Co. Ltd.**										
	Individual Single Premium	56.61	216.15	7.04	40.21	437.51%	382	2007	62	249	706.02%
	Individual Non Single Premium	84.24	287.92	116.46	428.08	-32.74%	17663	68200	18949	66479	2.59%
	Group Single Premium	39.50	337.80	21.91	215.19	56.98%	1	3	0	2	50.00%
	Group Non Single Premium	0.35	1.57	0.68	3.50	-55.24%	0	0	0	0	---
	Total	**182.53**	**971.12**	**149.19**	**762.22**	**27.41%**	**18051**	**70243**	**19011**	**66734**	**5.26%**
7	**Edelweiss Tokio Life Insurance Co. Ltd.**										
	Individual Single Premium	0.23	2.79	1.34	3.74	-25.30%	4	59	33	1002	-94.11%
	Individual Non Single Premium	37.35	150.31	36.78	132.25	13.66%	6555	35827	8357	33924	5.61%
	Group Single Premium	0.91	4.20	1.09	10.77	-61.02%	0	0	1	3	-100.00%
	Group Non Single Premium	0.00	0.85	0.77	2.14	-60.42%	0	0	0	0	---
	Total	**38.52**	**160.37**	**40.70**	**153.22**	**4.67%**	**6560**	**35901**	**8396**	**34955**	**2.71%**
8	**Exide Life Insurance Co. Ltd.**										
	Individual Single Premium	5.51	37.29	9.33	63.41	-41.20%	134	595	187	1337	-55.50%
	Individual Non Single Premium	51.52	205.08	68.06	283.84	-27.75%	14547	62649	18871	89408	-29.93%
	Group Single Premium	0.07	0.23	0.05	0.17	29.20%	0	0	0	0	---
	Group Non Single Premium	2.33	8.17	0.32	5.12	59.66%	3	14	7	17	-17.65%
	Total	**64.90**	**268.07**	**83.11**	**382.60**	**-29.93%**	**14684**	**63258**	**19065**	**90762**	**-30.30%**
9	**Future Generali India Life Insurance Co. Ltd.**										
	Individual Single Premium	0.22	0.88	0.43	3.00	-70.69%	9	40	29	175	-77.14%
	Individual Non Single Premium	21.75	115.38	34.38	145.27	-20.57%	4284	23300	7459	29393	-20.73%
	Group Single Premium	6.79	9.17	5.58	33.56	-72.66%	0	4	0	3	33.33%
	Group Non Single Premium	0.00	0.00	0.00	0.00	---	0	0	0	0	---
	Total	**30.32**	**149.36**	**72.63**	**357.13**	**-58.18%**	**4294**	**23359**	**7488**	**29590**	**-21.06%**
10	**HDFC Life Insurance Co. Ltd.**										
	Individual Single Premium	339.05	1578.17	181.38	1331.66	18.51%	4105	18783	2800	19401	-3.19%
	Individual Non Single Premium	577.37	2653.17	408.87	2612.98	1.54%	82138	425404	68309	400958	6.10%
	Group Single Premium	1092.95	4257.28	690.42	3851.47	10.54%	17	81	11	77	5.19%
	Group Non Single Premium	0.00	0.00	0.00	0.00	---	0	0	0	0	---
	Total	**2028.75**	**8561.64**	**1307.11**	**8007.32**	**6.92%**	**86268**	**444329**	**71137**	**420565**	**5.65%**
11	**ICICI Prudential Life Insurance Co. Ltd.**										
	Individual Single Premium	188.51	863.42	93.51	616.18	40.13%	2136	10101	1409	8130	24.24%
	Individual Non Single Premium	423.33	1798.15	571.59	2986.99	-39.80%	49840	266615	61664	348805	-23.56%
	Group Single Premium	192.90	620.30	167.26	917.88	-32.42%	6	27	14	66	-59.09%
	Group Non Single Premium	0.00	0.00	0.00	0.00	---	0	0	0	0	---
	Total	**1215.80**	**4456.34**	**938.05**	**5151.77**	**-13.50%**	**52232**	**278085**	**63149**	**357650**	**-22.25%**
12	**IDBI Federal Life Insurance Co. Ltd.**										
	Individual Single Premium	30.42	111.44	20.75	65.38	70.44%	621	3320	594	2390	38.91%
	Individual Non Single Premium	27.30	82.31	27.40	134.11	-38.63%	3781	12366	4385	23675	-47.77%
	Group Single Premium	8.03	27.60	12.41	64.34	-57.10%	0	0	1	2	-100.00%
	Group Non Single Premium	0.00	0.00	0.05	0.28	-98.82%	0	1	0	0	---
	Total	65.75	221.35	60.61	264.12	-16.19%	4402	15687	4980	26067	-39.82%

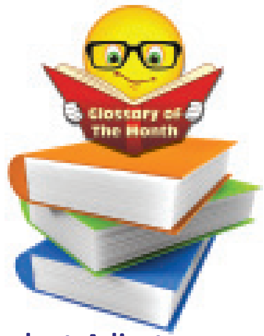
Performance STATISTICS - LIFE INSURANCE

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

(₹ Crores)

Sl. No.	Particulars	Premium in Rs. Crore					No. of Policies / Schemes				
		Month of Sep-2020	Upto Sep-2020	Month of Sep-2019	Upto Sep-2019	YTD Variation in %	Month of Sep-2020	Upto Sep-2020	Month of Sep-2019	Upto Sep-2019	YTD Variation in %
13	**IndiaFirst Life Insurance Co. Ltd.**										
	Individual Single Premium	2.78	9.02	2.51	11.27	-19.95%	64	359	1978	14668	-97.55%
	Individual Non Single Premium	81.83	278.75	85.75	323.63	-13.87%	18021	72802	17663	73246	-0.61%
	Group Single Premium	41.89	544.94	114.27	512.62	6.31%	17	94	12	78	20.51%
	Group Non Single Premium	0.06	0.28	0.05	0.19	50.19%	0	2	0	1	100.00%
	Total	**126.56**	**833.00**	**202.58**	**847.70**	**-1.73%**	**18102**	**73257**	**19653**	**87993**	**-16.75%**
14	**Kotak Mahindra Life Insurance Co. Ltd.**										
	Individual Single Premium	96.50	389.00	68.00	256.29	51.78%	6493	18966	6436	21619	-12.27%
	Individual Non Single Premium	128.39	558.99	139.59	562.35	-0.60%	25265	119240	26045	108989	9.41%
	Group Single Premium	73.15	262.27	83.99	558.51	-53.04%	23	93	14	103	-9.71%
	Group Non Single Premium	0.06	0.23	0.19	3.44	-93.43%	2	10	2	17	-41.18%
	Total	**481.38**	**1655.28**	**353.04**	**2040.78**	**-18.89%**	**31826**	**138679**	**32534**	**131025**	**5.84%**
15	**Max Life Insurance Co. Ltd.**										
	Individual Single Premium	144.54	643.74	103.12	461.51	39.48%	638	2441	175	764	219.50%
	Individual Non Single Premium	408.71	1693.43	353.64	1644.85	2.95%	53307	280750	52592	263454	6.57%
	Group Single Premium	37.76	102.39	25.93	130.72	-21.67%	5	6	6	90	-93.33%
	Group Non Single Premium	0.00	0.00	0.00	0.00	---	0	0	0	0	---
	Total	**601.28**	**2494.76**	**495.67**	**2289.16**	**8.98%**	**53964**	**283537**	**52839**	**264759**	**7.09%**
16	**PNB Metlife Life Insurance Co. Ltd.**										
	Individual Single Premium	5.74	37.69	1.73	8.02	369.96%	93	526	40	253	107.91%
	Individual Non Single Premium	119.49	499.46	108.01	565.86	-11.74%	21258	99654	15697	88817	12.20%
	Group Single Premium	26.33	92.94	39.84	166.04	-44.02%	0	0	0	4	-100.00%
	Group Non Single Premium	0.06	0.29	0.05	0.22	27.90%	27	72	13	96	-25.00%
	Total	**157.26**	**651.48**	**154.76**	**771.24**	**-15.53%**	**21378**	**100252**	**15750**	**89170**	**12.43%**
17	**PRAMERICA Life Insurance Limited.**										
	Individual Single Premium	0.13	0.79	0.19	6.39	-87.68%	554	1673	25	256	553.52%
	Individual Non Single Premium	10.05	57.13	12.83	80.82	-29.30%	2226	11126	3010	19973	-44.29%
	Group Single Premium	9.61	16.63	27.16	156.37	-89.37%	2	8	3	14	-42.86%
	Group Non Single Premium	0.00	0.00	0.00	0.00	---	0	0	0	0	---
	Total	**21.07**	**93.95**	**47.63**	**300.05**	**-68.69%**	**2796**	**12939**	**3089**	**20584**	**-37.14%**
18	**Reliance Nippon Life Insurance Co. Ltd.**										
	Individual Single Premium	4.98	19.00	4.70	21.58	-11.96%	147	675	143	732	-7.79%
	Individual Non Single Premium	76.34	351.11	77.30	409.69	-14.30%	16838	82846	17092	102085	-18.85%
	Group Single Premium	0.00	0.00	0.00	0.71	-100.00%	0	0	0	0	---
	Group Non Single Premium	3.15	11.49	6.40	23.65	-51.41%	5	10	4	11	-9.09%
	Total	**85.09**	**384.66**	**88.34**	**467.30**	**-17.68%**	**16996**	**83549**	**17243**	**102848**	**-18.76%**
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	225.05	981.67	152.33	743.61	32.01%	4502	18899	3161	15019	25.83%
	Individual Non Single Premium	815.58	3225.50	861.62	4102.00	-21.37%	143992	579715	135765	684701	-15.33%
	Group Single Premium	1161.48	4615.34	858.70	2880.54	60.22%	29	60	12	37	62.16%
	Group Non Single Premium	0.54	9.79	1.28	3.90	150.89%	1	2	0	0	---
	Total	**2225.86**	**8999.01**	**1885.57**	**7814.34**	**15.16%**	**148546**	**598854**	**138996**	**700154**	**-14.47%**
21	**Shriram Life Insurance Co. Ltd.**										
	Individual Single Premium	3.67	18.92	4.22	18.98	-0.33%	125	671	254	1077	-37.70%
	Individual Non Single Premium	50.53	185.61	47.73	196.31	-5.45%	27578	98791	27772	117524	-15.94%
	Group Single Premium	17.80	39.22	11.63	95.29	-58.84%	1	1	1	5	-80.00%
	Group Non Single Premium	0.00	0.00	0.00	0.00	---	0	0	0	0	---
	Total	**74.24**	**248.57**	**65.01**	**318.31**	**-21.91%**	**27710**	**99471**	**28028**	**118615**	**-16.14%**
22	**Star Union Dai-Ichi Life Insurance Co. Ltd.**										
	Individual Single Premium	22.73	64.25	11.67	34.24	87.65%	441	1343	210	778	72.62%
	Individual Non Single Premium	83.32	214.77	81.51	230.86	-6.97%	11953	31868	10975	34292	-7.07%
	Group Single Premium	15.41	41.42	11.04	29.39	40.94%	2	2	0	0	---
	Group Non Single Premium	0.20	0.82	0.26	0.77	5.72%	0	0	0	0	---
	Total	**126.93**	**383.94**	**107.83**	**315.90**	**21.54%**	**12398**	**33219**	**11186**	**35079**	**-5.30%**
23	**Tata AIA Life Insurance Co. Ltd.**										
	Individual Single Premium	63.51	319.87	18.06	209.64	52.58%	362	1928	133	1320	46.06%
	Individual Non Single Premium	269.94	1247.53	219.21	1028.60	21.29%	35642	197563	41816	189566	4.22%
	Group Single Premium	2.18	6.23	3.13	22.00	-71.67%	0	1	0	0	---
	Group Non Single Premium	5.61	17.93	24.01	33.41	-46.33%	6	34	7	46	-26.09%
	Total	**346.92**	**1615.98**	**265.57**	**1308.20**	**23.53%**	**36037**	**199652**	**41975**	**191007**	**4.53%**
	Private										
	Individual Single Premium	1216.35	5445.67	698.05	4011.25	35.76%	21476	86475	19003	97356	-11.18%
	Individual Non Single Premium	3674.13	15487.84	3594.40	17686.87	-12.43%	602101	2833891	603127	3055301	-7.25%
	Group Single Premium	3155.17	13333.76	2665.56	11761.17	13.37%	121	447	83	551	-18.87%
	Group Non Single Premium	13.49	61.86	34.43	79.79	-22.47%	44	146	34	189	-22.75%
	Private Total	**8763.48**	**36709.63**	**7297.46**	**35777.88**	**2.60%**	**624217**	**2924034**	**622629**	**3156216**	**-7.36%**
24	**Life Insurance Corporation of India**										
	Individual Single Premium	2657.59	15048.35	978.18	13656.49	10.19%	90246	418001	58841	462850	-9.69%
	Individual Non Single Premium	1991.57	10857.39	2055.20	11211.21	-3.16%	1573468	5732554	1658373	8040574	-28.70%
	Group Single Premium	11366.20	57969.15	8714.28	44626.27	29.90%	39	106	82	578	-81.66%
	Group Non Single Premium	442.55	3863.27	696.47	20021.71	-80.70%	711	2639	231	1191	121.58%
	Total	**16602.84**	**88018.01**	**12759.24**	**89980.22**	**-2.18%**	**1666521**	**6161576**	**1720114**	**8516503**	**-27.65%**
	GRAND TOTAL	**25366.32**	**124727.64**	**20056.70**	**125758.10**	**-0.82%**	**2290738**	**9085610**	**2342743**	**11672719**	**-22.16%**

Glossary



Independent Adjuster
Freelance contractor paid a fee for adjusting losses on behalf of companies.

Independent Agent
A representative of multiple insurance companies who sells and services policies for records which they own and operate under the American Agency System.

Independent Contractor
An individual who is not employed for a company but instead works for themselves providing goods or services to clients for a fee.

Index Annuity
An interest bearing fixed annuity tied to an equity index, such as the Dow Jones Industrial Average or S & P 500.

Poll

Do you think technology will disrupt the insurance industry

Yes

No

Can't say

Results of Poll in our September 2020 Issue

Do you think IRDAI's new regulation on rewards for wellness in health insurance with help in growth of heath insurance market in India

Yes	100
No	00
Can't say	00

You may send your views to :

Poll Contest, **The Insurance Times**
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