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Editor-in-Chief's Desk

Ram Gopal Agarwala
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The Insurance Amendment Bill has been passed in parliament and has paved the way for increase in FDI limit. This will be a major boost in further expansion of the industry with introduction of more capital and resources. Also the industry may witness more mergers and expansion.

IRDAI has directed insurers to ensure transparency towards policyholders while rejecting insurance claims. The regulator said that insurers cannot simply reject insurance claims based on presumptions and conjectures and have to specifically state the reasons for the denial or rejection, while necessarily referring to the corresponding insurance policy conditions.

According to IRDAI Insurers will have to ensure that the policyholder is provided with granular details of the payments made, amounts disallowed and the reasons for the amount disallowed. Moreover, the insurers will also have to provide the grievance redressal procedures and the Insurance Ombudsman office addresses details to the policyholder.

Timely and proper claims settlement is the ultimate aim of Insurance Industry. The technology has ensured fast processing of claims as the information relating to loss can be fed realtime and processing can be done on inbuilt parameters. The Insurance Companies need to reinvent all its processes and make it consumer friendly so that the delay in settlement of claims is avoided and the time lag in settlement of claim is reduced. Technology will also help in reduction of fraudulent claims which is making a huge dent in pockets of Insurers.

IRDAI should also come forward to build a national database so that insurers can cross check data and identify fraudulent claims.

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General Insurance News

SBI General Insurance & Indian Overseas Bank sign corporate agency agreement

SBI General Insurance and Indian Overseas Bank have signed a bancassurance agreement for distribution of non-life offerings. Through this agreement, SBI General will offer a range of general insurance solutions and innovative products to IOB customers.

P.C. Kandpal, MD & CEO, SBI General Insurance, stated, "Our association with IOB shall further strengthen our reach and will help us in achieving another milestone for our mission of insuring Bharat. IOB's extensive reach in Tamil Nadu region will help in wide distribution of products to customers in the region. With this tie-up, we will offer well researched, unique, and customer-friendly products to IOB customers."

Partha Pratim Sengupta, MD & CEO, Indian Overseas Bank, remarked, "We are delighted to partner with one of the leading players in General Insurance businesses - SBI General Insurance. We will efficiently nurture it to be a long running mutually beneficial relationship. This tie-up will help expand our bouquet of Insurance product to our consumers."

COVID-19 travel insurance becoming a vacation staple

COVID-19 insurance policies are increasingly joining passports as vacation staples, creating opportunities for insurers, as more countries require mandatory coverage in case visitors fall ill from the Corona Virus. As the organizers of an emergency services plan said, more than a dozen countries from Aruba to Thailand now compulsorily require COVID-19 coverage for visitors, with Jordan being the latest to consider such protections.

According to travel insurance consultant Robyn Ingle, the market for all types of COVID-19 travel coverage is estimated to be between $30 billion to $40 billion a year with companies like AXA and AIG underwriting protection. But a surge in demand for COVID-19 coverage also means insurers could be on the hook for big payouts should another wave of infections lead to large numbers of cancellations or tourists getting sick.

Dan Richards, Chief Executive for travel risk and crisis management firm Global Rescue, said, "Travel insurance and protection services are taking off at pace with travel as it resumes".

COVID-19 insurance benefits typically cover treatment up to $100,000, and could include Corona Virus testing costs and services like evacuation or local burial or cremation. These benefits, introduced by insurers in mid-2020, are sold either as add-ons or as separate policies with coverage for illness or quarantine.

Some countries have mandated travel insurance for incoming visitors - either by including it in their entry or visa fees or by requiring proof of coverage, said insurer World Nomads.

Digitalization helps maintain persistency levels of insurance policies

Due to the uncertainties around life and money, people have been prompted to opt for life insurance policies offering financial security amid the COVID-19 outbreak. Besides opting for new policies, people have become increasingly conscious about staying adequately protected, and that is why a significant population is renewing policies on time.

Persistency ratio is the ratio of life insurance policies that receives timely premiums in the year and the number of net active policies. The ratio for each year is calculated for an exposure block e.g., a financial year and is estimated in the first month of the next year and so on i.e. the one-year persistency ratio is indicated as 13th-month ratio and so on.

"In the case of persistency level, while we had some issues in April 2020, but May onwards we were back to doing more collections than the pre-COVID times. Our 13th-month persistency has gone up by 200 basis points compared to the same time last year," stated Kamlesh Rao, MD and CEO, Aditya Birla Sunlife insurance. "Digitalization has played a big role here. Our Artificial Intelligence (AI) driven Conversational Renewal Bot offered a seamless digital renewal engagement journey, helped policyholders to renew their policies anytime, anywhere", he added.

Ashish Rao, Chief Customer Experience & Operations, ICICI Prudential Life Insurance said that recently, ICICI Prudential Life has launched a speech recognition AI-humanoid for renewal premium reminder calling. "With this automated solution, we can reach out to over 50,000 customers in an hour and can converse with customers in multiple languages.

For the period from March 2020 to December 2020, we reached out to over 4 lakh customers and approximately 87% of customers contacted paid their renewal premiums. Our customers can make renewal premium payments through net banking, UPI, ECS, credit and debit cards, Google Pay and other mobile wallets," remarked Rao.

During the pandemic, technology has been the centre of all customer engagement activities for insurers. Whether it is self-servicing insurance portal for customers or AI-enabled bot, all-digital offerings have been designed to enhance customer experience and reduce time for servicing them and facilitating new business and renewal transactions.

Kayzad Hiramanek, Chief, Operations & Customer Experience, Bajaj Allianz Life said, "We developed WhatsApp services just at the onset of the pandemic. And over 11 lakh customers used this platform over the year for renewal premium payment, sourcing new policies, and servicing existing policies".

NICL asks Axis Bank to reclassify as public shareholder

Axis Bank has recently said that one of its promoters, National Insurance Company Ltd (NICL), has asked it to classify the insurer as a public shareholder. The bank, in this regard, received a request letter from NICL to reclassify NICL to public category from promoter category, in accordance with listing regulations, Axis Bank stated in a regulatory filing.

"The aforesaid request for re-classification will be tabled at the ensuing meeting of the Board of Directors of the Bank and all necessary steps will be undertaken in accordance with Regulation 31A of the Listing Regulations," the bank said.

Marine insurance: IRDAI in discussion with INSA to set up P&I club

IRDAI is in talks with Indian National Shipowners Association (INSA) to develop a protection and indemnity insurance club (P&I club) in India, a move which will support the development of a marine insurance market in India.

Marine premium formed about 2% of the gross domestic premium in FY20. India has been looking to put in place a P&I club for a few years now. IRDAI has pointed out that while India accounts for a low share of marine insurance globally, its software prowess can be used to give India the necessary leg-up in the area.

Subhash Chandra Khuntia, Chairman, IRDAI, stated that primary insurance (for marine sector) can grow if there is presence of reinsurance and called for starting a protection and indemnity club in India.

Arti Mathur, GM, Oriental Insurance Company stressed that growth in this area depends on the availability of ecosystem. Marine insurance business in India is in the range of 1.5-2%, which further shrunk during the pandemic, Mathur added.

According to the experts, Gujarat International Finance Tec-City IFSC (International Financial Services Centre) can be a platform for such activities.

HDFC ERGO launches Business Kisht Suraksha to protect MFIs from natural calamities

HDFC ERGO General Insurance has recently introduced a unique cover, Business Kisht Suraksha, focused at protecting the balance sheet of financial institutions, MFIs and banks in the event of natural disaster or catastrophe. Business Kisht predominantly aims to limit the impacts on the balance sheet of financial institutions, due to non-payment of EMIs by borrowers, resulting out of listed calamities such as floods, earthquakes, cyclones, etc.

As a product, Business Kisht can be customised as per the needs of an individual MFI or financial institution. It can also be tailor-made depending on the geographical presence of the borrower, MFI or any financial institution basis the perils/climatic conditions that the location is prone to.

At the launch, Anurag Rastogi, Chief Actuary and Chief Underwriting Officer, HDF ERGO General Insurance Company commented, "Over the past few years, we have seen a rise in natural calamities such as floods and cyclone, which impact the livelihoods of people residing in these calamity-prone areas.

Moreover, such calamities also severely impact the lending businesses in these areas. Business Kisht Suraksha aims to address these concerns by indemnifying against these climatic changes whilst also protecting financial institutions from rising NPAs occurring due to the impact of natural disasters."

TCS named leader in life & annuities insurance application and digital services

Tata Consultancy Services has been recognized as a leader in the Everest Group PEAK Matrix® for Life & Annuities (L&A) insurance application and digital services. TCS was placed highest for its vision and capability in an assessment of 21 global service providers offering application and digital services to L&A insurers.

Highlighted as a key differentiator is the targeted investments of TCS to solve IT needs of the insurers such as actuarial advisory and business services to build solutions, frameworks, training, and other business or IT issues for actuarial services. The report recognized the continued efforts of TCS towards building a comprehensive innovation footprint through investments into solutions such as the Personality Radar Solution, offerings such as innovation forums (open discussion on innovation themes), BFSI Innovation-as-a-Service (providing insurance thought leadership), and an AI Studio.

"TCS is helping insurers adopt a purpose-driven, ecosystem-led approach to explore new business models, launch new products and services, enhance customer experiences and establish competitive differentiation in the post-pandemic world," stated K Krithivasan, Business Group Head, Banking, Financial Services & Insurance, TCS. "This recognition by an independent third-party research firm is a validation of our vision, rich domain capabilities, investment in innovation and customer-focused offerings across the L&A value chain."

Liberty General Insurance introduces AI-based automated car inspections

Liberty General Insurance has recently automated vehicle inspections for car insurance policy renewals and claim assessments using AI-based technology. This move is expected to transform the car inspection process replacing humans in repetitive work at a very high accuracy level.

Under this AI-based car inspection process, for renewing car insurance and/or for claim assessment, customers will just have to capture the photos or videos of their car and upload them on the Liv Mobile App or on the link shared with them.

These photos or videos are sent to the cloud and an automated inspection report, covering damage and claim assessment, gets generated within a few seconds. It not only saves cost but also increases customer satisfaction by reducing the time required to settle a claim or renew a car insurance policy.

Commenting at the development, Roopam Asthana, CEO & Whole Time Director, Liberty General Insurance stated, "We have been working with partners for almost two years now to automate our car inspection process.

Through this partnership we have developed an efficient and elegant product, which will help us reduce cost and time required for motor inspections significantly. This capability will further enhance customer experience with lower turnaround on claims and renewals."

Rajya Sabha passes Insurance (Amendment) Bill, 2021 increasing FDI limit to 74% from 49%

The Rajya Sabha has recently passed the Insurance (Amendment) Bill, 2021 which seeks to amend the Insurance Act, 1938. The amendment will now increase the limit of foreign investment allowed in Indian insurance companies. The Bill provides to increase the Foreign Direct Investment limit from existing 49% to 74%. It also has a provision for the removal of restrictions on ownership and control of the insurance companies.

Replying to a discussion, Indian Finance Minister Nirmala Sitharaman said that a higher FDI limit of 74% is not a compulsion for every insurance company, as it sets only an upper limit. She further clarified that increasing the limit doesn't mean automatic foreign investment to that level to all companies, and every company will decide the limit of investment.

According to Sitharaman, the hike in foreign investment will help meet the growing capital requirements of insurance companies as they are facing liquidity pressure. The move will help in the deep penetration of insurance cover into the country and will also ensure insurance inclusion. ❑

IRDAI News

IRDAI directs insurers to periodically notify policy-holders

With an objective to ensure flow of relevant information to policyholders, IRDAI has recently specified certain norms to be followed by the insurers.

Health insurance policyholders will now be able to get a regular updates and periodical notifications about their policy from the insurance company. IRDAI now feels it to be important to periodically notify the policyholders about certain relevant and important details relating to health insurance coverage. IRDAI has asked the insurers to initiate the process at the earliest and not later than 1 June, 2021.

The information will be communicated by insurers to all the policyholders twice in a year, i.e., 6 months after issuance of policy and at least 1 month prior to the renewal due date. In case of a multiyear policy, the information can be shared with a frequency of 6 months from the date of issuance of policy.

In addition, in the event settlement of any claim under a health insurance policy, the insurer will also communicate the details of balance sum insured along with the cumulative bonus available, if any, to the policyholder. This will be notified to the policyholders within 15 days of settlement of claim.

IRDAI fines Chola MS General Insurance Rs. 1 crore for undue payments

IRDAI has recently imposed a Rs. 1 crore penalty on Chola MS General Insurance Company stating that the insurer has violated certain provisions of the Motor Insurance Service Provider (MISP) Guidelines.

According to an order issued by IRDAI Chairman Subhash C. Khuntia, the insurer had engaged with and made payments towards display of advertisement material with four MISPs from November 2, 2017 to December 31, 2019 in contravention of provisions of the Guidelines. "The violation continued for a period of more than two years. Therefore, the Authority imposes a penalty of Rs. 1 crore", the order reads.

The allegations against Chola MS General Insurance was that it made indirect payments to MISP, automotive dealers and designated persons in the name of 'advertisement' and 'professional charges'. As per the order, the Guidelines stipulate the maximum distribution fees payable to MISPs and mention that neither the insurer should pay directly or indirectly to the MISP other payments, including the advertising expenses, nor the MISP should receive such payments from insurers.

The insurer is directed to ensure in future that any engagement with automotive dealers is strictly in compliance with MISP Guidelines.

IRDAI issues guidelines for standard personal accident insurance

Insurance Regulatory and Development Authority of India has directed all general and health insurance companies to mandatorily offer a standard personal accident insurance policy by 1 April, 2021. The said policy, which will be named 'Saral Suraksha Bima', succeeded by name of the insurance company, will be offered with a tenure of 1 year.

An exposure draft on "Guidelines on Standard Personal Accident product" along with standard terms and conditions had been issued by IRDAI to make available a standard personal accident product with common coverage and policy wordings across the industry.

Minimum entry age to buy such a policy will be 18 years while the maximum age at entry at least 70 for insured members, including the principal insured. The standard PA product will be offered on an individual basis, but when offered as a family cover, the chosen sum insured will apply to each family member separately.

IRDAI increases maximum cover under Arogya Sanjeevani Policy to Rs. 10 lakh

With an objective to bring more people under the ambit of health insurance IRDAI has recently hiked the maximum cover under the standard health insurance plan - Arogya Sanjeevani Policy - from Rs. 5 lakh to Rs. 10 lakh. IRDAI has made it mandatory for insurers to offer a sum insured between Rs. 50,000 to Rs. 10 lakh under the Arogya Sanjeevani policy as against the previous range of Rs. 1 to Rs. 5 lakh.

In a regulator IRDAI stated, "In order to enhance the coverage available under Arogya Sanjeevani Policy, in partial modification of the extant guidelines, insurers shall mandatorily offer the sum insured between Rs. 50,000 to Rs. 10 lakh under the standard product from 1 May, 2021, or earlier."

IRDAI is also taking a closer look at pricing and has asked insurance companies to get an actuarial review of the viability of every health plan at the end of the year to ensure that all health products are sustainable.

IRDAI extends dispensation for physical signatures in life covers

IRDAI has recently issued a circular saying, "Life Insurers are allowed to obtain the customer's consent through electronic means, i.e., without requiring wet signature on the proposal form, for the business solicited by Individual Agents and Insurance Intermediaries, under all products, till 30th September 2021."

The suitability assessment, benefit illustration (wherever applicable) and the completed proposal form will have to be sent to the buyers either on their registered e-mail ID or phone number in the form of a message with a link. The message/mail will have to specifically highlight the sum assured, premium amount payable, policy term and the premium payment term of the proposal being solicited while seeking the buyer's consent for the policy proposal.

Once the buyer gives consent to the product offered, the benefit illustration and the completed proposal form needs to be affixed by a digital signature. One can also validate it by the One-Time-password (OTP) process.

IRDAI allows life insurers to issue e-policies till 30 September

IRDAI has recently said that the life insurance companies can issue electronic policies for six more months till 30 September, 2021, in the wake of COVID-19 pandemic.

IRDAI in August had allowed insurers to send all life insurance policies electronically to the policyholder's e-mail ID till the end of the financial year 2020-21. Earlier, companies had to dispatch a hard copy of the document even if a policy was solicited through an electronic mode.

Given the COVID-19 outbreak and the resultant lockdown to combat the virus, life insurers had expressed difficulty in printing and dispatching policy documents. Insurers can now continue to send all life insurance policies electronically to the policyholder's e-mail ID till September end of this year.

Physical policies are not mandatory now if the insurer has obtained the consent of the policyholder. However, if a policyholder insists on a hard copy, the companies have to issue it without any charges.

Insurers may soon be able to launch covers without regulator nod

IRDAI wants to move to a 'use and file' system where insurers can market products without first obtaining an approval from the regulator, stated IRDAI Chairman Subhash C. Khuntia. This is in contrast to the current 'file and use' system where if an insurer wishes to launch a new product, it has to file an application with IRDAI and can sell the product only after getting all the regulatory approvals.

Subhash C. Khuntia said at the Virtual Actuarial Conclave 2021, "We have already started this in some of the segments and we would like to go further. Unfortunately, this experiment which we tried sometime back, we found that some of the 'use and file' products did not live up to the regulatory requirement. He also said the number of actuaries in the country is abysmally low for a country of India's size. He called for increasing the number of actuaries to at least 1,000-1,200, from the current 458.

LIC of India News

LIC to sell stake in IDBI Bank to ease disinvestment process

Life Insurance Corporation of India has agreed to shed its shareholding in IDBI Bank with an objective to boost to the government to completely exit from the IDBI Bank and also ease the process of its strategic disinvestment. However, it is for the part of LIC to decide on the quantum of stake it would like to part with to aid this process.

A senior official said that LIC is ready to sell shares. The government intends to complete the process in FY21-22. Keeping that in mind, amendments have been proposed in the Finance Bill 2021.

Govt. proposes to increase in LIC's authorised capital to Rs. 25,000 crore

The government has proposed to hike the authorised capital of Life Insurance Corporation of India to Rs. 25,000 crore to facilitate its listing slated for the next fiscal. Presently, the paid-up capital of LIC with over 29 crore policies is Rs. 100 crore. The amendments, which were proposed as part of Finance Bill 2021, will lead to the setting up of a board with independent directors in line with listing obligations.

According to one of the 27 proposed amendments, the central government will hold at least 75% in LIC for the first five years post the IPO, and subsequently hold at least 51% at all times after five years of the listing.

Finance Minister Nirmala Sitharaman, In the Budget Speech 2021, stated the Initial Public Offering (IPO) of LIC would be launched in the next financial year, beginning April 1. Currently, the government owns 100 per cent stake in LIC. Once listed, it is likely to become the country's biggest company by market capitalisation with an estimated valuation of Rs. 8-10 lakh crore.

LIC loses market share; ICICI Prudential sees signs of growth

According to the latest data from the insurance regulator, despite the blow from the pandemic, private life insurers have continued to corner market share shows. Private sector life insurers have been eating into the market share of LIC for years now. It is found that in an annualised premium equivalent basis, LIC lost 200 basis points month-on-month in market share to private sector peers in February.

ICICI Prudential Life Insurance Co Ltd improved its market share significantly. ICICI Prulife reported its first monthly growth in retail APE for FY21. Its retail APE grew by 6% year-on-year.

Ana analyst wrote, "We expect growth trajectory to continue improving for IPRU Life into FY22 on lower base, better environment for ULIPs, traction from new banca partnerships and pickup in credit protect on improving disbursals."

LIC eases process to claim policy maturity benefits

Due to the restrictions on movement due to COVID-19, LIC has allowed its policyholders to deposit their maturity claim documents at their nearest LIC office anywhere in the country. LIC has allowed its 74 customer zones, 113 divisional offices, 2,048 branches, and 1,526 satellite offices to receive maturity claims documents from policyholders whose maturity payments are due, irrespective of the servicing branch of the policy.

LIC, however, said that the actual claim payment will be processed by the servicing branch only. The documents will be digitally transferred through LIC's pan-India network. In all these offices, officers have been especially authorized to facilitate this job. "The policyholder can walk into any of the above offices of LIC and ask for authorized officer for assistance in this regard," LIC stated.

Health Insurance News

Only private doctors on COVID duty covered by govt. insurance: Bombay High Court

The Bombay High Court has recently refused relief to the widow of a private doctor, who died of the Corona Virus, citing that the Rs. 50 lakh insurance cover under a Central scheme included only those private medical practitioners who were drafted for COVID-19 duties.

A division bench of Justices S J Kathawalla and R I Chagla dismissed the petition filed by Kiran Surgade, a Navi Mumbai resident, seeking Rs. 50 lakh cover under the 'Pradhan Mantri Garib Kalyan Yojana' (PMGKY) for her husband who died after contracting COVID-19 from a patient at his clinic.

The Plea:

According to the plea, the petitioner's husband Bhaskar Surgade got a notice from the commissioner of the Navi Mumbai Municipal Corporation (NMMC), asking him to keep his dispensary open and warned action if he fails to comply with the notice.

The petitioner claimed that her husband opened the clinic and started treating patients, including those infected by Corona Virus and he too contracted the disease and died of it on 10 June, 2020.

The judgment of the court:

The court said the NMMC notice only asked Bhaskar Surgade to keep his clinic open and the same cannot be construed as a notice requisitioning his services for the specific purpose of treating COVID-19 patients and/or working in a COVID-19 hospital.

The court further added, "There is a difference between specifically requisitioning/drafting services and directing private practitioners to not keep their clinic closed. The intent and object of the NMMC notice was to encourage medical practitioners to keep their dispensaries open," the court said. "This notice did not mandate that the said dispensaries are to be kept open for COVID-19."

Aditya Birla Health Insurance introduces new policy with up to 100% return on premium

Aditya Birla Health Insurance Company Ltd (ABHICL) has announced up to 100% health insurance premium returns and other product offering upgrades. The company said in a press statement that this newly-designed version of its flagship product 'Activ Health' will "inspire" the customers to lead a healthy lifestyle.

According to ABHICL, the 'Activ Health' policy provides "comprehensive" health protection with extensive wellness benefits. The consumer is rewarded through a cash equivalent which can be used either for health-related expenses like paying for diagnostic tests, buying medicines, daycare treatment, out-patient expenses (OPD), and alternative treatments (which are traditionally excluded), or most importantly can be used towards the payment of future premium.

The company stated that the plan allows the wellness ecosystem to be easily accessed by people without exclusivity.

57% of women purchased health policies in 2020: Survey

According to a recent survey conducted by Reliance General Insurance, which is commissioned by research agency Nielsen, there has been positive change among women towards health insurance following the pandemic, with many looking at health policies as preferred financial products to protect themselves against any medical emergencies.

The online survey took responses from 547 women across tier-I, II and III cities in the age group of 21-45. The dominant trigger for women to buy health insurance was to safeguard against immediate medical expense.

In a significant finding, the survey showed that 98% of women believe that there should be more women health-centric add-ons in polices, such as menstruation/hormonal issues, PCOD treatment, mental illness related to postpartum syndrome and treatment for osteoporosis.

Some of the other major findings of the survey:

- Financial security in case of medical emergencies is the second most important priority among females (54%) followed by financial security for family (60%).
- Financial security in case of medical emergencies is important in females across age groups (21-35 years & 36-45 years) and for both single and married.
- 75% of the women covered had health insurance.
- 6 of 10 women had individual policies.
- More than half (57%) of the policies were purchased during the last one year, with three of four with Rs. 15 lakh coverage.

Ekincare with Bharti AXA General Insurance launches fitness app & portal

Ekincare, a healthtech startup, has recently announced its collaboration with Bharti AXA General Insurance to launch a fitness app and portal, Bharti AXA Wellness Cupp aiming to motivate its users to lead a healthy life.

This wellness app and portal will help the customers keep a track of their daily fitness levels, manage dependents, provide personalised content and have active challenges to participate in. It will also provide them with their health scores and reward points, which customers can collect and redeem for a reduced insurance premium at the end of the year.

Kiran Kalakuntla, CEO & Founder, Ekincare, remarked, "Over the last few years, there has been a significant increase in uptake of health insurance premiums among customers under the age of 35 years. However, it continues to be a discretionary purchase among the younger population as they tend to undermine health risks and foresee limited need for hospitalisation. By working with health-insurance companies to offer our AI driven platform, we can help young India to understand the importance of having health insurance."

ManipalCigna Health Insurance launches Lifetime Health India and Global Plan

ManipalCigna Health Insurance has recently announced the launch of their 'Lifetime Health' plan taking into consideration increasing incidences of healthcare problems, and the rising costs, and to address the current concerns that consumers have.

The company states that this 'Lifetime Health' regular premium renewable plan is thoughtfully designed after a period of research. Kkeeping in mind the increasing healthcare incidences and cost, the plan offers the benefit of high coverage, optional packages and provides a comprehensive healthcare financing solution to secure an individual's and a family's domestic and global healthcare requirements at every stage of life.

Prasun Sikdar, Managing Director & CEO, ManipalCigna Health Insurance remarked, "The plan comes with 2 variants Lifetime Health India Plan and Lifetime Health Global Plan that offers a high level of protection with Sum Insured ranging from Rs. 50 lakhs to Rs. 3 crores to give people financial access to cover advanced treatments and procedures, globally for up to 27 major illnesses, and also looks after their unique healthcare requirements for a lifetime."

"Every stage of a lifetime is laden with different health needs and priorities. The new plan lets a policyholder customize the cover he/she needs for their family using optional packages like Health+, Women+ and Global+ along with Critical Illness rider that provides extensive coverage like screenings, vaccinations, and many more healthcare benefits", he farther added.

Meghalaya Govt. paid Rs. 256 crore premium towards health insurance scheme

The Meghalaya government has paid over Rs. 256 crore as premium towards the Meghalaya Health Insurance Scheme. Health Minister A.L. Hek said that Rs. 165.1 crore has been claimed till last month by 2.33 lakh patients undergoing treatment in the empanelled hospitals in the state. "Total claim amount paid as of February 26, 2021, is Rs. 165,10,89,675 and total premium paid as of March 1, 2021, is Rs. 256,97,14,558.88," Hek added.

Meghalaya's health insurance scheme was implemented in convergence with the 'Pradhan Mantri Jan Arogya Yojana' from 2019. The State Government is giving Rs. 1,630 per household and over 56.46% of the State's households have registered under the scheme as of March 1, 2021. ❑

Private Life Insurance News

COVID-19 survivors may not receive life insurance policy immediately

People who have recovered from COVID-19 but continue to experience health issues may face obstacles while buying new life insurance policy. They will get life insurance cover but with a waiting period ranging from 1 to 3 months or even more depending on the severity of the infection, and subject to prevalent underwriting checks as required.

Many insurers such as TATA AIA Life, Exide Life have imposed a 3-month waiting period before issuing a policy to such survivors. These people will have to undergo medical tests before an insurer finally decides to issue the policy.

Karthik Raman, CMO & Head of Products, Ageas Federal Life Insurance, remarked, "Life insurers may ask additional questions and maybe slightly more vigilant in their decision if the individual has recently returned from an international trip, or is planning to travel abroad shortly, especially to a country which is severely affected by COVID-19."

"As per global medical guidance, diabetes, lung diseases, other chronic diseases and so forth, make people most susceptible to the fatal Corona virus", said Yusuf Pachmariwala, EVP & Head of Operations, Tata AIA Life Insurance. "For COVID-19 recovered cases who have co-morbid illnesses, additional checks/tests may be required for providing life cover. In all the cases detailed medical tests would be required at the underwriting stage," he added.

Aegon Life Insurance launches Aegon Life Saral Jeevan Bima

Aegon Life Insurance has officially announced the launch of its latest life insurance product - Aegon Life Saral Jeevan Bima which allows flexibility to the customers to adapt the policy on the basis of their needs. In this online policy, the customers will be provided the benefits of hassle-free processing with minimum financial and medical requirements.

Aegon Life Saral Jeevan Bima is a simple insurance policy which will pay the nominee a fixed amount after the policyholder's death during the policy term. It can be bought by any individual aged between 18 to 65 years with a sum assured of Rs. 5 lakhs to Rs. 25 lakhs and cover period ranging between 5 years to 40 years. One can make premium payment either as a Single Pay or go for Regular Pay Equal to policy term or opt for a Limited Pay of 5 years and 10 years. In case of the death of the Life Assured due to an Accident during the Rider Term, an amount equal to the Rider Sum Assured is payable. This amount will be in addition to the death benefit under the Base Policy.

Aegon Life Saral Jeevan Bima is a standardised simple term insurance plan as per the IRDAI's mandate to all insurers to launch a standard term insurance plan.

"The introduction of Saral Jeevan is a significant move by the IRDAI with standard coverage with affordable premiums. This will not only help improve insurance penetration, but its availability on digital platforms will help in advocating online insurance buying as simple, transparent, and hassle-free", said Satishwar Balakrishnan, MD & CEO, Aegon Life Insurance.

Exide Life Insurance certified as Great Place to Work

Exide Life Insurance Co. Ltd. has recently been been certified as a Great Place to Work by the Great Place to Work® Institute. The acknow-ledgement comes at a time when the company is focusing for accelerated growth by implementing a number of initiatives which include cultural transformation projects, heightened customer value proposition, and technological and digital upgrade.

Being recongnised as a Great Place to Work strengthens the company's commitment towards offering its employees conducive work environment where team work and excellence is highly valued. The certification is a four-step process which includes an organization-wide Employee Engagement Survey and submission of a culture brief.

Dola Mukherjee, Director, Human Resources, Exide Life Insurance commented, "As an organization, we have always focused on offering the best-in-class work culture where employees are encouraged to collaborate with each other to achieve individual as well as company goals. While we believe in promoting healthy competition, we also do our best to ensure that every employee takes pride in their work and contribution towards the company's growth. We are confident that this certification will help us identify key improvement areas and enhance our employee experience further."

Life insurance industry bucks recent slump; registers 21% growth in February, 2021

The life insurance industry has registered a powerful New Enterprise Premium (NBP) progress of 21% in February, 2021, bucking its current development the place it registered both tepid or damaging progress since November, 2020.

According to the latest information from Insurance Regulatory and Development Authority, the NBP, which is a key metric to gauge the efficiency of life insurer, grew to Rs. 22,425.21 crore in February, 2021 for India's 24 life insurers, in contrast with Rs. 18,533.19 crore in the identical interval final 12 months. NBP is the premium accrued from new insurance policies for a selected 12 months.

In the meantime, in February, 2021, personal insurers continued to register strong progress as NBP grew by 16% to Rs. 9,504.64 crore, in contrast with Rs. 8,128.51 crore in the identical interval a 12 months earlier.

Tata AIA Life launches Fortune Guarantee Plus savings plan

Tata AIA Life Insurance has recently announced the launch of Tata AIA Life Fortune Guarantee Plus. It is a flexible, non-linked, non-participating savings plan which promises a secure financial future with guaranteed long-term income along with comprehensive protection cover. The plan also offers health protection in the event when the policyholder is diagnosed with a critical Illness.

Fortune Guarantee Plus offers two income options - Regular Income and Regular Income with an inbuilt critical illness benefit. If the insured is diagnosed with a critical illness during the premium payment term, all future premiums stand waived, and guaranteed income will commence, allowing the customer to focus on health recovery rather than worrying about his income.

In the plan, the policyholder can choose the income frequency between monthly or annual payout options. The guaranteed income starts from the 6th policy year for a period ranging from 20 to 45 years. One can select premium payment term between 5 to 12 years, and the single premium payment option offers the freedom to go for joint life coverage. Single premium offers the freedom to opt for joint life, which ensures that policy continues even if one of the two passes away.

Venky Iyer, CDO and Head Marketing & Communication, Tata AIA Life Insurance, while commenting on the occasion, remarked, "In today's times of economic uncertainty, a long term guaranteed income plan is a must have in every financial portfolio. An unfortunate event or sudden illness in the policyholder's life is devastating for the family in more ways than one.

In the absence of assured regular income, fulfilling financial obligations becomes immensely challenging. Fortune Guarantee Plus is a composite solution that assures a long-term guaranteed income with security against medical emergencies and other life risks. Our research indicates that today's customers consider life and health insurance solutions as essential financial investments, and many of them would consider buying these solutions in the immediate future."

UP CM assures insurance of Rs. 2 lakh to labourers working abroad

Uttar Pradesh Chief Minister Yogi Adityanath during the launch of Bandai Dam in Lalitpur, Bundelkhand region said that his government has decided to provide Rs. 2 lakh insurance to labourers from the state who are working in other parts of the country or abroad. The state government will also provide Rs. 5 lakh health insurance to each worker along with other family members. For this, the registration of labourers will take place in every district. ❑

International News

Pricing up of average global commercial insurance across lines in Q4

According to the Global Insurance Market Index by Marsh, the average worldwide prices of commercial insurance have been increased 22% during the final quarter of 2020. The index also reported that this was the largest year-on-year increase since the index began tracking the data in 2012.

As per the report of Marsh, while the fourth quarter saw pricing hit a record, the gains were in line with preceding periods, with the third quarter seeing a 20% gain and 19% growth in Q2 2020.

Etihad Airways extends global COVID-19 insurance until autumn

Etihad Airways has extended its COVID-19 global wellness insurance cover until 1 October 2021. Guests who are diagnosed with COVID-19 during their trip will not have to worry about medical expenses or quarantine costs when they fly with Etihad.

Martin Drew, Senior Vice President, Sales and Cargo, Etihad Airways, remarked, "Extending Etihad's COVID-19 global wellness insurance reinforces the effectiveness of Etihad Wellness, the airline's health and hygiene programme. It's an added benefit automatically provided to all guests - no exceptions."

He also added, "As Etihad continues to gradually expand its services to up to 60 destinations this spring, the airline wants to instill confidence to travel and hopes this additional cover will reassure guests Etihad is doing everything it can to keep them safe and protected."

Insurers partner with paytechs to widen distribution in India

Amid the COVID-19 pandemic induced push towards digitization, there are opportunities for insurance companies to identify new distribution channels. Insurers in India, for instance, are increasingly collaborating with payment tech companies (paytechs) to sell their policies and sustain growth, says GlobalData, a leading data and analytics company.

Ayushi Tandon, Senior Fintech Analyst at GlobalData, comments, "Insurance companies in India that have collaborated with paytechs are likely to reach a large customer base in a fast and inexpensive way. The strategy can work well as the use of payment platforms has dramatically increased in the country over the recent past, especially after the demonetization and during the COVID-19 pandemic. It can also simplify the entire customer journey in insurance, from purchases to claims.''

An analysis of GlobalData's Disruptor Intelligence Center reveals how the concerted efforts of insurers have been acting in their favor in India to expand customer base and build their brands.

For instance, ICICI Prudential partnered with India's online payments company PhonePe in January 2021 to sell term life insurance plans. Individuals can avail the insurance instantly through PhonePe app with zero paperwork and without the need to go through traditional health check-up. The partnership is backed by the convenience and seamless experiences that mobile technology can offer to customers.

Bharti AXA tied up with digital payments company Airtel Payments to offer health insurance plans related to the pandemic. The deep distribution reach of Airtel in Tier-2 and Tier-3 regions of India can help the insurer to offer its insurance products available for millions of customers digitally.

During the onset of the pandemic, Reliance General Insurance collaborated with Paytm to launch its COVID-19 benefit insurance policy. The entire process of purchasing the policy can be completed by just using the Paytm app, eliminating the need for any manual documentation. It was convenient for customers to sit back and get insured without any hassles. Paytm has approximately 450 million registered users, who could avail this service.

Ms Tandon concludes, "The digital acceleration caused by the COVID-19 pandemic complements the high penetration of digital payments platforms in India. Against the backdrop, insurers are trying to bridge the coverage gaps in the country by collaborating with paytechs that offer alternative distribution channels at low cost and minimal risk."

Life and health insurance most likely products to see long-term benefits from COVID-19

The life and health insurance markets will see the most positive impact from the COVID-19 pandemic, according to a GlobalData poll. The pandemic has caused major disruption to a myriad of businesses, resulting in some insurance lines seeing huge declines in business, but some products may also benefit in the longer term.

Respondents to GlobalData's poll indicated that life and health products would see the most positive impact. Consumers and businesses are likely to feel more vulnerable to viruses and want more protection in the form of such policies.

Ben Carey-Evans, Analyst at GlobalData, comments, "Business interruption insurance is another product that could positively be impacted by COVID-19. Businesses around the world would have been scarred by forced closures throughout 2020 and into 2021 were they not able to operate. It is likely that the positive impact to this business line will be felt over time, as business owners would be very interested in policies that include pandemic cover. This product would likely have scored even higher had there not been disputes around whether insurers should pay out on COVID-19-related claims."

Perhaps the most surprising result of this poll is travel insurance coming in fifth, with 10% of respondents considering it will be most positively impacted. This seems to be long-term thinking, as clearly it has suffered greatly in 2020 and almost certainly will do so in 2021 as well given the continuation of travel restrictions. However, much like with business interruption, consumers may be more inclined to take out comprehensive travel insurance policies when they eventually can travel abroad again. This would mean the line will see a strong recovery once the pandemic is over.

Carey-Evans continues, "Respondents were relatively split, with no product receiving over 19% of the vote. This speaks to the uncertainty in the industry at present. Yet, it also shows that several leading products could see long-term benefits, despite the disruption within them now."

Insurers risk their reputation without goods in transit insurance cover at UK-EU border

Ever since the UK voted to leave the European Union in 2016, there has been public recognition that border delays and implications related to border controls will be inevitable once Brexit was formally completed. Against this backdrop, the absence of goods in transit insurance cover for perishable goods puts the reputation of insurers at risk, says GlobalData, a leading data and analytics company.

Jazmin Chong, Insurance Analyst at GlobalData, comments, "The Brexit transition period ended on 31 December 2020. Since then, trade into and out of the UK has been held up by border delays, especially in France and the Netherlands. As a result, long waiting times at the UK border have resulted in the increased damage of goods in transit related to stock deterioration."

GlobalData's 2017–20 UK SME Insurance Surveys find that SMEs during this period have indicated that implications related to Brexit and political and economic stability were their biggest business concern. This of course changed in 2020, when the COVID-19 pandemic became their main worry instead. Yet Brexit remained a major concern to SMEs in 2020, with 23.8% of all SMEs either very or extremely concerned about the resulting economic implications.

Ms. Chong continues, "The impact of Brexit has raised questions of whether cover for goods in transit will apply to any perishable items affected by the delays. Such cover is currently only related to vehicle accidents and covers the breakdown of refrigeration equipment. Most policies will not cover general loss, damage, or expenses caused by delays."

Insurers' reputations could suffer as claims related to damaged goods from border delays are rejected, leaving clients unhappy. Considering the current economic struggles related to the pandemic, insurers should use this opportunity to build trust in the industry.

Ms. Chong concludes, "Creating products that deliver a level of risk mitigation for the ongoing border delays and any resulting financial losses help insurers attract and retain customers in the long-term. This is especially true given that consumers are increasingly influenced by a company's brand image rather than targeted advertisements."

SURETY BONDS - GLOBAL MARKET UNDERSTANDING AND INFORMATION TECHNOLOGY SOLUTION THEMES

Abstract

The history of Surety Bond has a very interesting history dating back to 2,750 BC when the first known contract was recorded on a Mesopotamian tablet. The recoding of the contract reveal that a farmer being called for the king's army, hence a second farmer who agreed had to work in the fields, while agreeing to split the profits equally. A local merchant provided surety; he guaranteed that the second farmer would keep his word. He thereby being the world's first surety. Moving on in 1837, William L. Haskins formed the New York Guarantee Company, which was the first surety company in America. During the growth of the Surety Bond industry, there have been large amounts insured as the $ 100 million bond used by Westpac Derivative Products Ltd, in 1993 and earn highest ratings in business. Likewise, the Surety Bond industry has seen its share of large losses in its history. AIG and Travelers have paid a huge sum of $900 million to Enron customers following the crash. Similarly, Bondfield, Carillion and Astaldi claims being large Surety Bond claims in Canada have significantly affected the market.

While considering the current impact of Covid-19 on the Surety Bond market globally, this market apart from other liability lines are likely to be affected by large-scale settlement delays, dwindling credit facilities and probable insolvencies. We could expect a material impact on this class of business this year. The impact of large losses are set to affect reinsurers also in the current year.

In this paper I like to discuss the Global Surety Bond market, drivers to boost this business growth, analysis of the market in top countries in the world, how the market is set to boom in India as a new business and SWOT analysis of the market. Further the role of Information Technology to address the challenges in the risk management; underwriting and policy management functions are discussed. The role of electronic bond issuance and new Information Technology themes set to change Surety Bond market are discussed at length.

About the author

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Surety Bonds - Global Market understanding

The Surety market is gradually transforming from a country level business based on understanding the needs of the local market. Increased globalization has paved way for prominent surety players to scale up their operations across developing markets including APAC and Latin America. In many countries, Surety Bonds are set to capture or replace some of the market share of Bank Guarantees, which have their own limitations. By hiring local talent and bringing in international best practices, large surety players are able to utilize their capacity while balancing the risk across continents.

ICISA

The International Credit Insurance & Surety Association (ICISA) brings togetherthe world's leading companies that provide trade credit insurance and/or surety bonds. Founded in 1928 as the first trade credit insurance association, the current members account for over 95% of the world's private credit insurance business. Surety companies became members from the 1950s.

PASA

The Panamerican Surety Association is a not-for-profit organization which was founded in 1972 by a group of sureties from the American continent. Today, with members from 35 countries in three continents, PASA represents the world market of suretyship and credit insurance and reinsurance thereof.

Forum Cauzioni e Credito

The GUARANTEE AND CREDIT FORUM is a free, non-profit association, established in 2015 by insurance and reinsurance companies operating in the surety and credit classes. The Bonds and Credit Forum boasts a long experience and tradition, being the result of the modification and transformation of the previous Deposit and Credit Concordat founded in 1957.

Surety and Fidelity Association of America [SFAA]

The Surety & Fidelity Association of America (SFAA) acts as the thought leader and trusted adviser for the surety and fidelity industry, state and federal agencies and legislators. As a licensed rating agency/advisory organization and trade association, SFAA serves its members, subscribers,federal, state and local government leaders and the public by providing statistical and actuarial data, expertise, advocacy, education and promotion on the value of surety and fidelity bonds.

Figure 1 - Industry Bodies in Surety Bonds

There are large industry bodies based in mature markets, to stabilize and introduce best practices in the business as described in Figure 1 above.

Surety Global Market Capacity and Trends

- The surety industry remains robust.
- Surety market on a global scenario was valued at US$ 15.33 Billion in 2018 and expected to grow at a CAGR of 7.5 % during the forecast period 2019 - 2027, to account to US$ 28.77 by 2027. Further the segment wise split of revenue expected in 2027 reveals: contract surety bond - 51.4 %; commercial surety bond - 29.1%, court surety Bond 13.1 % and fidelity surety bond 6.2 % (Global Surety Market to 2027, Sample Report, 2019)
- This is abundant capacity for all segments - small to medium contractors, mega-contractors, commercial surety and international surety.
- The market cycles for Surety and construction have been stable, resulting in increased competition.
- With the falling oil & gas prices, the current market scenario requires diligence as well as constant high underwriting standards.
- Terms and conditions related to underwriting are loosening as surety players are fiercely endeavoring to grow market share.
- As growth in construction continues and contractors become more stretched, we have seen some contractors and subcontractors in particular stumble
- Full year 2019 results should show increasing losses for the surety industry and that will most likely continue into 2020.

Market Dynamics and Surety Underwriter's Reactions and Claims Trends

A. Underwriter's Reactions

- Overall, global firms/insurers continue to have a higher risk appetite than their American competitors, particularly in project size and complexity, and discernment of political risk.
- Sureties find it challenging to sustain underwriting discipline in this soft surety market. Competition on underwriting terms is expected with new market entrants
- In view of excess capacity, soft market conditions, and considerable competition, maintaining underwriting discipline is of great concern.
- Major insures feel "excess capacity" was a significant challenge in today's surety market.
- Major carriers feel "deteriorating" terms and conditions or "dilution" of underwriting terms and conditions as difficult present challenges and emphasized that continued soft markets would put added pressure on maintaining underwriting discipline

B. Claims Trends

- Claim activity is clearly on the rise. The latest SFAA numbers showed a two-point increase in loss ratio from 2018.
- Many insurers relate the importance of frequent communication with claimants to improve claims handling.
- Other suggestions for improvements are investing in claims staff, paying proper claims promptly, and creating transparency of process.
- Besides Agents (Producers) could help, by not taking bonds from those with a poor history of handling claims.

Market Initiatives of Carriers/Business Strategies

- Market initiatives are primarily around surety providing companies to expand their footprint across the world and meet the growing demand of customers.
- The market players present in surety bond market are mainly focusing towards product enhancements by implementing advanced technologies.
- Some strategies include signing partnership, contracts, joint ventures, funding, and inaugurating new offices across the world.
- These permits the company to maintain its brand name globally.
- Most of the market initiatives were observed in North America, and Europe regions, which have high density of surety related products and solutions.
- The larger firms are adopting the strategy of acquiring and merging with various companies to enhance its capabilities and expand its footprint in different geographies. This type of strategy allow the companies to strengthen its footprint in the market along with its brand name.
- Recent Example: AXA XL announced that it has now merged AXA Corporate Solutions (ACS) and AXA ART into XL Insurance Company SE (XLICSE).This move was a follow-on from the acquisition of XL Group by AXA that was completed all the way back in September 2018. (Grzadkowska, January 2020).

Product Understanding in Surety Bonds Business and Product Trends

A. Surety Bond - Product Understanding

- According to the NASBP, "A surety bond is a promise to be liable for the debt, default, or failure of another. It is a three-party contract by which one party (the surety) guarantees the performance or obligations of a second party (the principal) to a third party (the obligee)" (NASBP, 2020)
- Figure 2 below contains the description of Surety Bond's purpose.

> ✔ A surety bond is a three-party agreement where the surety company assures the obligee (typically the project owner) that the principal (most often the contractor) will perform a construction contract
>
> ✔ Surety bonds in construction are referred to as contract surety bonds.
>
> ✔ Surety bonding is a careful, rigorous, and professional process in which surety companies prequalify contractors and then assure project owners that these contractors are capable of performing the contract according to its terms and conditions and that they will pay certain laborers, subcontractors, and suppliers associated with the project.

Figure 2 - PURPOSE OF SURETY BOND

- There are four types of bonds that serve the different purpose namely:
  - Contract surety bond: Investors and developers use this type of surety bond in the construction business as a guarantee that the terms and condition of the contract will be fulfilled.
  - Commercial surety bond : Commercial Surety Bonds are required of individuals or businesses by the government, legislation or by other entities.
  - Fidelity surety bond: this is a particular type of surety bond designed to protect a business owner or hiring party from damage or mismanagement by an employee. Fidelity bonds are typically created to manage long-term relationships and not individual projects.
  - Court surety bond - Ensures protection from loss in the case of a court proceeding.
- The most common surety bonds are commercial and contract surety bond; they serve the purpose of protecting the public and private interests.
- The court and fidelity surety bonds protect against the litigation and theft.
- Surety bonds of all types cost a premium based on

business performance and credit score of the business owner, which is between 1-15% of the bond.

- Figure 3 to the right provides a recap on the three parties to a Surety Bond.

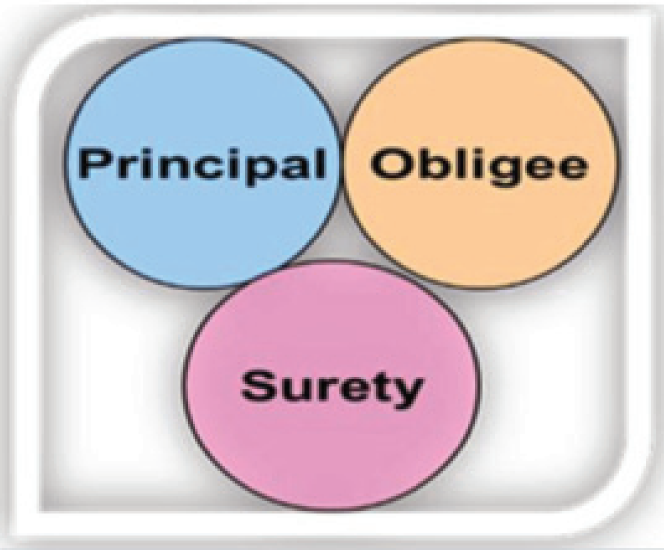

Figure 3 - Parties to a surety bond

B. Product Trends

- Subcontractor Default Insurance (SDI) - There has been a fair amount of movement around SDI - as some markets have exited or pulled back while new entrants have come in. SDI continues to be an attractive product and that should continue into 2021 and beyond.
- The contract bond captures a significant share of the surety bond market and growing continuously; this is due to rapid increase in construction activities, in regions like APAC, Europe, and MEA.
- Contract surety bonds are replacing other guarantee methods like bank guarantees and pay on demand services.
- Insurers are focusing on providing digital products and e-bonding capabilities for customers. E-bonds are becoming more accepted by beneficiaries in many European countries; customers are making bond requests via online portal of insurers.

Market Trends in Surety Bond in Key Geographies

A. United Kingdom and Europe

- Large players had good year in the UK (2019) and Ireland last year and met/ exceeded targets.
- There is Brexit to navigate with two sides to it:
  - Economic uncertainty that is leading to reduced volumes as investment decisions are deferred
  - On the flip side are multiple enquiries from multinationals looking for large customs bonds
- Majority of countries have not witnessed significant increase in numbers of global surety players entering in their market in recent times. Europe, on the other hand, has noticed a slight expansion of global players' entering markets to fulfil the demand.
- United Kingdom (UK) is facing similar issue of ageing infrastructure like many developed countries. UK's ageing roads along with Victorian Rail Network offer opportunities for the investments in the reconstruction of infrastructure. This will boost surety Bond sales. Similarly, other countries in the European region face same issues. For instance, Romania is facing run-down energy infrastructure.
- Carriers are focusing on providing digital products and e-bonding capabilities for customers. E-bonds are becoming more accepted by beneficiaries in many European countries; customers are making bond requests via online portal of carriers.
- Example: Euler Hermes is having an offering focused on SMEs in the construction market in France. It is an automated solution where customers can go onto their portal, apply for bonds and automatically get a response, including pricing limits. Once the After finalisation of the bond contract, they issue an e-bond using an automated process.

B. North America and Mexico:

- **UNITED STATES**
  - The infrastructure of developed economies like US are ageing, creating a need for massive investments towards restoration.
  - As per the American Society of Civil Engineers, the U.S. would need around US$ 4.5 Trillion by 2025 to upgrade the state of its roads, bridges, airports, dams, schools, and more.
  - Moreover, ageing power generation and distribution infrastructure are becoming a key biggest challenges for utilities in developed countries. For instance, in the U.S., the power grid is believed to be valued an estimated US $876 Billion, renovating infrastructure would cost hundreds of US$ Billion, as per the U.S Department of Energy. Upgrading generation, as well as transmission facilities in these countries, would

draw significant investments; hence, the Surety market is expected to grow.

- The Surety market penetration rates in North America is higher than any other markets globally. The driver is the U.S. State governments' laws that mandate surety bonds. Insurers rule the U.S. and Canada Surety markets; banks play only a minor role.
- U.S. market differs from rest of world by requiring bonds at 100% of contract value; surety represents ~1% of written premiums in U.S. P&C Industry.
- The premium analysis shows the Surety Bond Market Premium at 5,368.8 Million USD in 2017 with a combined ratio of 72.1 % growing from 4960.25 Million USD in 2008 with 67 %. (Institute, 2019).
- Market share is concentrated with the top five writers who contributed 3,165 Million USD in 2018 that is 48 % of total 6,582 Million USD in 2018; however, top 6-20 writers have nearly 30% of market share. Traditional commercial surety products driven by statutory requirements are License & Permit Bond, Court - Fiduciary Bond and Federal & Public Official Bond. These along with Specialty commercial surety market (Coal; Oil & Gas; Waste Management; Environmental Hazard) constitute around 31 % of the USA's Direct Written Premium in insurance while the rest 69 % comprises Contract Surety business (Carpenter, 2019).
- New and innovative surety bond products are being developed. Further, surety companies and brokers try to position surety bonds as an option to replace letters of credit in situations where obligees are receptive. Insurance program bonds, environmental along with creative commercial contracts are being issued and accepted recently.
- The commercial surety continues to experience soft market conditions, with competitive pressure on rates, expansion of capacity thresholds and favorable underwriting conditions. A push for revenue growth is growing at commercial sureties, bringing with it pressure for innovative ideas.

❖ CANADA

- Mandatory bonding on federal, state, and local public construction projects which has existing and fostered surety bond business since many decades in the U.S is set to boost the business in Canada.
- Legislation passed in 2017 in Ontario mandates surety bonds for municipal contracts; it will probably expand the surety market in all sectors in Canada.
- Similarly as a knock down effect, in British Columbia, the B.C. Law Institute had conducted a review of the Builders Lien Act to generate a report containing reform recommendations. Subsequent regulations followed to furnish the owner with a labor and material payment bond or with a performance bond, if the contract price was above a stipulated limit.
- According to figures published in the "CANADIAN SURETY RESULTS 2018" , the Direct Written Premium (DWP) in 2018 was ~$630 million CAD with a growth from the previous year's DWP of ~$620 million CAD (Winter, 2019).

❖ MEXICO

- Surety bonds have been an important product in Mexico's insurance industry for decades
- The mature surety bond market comprise as of 2018, 16 surety companies with the five largest accounting for more than 80% of the total market. Administrator surety bonds accounted for nearly two-thirds of total written premium. Analyzing results, the combined ratio deteriorated to 70% in 2018 from 65% in 2017, with rise in acquisition costs amidst market completion. (Best, November, 2019).
- Mexico government had announced a 2014-18 National Infrastructure Plan known as Programa Nacional de Infraestructura (PNI). The estimated value of this plan is US$ 464 Million, which comprises public sector funding alone. Additional funding through private sources are expected to bolster the Mexico construction industry, which in turn will propel the surety bond market (Global Surety Market to 2027 , Sample Report, 2019).
- They identified six strategic namely: energy, water, health, transport and communications, urban development and tourism.

C. Asia Pacific

In APAC region, the Surety market is expected to flourish during the current decade; the expected growth is attributed to the increasing planned commercial and residential construction in the emerging economies in APAC. Berkshire Hathaway Specialty Insurance Company (BHSI) had announced in 2015 that it is entering the Surety market in Asia. The surety efforts in Asia has focus on civil contractors, general builders, engineering firms, equipment manufacturers and suppliers and fabrication firms.

❖ South Korea

- South Korea holds the largest surety market share in APAC region.
- The surety segment in South Korea is benefited from obligatory bonding requirements.
- This growth is attributed to unique legal bonding requirements in the country; it is applicable for public and infrastructure construction projects.
- In Korea, the market has opened up due to changes brought in by the Financial Supervisory Service.
- The export trade credit insurance market has been opened up. Two companies led this market earlier: Seoul Guarantee Insurance and K-Sure. These two companies are the export credit agencies of Korea.
- Non-life insurance companies such as Samsung, Hyundai, KB and Dongbu, are now allowed to underwrite export trade credit insurance.

❖ China

- In the past six months, the surety bond market has developed significantly for insurers in China.
- Surety Bond is a relatively new product in China predominantly for the construction sector.
- While construction companies had to approach banks for surety products, over the past 8 months, with Surety Bonds introduction, it is changing dynamically.
- This has been a bank guarantee market with Chinese banks dominating the local market.
- Chinese insurers had started bonding business for many years; these were financial guarantees provided to SMEs and retail clients.
- Leading non-life insurers had received product approval on contract bonds as early as 2016, however the business was dominated by Chinese banks in the national market.
- The China Insurance Regulatory Commission (CIRC), People's Republic of China Central Committee and State Council are further opening up this market.
- While there are no Chinese-owned surety companies, there exists a few key strong players in the bond insurance business.
- The key players include People's Insurance Company of China, China Pacific Insurance Company, Ping An Insurance Company of China, Ltd. and few foreign companies in the surety market.
- These parties are further strengthening the urban planning and construction management.
- With above impetus, a number of insurance companies have started offering this product.
- The surety bond product is modelled similar to the US surety market.
- Reinsurers like PartnerRe are now witnessing a growing number of enquiries from insurance companies in China writing these surety bonds.
- China's One Belt-One Road (OBOR) initiative is expected to increase demands for medium long-term credit apart from the political risk insurance cover. This initiative is funded by Chinese banks who are further offering their bonding solutions to the contractors to foster project achievement.
- The global and international providers of sureties are alternatively setting up in near locations based in centers such as Hong Kong and Singapore to deal and underwrite for Chinese companies. There are leading international brokers who bring in the best practices of their global surety underwriters.

❖ Japan

- Leading insurers opine that Japan will continue to invest in infrastructure with the similar problem of ageing public infrastructure including government offices, schools, bridges, roads and so on built more than 40 to 50 years ago.
- The cost of maintenance and the construction of existing public infrastructure is expected to be to the tune of 8.9 trillion yen or $86 billion while Japan is prioritizing such projects.
- One more driver in Japan is the commencement of export credit agency: Nippon Export and Investment Insurance (NEXI). NEXI has approached companies like PartnerRe and other reinsurers for coverage and expertise.

❖ Australia

- Surety bonds have been traditionally issued to support the Australian construction industry.

- Further in Australia, the dependence on aged coal-fired power stations places Australia's energy security at risk.
- Large investments are expected in upgrading generation and transmission facilities, which would to be a strong driver for the growth of the surety market here.
- Recently there is interest in issuing bonds to cover the mining industry.
- Example: In 2018, big insurance companies provided Australian governments with financial guarantees related to the rehabilitation of coalmines. Peabody Energy ran such rehab activities.

❖ **India**

- The National Highways Authority of India (NHAI) has proposed insurance cover for road projects, in a step that could help bring in credible project developers and mitigate construction period risks. NHAI has proposed to the Insurance Regulatory and Development Authority of India (IRDAI) to come up with an instrument to provide surety coverage; the background is that banks are facing difficulties in furnishing bank guarantees in India. The ministry is working on this new instrument. The ministry in India wants the performance obligation of concessionaires in road projects covered by insurance. (NHAI moves IRDA proposing insurance of road projects, 2020).
- While we expect IRDAI to open this line of business, surety bonds would be a huge business avenue for Indian insurers; this will ally the fear of private investors who are wary of the construction risks.
- Drivers for Surety Bonds Growth in India: The recent economic survey released in January 2018 indicates that India will require US $4.5 trillion until 2040 to finance the infrastructure sector. This investment will be needed to develop fresh infrastructure as well as renovate existing ones across roads, railways, shipping, power, oil and gas, housing, renewable energy, urban infrastructure and urban transport. The capacity of any contractor to produce a surety bond is an attestation of his capability to execute the project and enhances his project opportunities. (Vikash Khandelwal, 2018).
- Surety Bonds in India would be a panacea to a sizable chunk of non-performing assets that the banking system is carrying, which has originated from the infrastructure. Recently, many project contractors had placed unrealistic low bids to win projects many of which had run into financial problems; those projects came to a standstill causing losses to banks with risk exposures.
- In India, SREI CBL Guarantees is joint venture recently established between SREI Group of India and CBL Corporation of New Zealand who will provide such type of surety bonds. (Janardan Gadi, 2019).
- CBL's strong record of accomplishment and experience in bonds, sureties and guarantees coupled with Srei Group's expertise and local market expertise would create tremendous value for infrastructure related projects in India backed by surety bond issuance.

ROLE of Reinsurers in Surety Bond:

Reinsurance support for surety bond remains very cheap by historical standards in the current time period. The Surety Bond industry performance has made it an attractive option for reinsurers. This factor has helped surety providers to purchase increased levels of reinsurance covers at improved and more favorable terms than previous years. With surety losses being large especially due to insolvencies of construction companies, reinsurance provides the vital support to stabilize the surety provider's financials and encourages underwriters to take more risks.

Observing the reinsurance support for surety bond business, the lead capability has been generally from U.S. domiciled providers of reinsurance. Besides large Europe based reinsurers, followed by Bermudian domiciled reinsurance companies are active in providing reinsurance. Further, the Lloyds of London has shown growing interest in U.S. surety reinsurance over recent years and enabled this business. Reinsurers from Asian markets are limited, waiting to understand the business before entering this huge market.

The kinds of treaties provided for this class of business are primarily:

❖ Pro Rata - Issued commonly on per bond bases.

❖ Excess of Loss (XOL) - Issued for losses computed per Principal.

❖ Combined Program - Pro Rata & XOL aspects.

❖ Facultative: Not common though there is concept of Co-surety / Share Accounts.

Value Added Services by Reinsurers:

Some large reinsurers who are experienced in handling surety risks even provided additional value added services such as:

Risk mitigation activities

- Arrange third party inspection reports on the risks :
  - Inspection Reports, undertaken by third parties unconnected to the beneficiary or the contractor.
- Track performance of ongoing and major projects which are reinsured :
  - Provide warning signals ahead of defaults by indication possible faults.
  - Suggest amendments to ensure performance of project which is guaranteed.

SWOT Analysis of the Global Surety Bond Market:

There are key market drivers and challenges to discuss, before SWOT analysis of the Global Surety Bond market.

- There is wide acceptance of Public Private Partnership (PPP) Model to propel the surety bond market's growth. Public-private partnership (PPP) to recollect is a funding model for a public infrastructure project such as a new airport or power plant. The public partner could be identified as the government at a local, state including a national level. While the PPP is popular in developed and emerging economies, it is a key driver for the global Surety Market. % (Global Surety Market to 2027 , Sample Report, 2019).
- In developed markets like the US, the Contract Surety market continues to grow while retaining profitable. There are adequate construction backlogs to support new investments and bonds. Whereas, the areas of concern in this market include increased material costs, shortage of labor to complete construction projects and interest rate uncertainty. Figure 4 above briefly depicts SWOT analysis of the Surety Bond market.

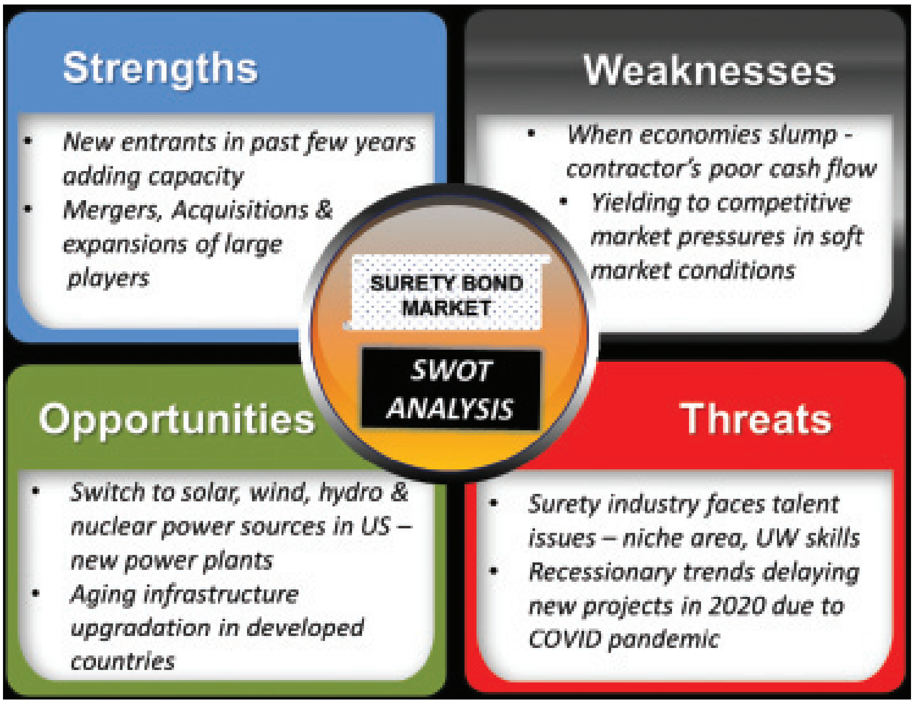

Figure 4 - Swot analysis of global surety bond market

Information Technology Solutions for Surety Bond Market

Trends in Surety - Technology in the Surety Bond space:

Before discussing solutions for the Surety Bond market through use of Information Technology (IT), it is imperative to understand key technology trends influencing Surety Bond market.

- Digitization of Surety Bond Transactions: (As explained in Figure 5 below) :
  - In the digital era, more contractors are being asked to submit electronic documents to procure work.
  - This means that, in some jurisdictions globally, surety bonds also needs to be submitted electronically.
  - In 2017, Trisura Guarantee Insurance Company (Canadian insurer), with focus on small to mid-market surety business, was the first surety company to deliver an e-bonding platform to facilitate electronic delivery of surety bonds. (Moorcraft, June, 2019).
  - This idea is starting to catch on in other jurisdictions around the world.
  - On-Premise & Software-as-a-Service (SaaS)/hosted delivery options availability in product solutions who are specializing in Surety Bond Software.
  - Graphical dashboards that presents key performance indicators to monitor Surety Bond product performance, all in one place. It aids quick and accurate determination of account management metrics and operational efficiency goals tracking by business users.

- ✔ Digital Surety businesses should be facilitating a holistic customer experience from the very first search, all the way to bond delivery, and on through the bond's lifecycle, all while maximizing low to no touch experiences.
- ✔ Effective modernization strategy requires holistic consideration of data, processes, technology, and people, as well as business and operational changes.
- ✔ Today, practically all digital transformation initiatives are being built on 3rd Party Platform technologies to expand its capabilities.
- ✔ Carriers are seeking to simultaneously lower costs, improve experiences, comply with regulations, and accelerate time to market.

Figure 5 - Details of Digital Surity Bonds

- ❖ Complete automation of the underwriting, processing, delivery and payment of various types of bonds based on credit scores, financials, and industry risk profiles.
- ❖ Configuration capabilities for sureties (underwriters) to efficiently build, change and modify automated underwriting rules.
- ❖ Automated incentive programs based on several factors to gain additional premiums.
- ❖ Electronic power of attorney interface to enable the management of issuance, use and reporting of powers to producers; store digital and electronic signatures.
- ❖ The IT solutions aim at addressing top challenges of Surety Bond providers as described in Figure 6 above.

Other important features to modernize Surety Systems

There are key drivers to modernize Surety Bond IT systems:

- ❖ Cost Reduction: Reduce cost of executing and managing surety bonds.
- ❖ Automation: Manage surety bond requirements efficiently through automation of activities - administration, processing, and reporting functions.

The key features for modernization can be studied in two groups:

A. Administration Features (for Surety Bond Providers/ Insurers)

- ◆ Create links between the insurer, the client (Principal), and the Surety Company.
- ◆ Share program information across accounts.
- ◆ Define insurer's own rate groups for use across all insurer's programs.
- ◆ Track powers of attorney.
- ◆ Manage Lines of Authority.
- ◆ Define and utilize multiple sites.
- ◆ Maintain a list of favourite clients for easy access.
- ◆ Receive notification of account activity -account-by-account basis.

B. Execution Features

- ◆ Easily create, edit client information.

Figure 6 - Top challanges of surety bond providers

- Support for co-surety.
- Reconcile lines of authority and referral of exceptions to underwriter for approval.
- Easy search and identification of bond forms.
- Dynamic definition of processing rules.
- Triggering of scheduled jobs.
- Assign bond number, either automatically or manually.
- Print executed bonds - remote print capabilities.
- Client users request bonds over internet. Agents execute bonds without re-keying data.
- Aggregates bonded liability.
- Automated continuation/renewal/cancellation functions.
- Bid results tracking.
- Digital signatures and digital certificates support.

Key Themes in Surety Workflow Automation

IT can introduce software solutions to handle Surety Bond business for insurers to focus on their business while optimizing their underwriter's time in scrutiny and approval of Surety Bonds. Before discussing the software solutions, some common understanding of workflow solutions is needed.

"A workflow solution is a software designed to optimize business processes. It does this by standardizing everyday predictable workplace activities as 'workflows'. Workflow solutions are used to both streamline business processes as well as automate them." (kissflow.com, 2019).

The key themes in Workflow Automation are described in Figure 7 below.

A. Workflow & Functionality - What Surety Agencies Need

Main purpose is to improve efficiency with fewer people while reducing the details for errors and omissions.

- A visual and highly configurable workflow engine.
- Facility for automated decision making & issuance.
- Features for business process management & enforcement.
- Triggering of scheduled jobs and tasks.
- Flexible Workflow, Reporting & Screens :
  - Agents/ Brokers who bring in Surety Business need to work on multiple tasks simultaneously, customize drop-down menus, and create reports.
- Streamlined Workflow :
  - Agents need to set up their own workflow; rely on consistent avigation through the entire process.
- Premiums and Commissions Calculation :
  - Multiple options to capture premium and commission values, including the ability to manually key in endorsement and cancellation premiums.
- Drop-Down Menus :
  - Speed bond generation by selecting information from drop-down menus, many of which are configurable by user. Eliminate errors associated with manual keying.
- Electronic submission of data:
  - Submit bid bond data electronically, reduce clerical errors, and protect from fraud by using a digital signature.

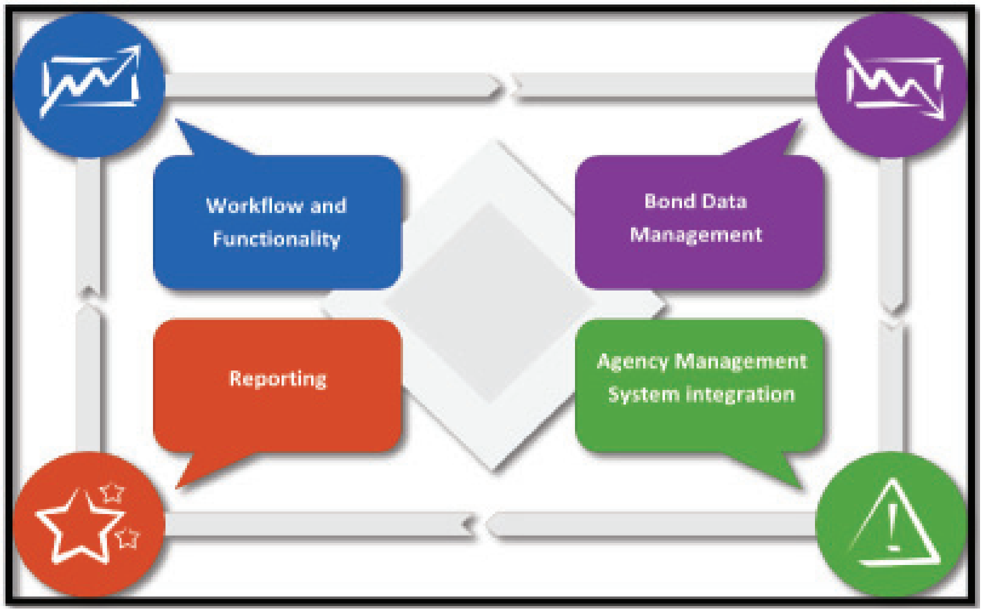

Figure 7 - Key themes in surety autiomation

B. Reporting

The need to generate needed reports exists for everyone in the bond cycle, including contractors and insurer's own internal management team.

- Built-in Reports - Facility to generate reports about bond information overview, principal-specific information, management data, surety etc.
- Enhanced Information - Display details of transactional line items, including bond value and premium changes, and accurately track and monitor changes through life of a bond.
- Manage the Business - Report on every business aspect, from data on bond liability, cost to complete work remaining on all jobs, or other variables. Slice and dice information to create detailed reports.
- Important reports in Surety Bond are listed in Figure 8 above.

- ✔ Outstanding Bid Bond Reports
- ✔ Detailed Bond Transaction Report
- ✔ Bond Requests
- ✔ Outstanding Bid Bonds
- ✔ Renewal Lists
- ✔ Recently Closed Bonds
- ✔ Bid Bonds Past Due Date
- ✔ Bond Number Pool Status Report
- ✔ Riders Pending Obligee Acceptance
- ✔ Flexible Bond List Report Writer
- ✔ Total Bonds by Lifecycle Event
- ✔ Timeline by Transaction Date
- ✔ Total Bonds and Premiums by State
- ✔ Total Bonds by Lifecycle Event
- ✔ Bond Expirations by Premium

Figure 8 - Reports in surety bond management

C. Agency Management/Broker Management System Integration

Agents/Brokers who are dealing in bringing these large deals in Surety Bond need to be able to request and receive bonds from directly within their existing in house surety application. Needed features include submission of bond applications for automated approval, processing, bond document issuance/ creation, payment and electronic delivery.

The key purpose is to:

- Eliminate manual re-keying.
- Capability to transmit bond, transactional data seamlessly to the agency management system/broker systems.
- Reduce potential mistakes, error, speed workflow and billing while cutting costs.

The essential features needed to aid agents/brokers in this business include:

- Need to attract agents while reducing risk using business to business features between agents/brokers and insurers.
- Need for easy connect functionality with agents/brokers.
- Facilitate near instantaneous underwriting decisions and seamless communications between insurer and agency/broker clients.
- Real time data to allow for true business intelligence, analytics and alerts. Plan for a data pool to enable predictive surety analytics and loss history.
- Eliminate erroneous data entry into multiple systems.
- End the surety agent/broker frustrations stemming from managing information in both their internal systems and various carrier portal web interfaces.

D. Surety Bond Data Management

Figure 9 - Key features for bond data management

The essential features needed for managing Surety Bonds from the data side are captured in the figure 9. This function involves capability for electronic data storage of the insurer's complete bond history.

Other key business functions in Surety Bond and market leading software features to handle them:

A. Alerts & Notifications

- Create automatic electronic notices to ensure receipt of updated financials, WIPs, and other documentation.

- Set customizable alerts based on events to notify internal users, producers and principals.

B. Risk Management Tools
- Configurable financial formulas & ratios.
- Enable conformity with underwriting guidelines.
- Automatically gather information from multiple sources
  - Credit agencies (i.e. Equifax, TransUnion - USA based).
  - Industry related organizations (i.e. RMA), government, (i.e. OFAC).
  - Internal data on risk.

C. Portals for Principal and Producer
- Portal interface to allow agents and principals
- Submit, communicate and manage bond requests, renewals, riders, payments, financials, work in progress, and reports.

D. Account Management - for Contract Surety
- Electronic Account Application Submission & Underwriting
- Account Lifecycle Management
- Coupled Risk & Rate Tiers
- Streamlined Bid execution
- Monitoring and conversion to one/more final performance
- Work In Process (WIPs) & and Financials Statement Analysis
- Financials Statement Analysis with configurable ratios

E. Reinsurance Management
- Manage, track and report on multiple reinsurance treaties;
- Generate ceded premiums and losses;
- Automatically calculate amount due reinsurers based on treaties;
- Enforce Limits by bond reinsurance categories;
- Set alerts on reinsurance treaty amounts.

F. Bond Accounting
- Transactions: Complete bond accounts receivable/ payable, over/under payments.
- Transactions: Direct collect, sliding rates, sliding maintenance.
- Transactions: Automatic fees, commissions etc.
- Rules for default calculations: Based on bond/carrier/ principal.
- Track and Reporting: Track and report real time loss rations and profitability.
- Track by dimensions: Bond type, agency, principal.

G. Claims & Collateral Processing
- Surety specific claims and collateral processing.
- Tracking and reporting of claims.
- Manage and report on collateral.
- Manage status of active, released, drawn, or expired claims.
- Apply and manage collateral against claims.

H. Electronic POA Management
- Electronic power of attorney interface.
- Manage - Issuance/use/reporting of powers to producers.
- Storage of digital and electronic signatures.

I. Reporting, BI & Dashboards
- Ability to report on data - when and how you want.
- Comprehensive reporting interface.
- Standard reports and dashboards.

Top challenges of Surety Bond underwriters and IT enablers for a smother underwriting process

Any IT solution to revamp Surety Underwriting with Build or Buy decisions need to address the challenges in the underwriting cycle of Surety Bond. Globally all Surety Bond providers while underwriting the work done by a contractor look at three key characteristics as follows:

- Character - The contractor's stature within the community, track record (business & personal), the trade payment records and references.
- Capacity - The contractor's prior experience, expertise in estimating control, management and supervisory skills and capacity of organization.
- Capital - Financial soundness besides corporate and personal indemnity; banking facilities (including access), his strength in equipment and fixed assets to execute the contract.

Key underwriting challenges are discussed below together with IT enablers to address them.

A. Underwriting Architecture

- ❖ Implement changes while working within the underwriting reference architecture in designing IT solutions with the IT team. E.g., Stakeholder perspectives who represent the parties who will be impacting or impacted by the underwriting and policy issuance function since there are multiple internal and external stakeholders in Surety Bond.

B. Rules Management

- ❖ Listing various business rules and regulatory rules to configure them systematically.

C. Underwriting Guidance and Training

- ❖ Shortage of skilled underwriters in surety business.
- ❖ Knowledge management system to share knowledge on surety cases.

D. Decision Making during Quoting/ Allocation

- ❖ Building functionality to help underwriters through decision making tools.

E. Handling complex deal structures

- ❖ Enable the handling of structures by logically breaking them down.
- ❖ Grouping them towards a rules and workflow based approach.

F. Meet internal exposure reporting needs

- ❖ Alert mechanism to track exposure against risk limits.
- ❖ Reports on exposure in surety related risks - industry level.

G. IT enablers for a smoother and efficient underwriting process:

A thorough understanding of the Underwriting Process is needed before discussing the interfaces that needed to be built with external information sources and the risk factors to be studied. Apart from an efficient IT workflow system, which was discussed before, the other themes and best practices followed by global leading providers of Surety Bond are represented in the Figure 10 below.

Understanding of the claims process in Surety Bond, how IT with standards can help provide solutions

A. Claims Process - Claimant Perspective

Statistics in the Surety Bond industry show that most contractors do an excellent job and meet their commitments. However, in the world of contracting and sub-contracting, things can go against plan and targets are not

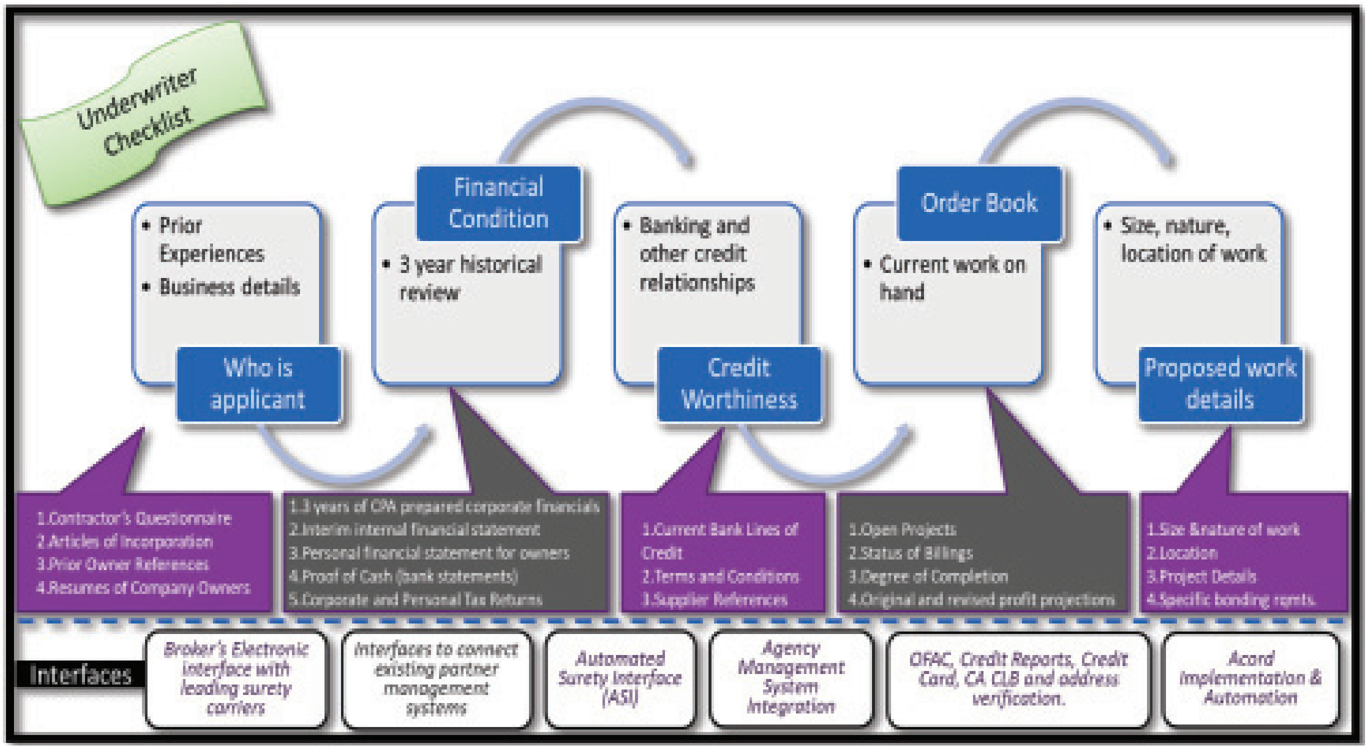

Figure 10 - Underwriting evalution - surety provider proces

met. Sometimes there is under bidding of jobs to win the project. Cash flows can be a challenge. There are weather related delays with catastrophe conditions. Sometimes there are delays in project delivery, sometimes with escalation in material costs also.

When a project covered by a Surety Bond, the bond provider gets prepared to assume responsibility in the event that, a subcontractor or any vendor makes complaints on nonpayment issues. Further, the project owner would raise alarm when the project is not completed in time or within the cost and budgets agreed.

It is vital to understand the claims process from the claimant perspective and further see for the insurer. The claims process from a claimant perspective can be understood from Figure 11 below.

has either been placed on notice of an alleged default, or learnt of a pending action. This action may place the contractor into default under the contract.

The process from the Insurer perspective is very detailed and involves litigation and investigation in some situation. The following are the key aspects of the claims process from the insurer/ surety provider perspective.

- ❖ **Contract Review**
  - ◆ Surety undertakes extensive review of contract documents.
  - ◆ Determines full extent of responsibility of all parties to each other.
- ❖ **Contract Progress**
  - ◆ Surety, with cooperation of contractor and owner, will try to determine what transpired between those parties.

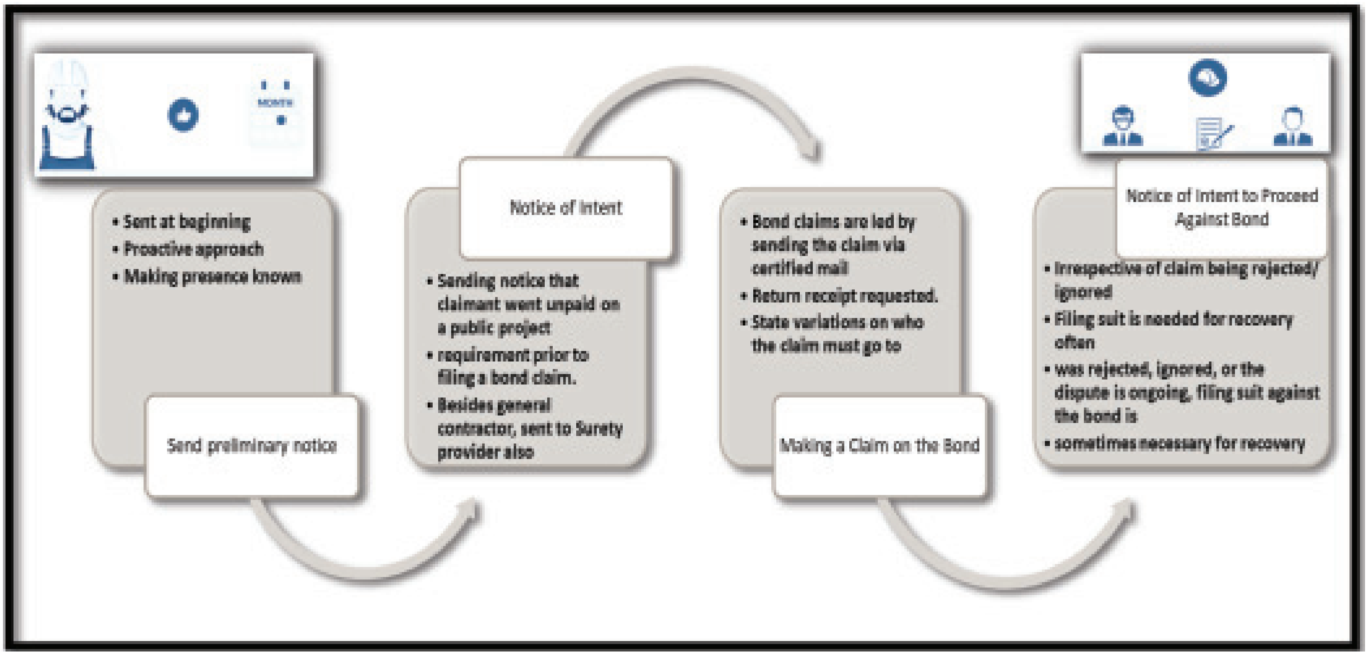

Figure 11 - Claims process - surety bond claimant

There are two very important practices in the surety industry regarding claims:

A surety will respond to claimants, under either a performance bond or a payment bond, and begin an investigation because of receiving a notice of a claim.

- ❖ With a performance bond or payment bond, the surety must be satisfied that its contractor owes a debt before it will pay it.

B. Claims Process- Surety Bond Provider/ Insurer

The claims investigation is the surety's first action once it.

- ◆ Have both parties operated in accordance with the terms and conditions of the contract.
- ◆ What are responsibilities & defenses, of the contractor and surety - determine and assign tasks.
- ❖ **Legal Position**
  - ◆ Using its own professional legal staff and/or outside counsel specializing in construction and surety law,
  - ◆ Surety will evaluate its obligations to both the owner and the contractor.
- ❖ **Owner**
  - ◆ The duty of surety to owner is spelled out in the bond & contract.

- If its principal has been properly terminated for default according to contract terms, surety is obligated to pay cost to complete the work less the contract funds still in the owner's hands but subject to the limit of the bond penalty.

Contractor

- Since surety is guaranteeing the performance of the contractor, the contractor remains liable to the surety for any losses caused by the contractor's failure.
- The surety must be sure not to take action to perform the work unless the contractor actually is in default actually is in default.

C. Uniform Data Standards - Will Impact Bond Producers and their Interactions with Clients and Sureties

- The surety industry, led by the NASBP and SFAA, has initiated a program to eliminate unnecessary manual data entry, through standards developed by ACORD and XBRL (USA).
- These standards will help sureties provide faster response times with the most accurate information available.
- The standards adoption process has begun in USA by the efforts of large standards organizations like ACORD and XBRL (eXtensible Business Reporting Language) which is set to bring in efficiency in Surety Bond Management with accuracy of information. Figure 12 below further describes key use cases of standards.

Monitoring process by Surety Bond

- Once a Surety Bond provider underwrites (such as the insurer), the financial health of the contractor underwrite a bond is keenly observed and monitored by the bond provider. There are periodic reports such as quarterly and half-yearly reports including the financial information and work-in-progress (WIP) report.
- The principal is required to submit these WIP reports to the surety.
- Sureties collect WIP reports numbering between one to twelve from each contractor/principal every year.
- Besides, they collect complete financials from contract and commercial accounts.
- Using With use of the free XBRL standard, data can be imported instantaneously. (David Hartman, 2019).

Figure 12 - Standards orgnaisations indentified use case in USA

D. Role of industry Standards in Surety Bond Claims Processing:

- Processing surety bond claims is a real life and current example to prove usage of financial data standards to convert the surety bond providers to be more efficient and effective towards delivery of commitments made to project owners.
- The long and detailed process conducted today to extract information like the revenue, cost and profit data from a WIP report and financials could be reduced to a few minutes through adopted data standards.
- Analysts would have spare bandwidth available to review and assess the implications of the numbers, rather than spending valuable time on data entry.
- Standard adoption would ultimately help all parties involved:
  - The principal (contractor) would gain because:
    - His problems are identified and resolved faster.
    - Standards provide accurate information and thereby the relations he maintains with the obligee as well as the subcontractors and suppliers.
  - The obligee has the advantage of quick resolution of his problem resulting in the project moving faster.
  - Subcontractors as well as the suppliers would benefit from timely payments.
  - The surety benefits from the elimination of inefficiencies caused by manual data processing and save his highly skilled staff for higher quality analysis.

Other Top IT Solution Themes in Surety Bond Management

The top IT solutions to sell and service Surety Bonds are worth observing for the current technology adoption and best practices.

A. Cloud Based Solutions from SBPAA

❖ Who is the SBPAA?

- The SBPAA is made up of surety bond producers (agents and brokers in USA) who sell Surety Bonds issued by the insurance company and other Surety Bond providers.
- These producers have been hunting for efficient and convenient surety software solution for many years.
- With every producer in SBPAA network adding to their volume of policies; it increases the attraction to the insurers who also sponsor the SBPA being beneficiaries increasing the allure to our Sponsor Carriers, which directly contributes to our ability to develop new functionality to our systems.
- The Mission Statement: To provide the bond producer network the tools to survive technology disruption (surety bond.org, 2020).
- SuretyCloud: Complete End-To-End Bond Processing of SBPAA.
- The SuretyCloud offers agencies a complete surety agency management system (AMS) using the newest efficiency technologies.(surety bond.org, 2020).
- There are three editions to the cloud based solution called SuretyCloud, namely Lite Edition, Professional Edition and Enterprise Edition with the first two editions being free for its members. (surety bond.org, 2020).

B. Blockchain Solutions for Surety:

Large insurers in Europe have led the journey to harness blockchain solutions for their surety bond business. Similar to other insurance processes, there is significant amount of paperwork involved in processing and managing surety bonds also. Using a blockchain provides specific advantages in sharing documents and data between all the stakeholders in surety bond business. Blockchain technology will transform the process of information exchange of surety bond providers with their customers and other key stakeholders from policy issuance to claims lifecycle.

Since blockchain enables to have a single source of truth and provides the same information in a centralized ledger to all the stakeholders, it is expected to cut communication lines and chances of any fraud due to miscommunication or tampering of records. A representation of how various parties in the Surety Bond business can play specific roles and benefit from the blockchain-enabled process is explained in Figure 13 above.

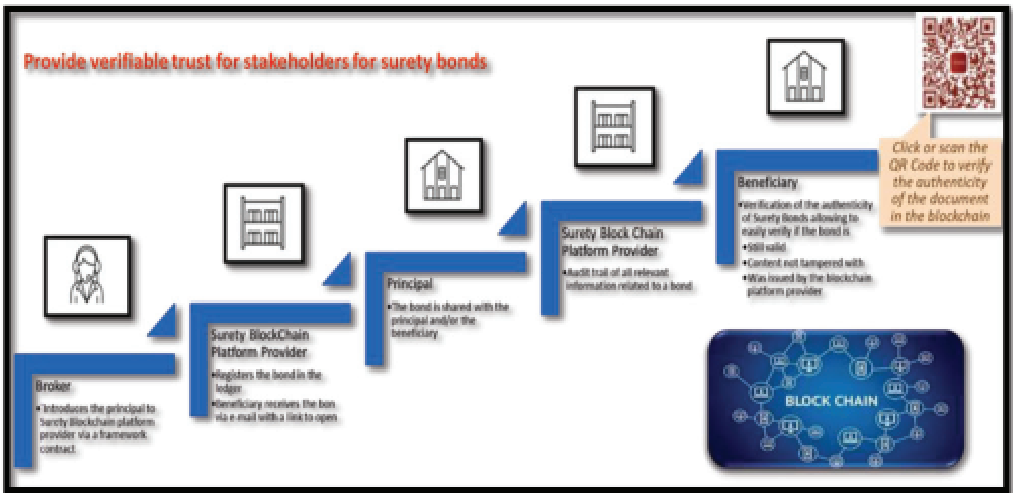

Figure 13 - Ragistration and tracking process in Blockchain

Conclusion

While the Surety Bond insurance market is subject to many challenges, there is a tremendous potential for insurers/ surety providers to benefit from this growing market segment with many new and challenging project risks underwritten by this market. Lot of due diligence is required because major losses in Surety Bond occurs while covering construction business risks. Project risks are often disguised in many forms and not apparent more often than not.

A growing construction and infrastructure led market looks presents a great opportunity, but can also be a trap for nonperformance by over commitment. There is need for new technology to better understand and manage these risks and further understand new talent to the market.

IT solutions could include using cognitive solutions to bring in understanding of the insured in the global and dynamically changing risk influences. The future of Surety Bond market will evolve around new technology, customer data understanding in the background of global and emerging risks and better risk management supported by electronic bond management technologies.

References

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INSURERS' PERSPECTIVE TO LEGISLATIVE CHANGES IN MOTOR

Eco-system is evolving at a fast pace in motor line of business. Regulator brought in many changes related to mandatory long-term liability insurance to three years for private cars and five years for two-wheelers at the point of sale and registration, enhanced capital sum insured in compulsory personal accident cover on one hand and setting up working groups to adopt telematics for motor insurance and linking premium to traffic violations on the other hand.

In view of imponderables & uncertainties and significant divergence among Tribunals in determining 'Just Compensation' on similar facts, the Apex Court has constantly endeavoured to standardize the determinants of 'Loss of dependency' to bring uniformity and consistency in the decisions to determine compensation in a claim made under Section 166 of the MV Act. When the question of future prospect was settled in Sarla Verma and Pranay Sethi & other cases for salaried persons as well as those who were self-employed or were having fixed incomes, the challenge was made with regard to loss of consortium to be awarded to children and parents in addition to wife and to claim for loss of love and affection in addition to three conventional heads laid down in case of Pranay Sethi. The just compensation can never be in arithmetical exactitude but nevertheless, such standardization simplifies the otherwise complex exercise of assessing loss of dependency and help in making realistic appropriate technical reserves.

About the author

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The most important change from the perspective of insurers in the recent past was the notification of Motor Vehicle (Amendment) Act, 2019 by the Central Government, and it came into effect on 1st of September 2019. The Amendment, apart from hefty penalties for traffic violations, new licencing requirements & new operating standards also brings drastic changes to third party liabilities and its claim process.

Enhanced penalties resulted in boom in business of the insurers in months after the implementation of these legislative changes. Driving an uninsured vehicle will now lead to a fine of Rs. 2000 for first offence which may increase to Rs. 4000 in case of repeat offence.

The changes brought in specifically by this Amendment, and that will determine the liability of insurers. Corresponding premium and related process are major concern for the general insurers which is the focus of this paper. Those who deal with TP claims or provide technical reserves should remain fully aware of these relevant changes which are discussed hereunder:

1. Direct Settlement of TP Claim by the Insurance Company (Section 149):

A new section has been introduced in Chapter XI empowering Insurance Companies for direct settlement of claims out of court. This may result in diminishing the burden of Tribunals and may provide faster settlements to victims of road accident and their legal heir who now have an option to approach insurers directly for pursuing their claim. The procedure prescribed for such settlement, in the Amendment Act, is as under:

a. Upon receiving the information of the accident, either from the claimant or through Accident Information Report (AIR) or otherwise, the Insurance Company (IC) shall designate an officer to settle the claims related to such reported accident.

b. The officer designated by IC for processing the settlement of claim of compensation may make an offer to the claimant for settlement before the Motor Accident Claims Tribunal (MACT) giving such details, within 30 days and after following such procedure as prescribed by the Central Government.

c. If, the claimant to whom the offer is made under sub-section (2)
   - i. Accepts such offer-
     1. The Claim Tribunal shall make a record of such settlement and such claim shall be deemed to be settled by consent; and
     2. The payment shall be made by the IC within a maximum period of 30 days from the date of receipt of such record of settlement.
   - ii. Rejects such offer-
     1. A date of hearing shall be fixed by the Claim Tribunal to adjudicate such claim on merits.

From insurers perspective outside court, settlements may reduce the burden of interest & conclude the uncertainty of appeal and from victims perspective. This may provide timely compensation and help to family in need of such support.

2. Linking of TP Liability with TP Premium (Section 147):

The fundamental principle of insurance lies in adequacy of price consistently over a period of time for risk insurers to accept such legal liabilities. Insurers must be allowed to charge a premium sufficient to fund the ultimate cost of claims, necessary administrative expenses and margin to compensate for the cost of obtaining the capital necessary to fund the solvency margin. The pricing of 'own-damage' risk of a motor vehicle was de-tariffed in India in 2007 but the 'third party liability' premium is still regulated by the Insurance Regulator.

The provision of unlimited liability in case of injury/death and Rs. 6,000 in case of third party property damage (TPPD) has now been amended in the Act and the concept of third party liability from being unlimited has been made to be linked with third party premium. The Amendment empowers & authorize the Central Government to prescribe a base premium and the liability of an insurer for the purposes of TP insurance related to either death of a person or grievous hurt in consultation with the IRDAI. Till now the IRDAI was notifying the statutory third party premium on prescribed formula. Now this will require approval of the Central Government.

A policy of insurance issued before the commencement of the MV (Amendment) Act, 2019 shall be continued on the existing terms under the contract and the provisions of this Act shall apply as if this Act had not been amended by the said Act.

3. New Statutory Defences (Section 150):

The statutory defences available to insurers in Section 149(2) of MV Act before this Amendment are now protected under Section 150(2). Ground of defence has been widened. In addition to the earlier mentioned defences following defences are now also available following with respect to breach of a specified condition of policy:

a. Driving under the influence of alcohol or drugs as laid down in Section 185. This will provide statutory defence to insurers against drunken driving and may facilitate their defence in contesting such cases in the Tribunal or Court.

b. There is non-receipt of premium as required under Section 64 VB of the Insurance Act, 1938. Insurers may deny the TP liability claims if the insured has not paid the insurance premium.

The aspect of Pay & Recover as mentioned in Section 149(5) of Act prior to Amendment is now deleted.

It shall be the duty of the owner of the vehicle to furnish to the Tribunal or Court the information as to whether the vehicle has been insured on the date of the accident. And if so, the name of the IC with which it is insured.

4. Limitation of Period on Filing Accident Cases (Section 166 (3):

Time limit of six months for filing an accident claim that was taken away in the 1994 Amendment has been reinserted in the Act. No time limit for filing compensation by the victims of the road accidents paved a way and relief to fraudsters to take advantage of it and it created a challenge to insurers in contesting such cases and their actuaries to determine the ultimate cost of TP claims. Now, after amendment of the Act, no application for compensation shall be entertained unless it is made within 6 months of the occurrence of the accident. This welcome change will bring reduction in doctored & fraudulent claims and will ensure faster settlement of TP liabilities.

5. No-Fault Liability (Section 164) & Interim Relief:

Chapter X containing Section 140 to 144, dealing with provisions of liability without fault in certain cases and provision of interim relief of Rs. 50,000 in case of death and Rs. 25,000 in case of permanent disablement now stands deleted.

Section 163-A containing special provisions as to payment of compensation on structured formula basis along with Schedule II (as amended by Notification dated 22.5.2018) also stands deleted.

However, a new Section 164 has been introduced under Chapter XI that mandates that the owner of the motor vehicle or the authorized insurer shall be liable to pay Rs 5,00,000 in case of death and Rs 2,50,000 in case of grievous hurt in case the claimants do not want to contest and plead negligence of the offending driver. However, now there is no add-on fault liability provision over and above no-fault compensation. Section 165(1) mandates that the acceptance of payment of compensation under Section 164 is conclusive and that it will result in lapse of claim petition under any other section.

From insurers perspective this provision may bring certainty and reduced liabilities to their fold.

6. Motor Accident Fund (Section 164 B) to Provide Compulsory Insurance Coverage to All Road Users in India:

The Amendment Act directs Central Government for creation of Motor Vehicle Accident Fund to be augmented by a special tax or cess. The source of funds may include payment of a nature notified by the Central Government or by a grant or loan made by the government or by transferring the balance of Solatium Fund to this Fund or any other source as prescribed by the government. This fund may be utilized for:

a. Providing interim relief to victims of motor accidents.

b. Medical treatment of persons injured in road accidents by providing cashless trauma care during the Golden Hour, as per golden hour scheme.

c. Monetary compensation to next kin of victim who died in Hit & Run cases and to a person grievously hurt in a Hit & Run case.

d. For providing Compulsory Insurance cover to all road users in the territory of India. It also directs Central Government to make schemes.

e. Compensation to any other persons as prescribed by the Central Government.

The scheme shall provide for procedure to recover funds disbursed under such scheme from the owner of the motor vehicle, where the claim arises out of the use of such motor vehicle.The compensation paid out of the fund shall be deductible from the compensation which the victim may get in future from the Tribunal.

7. Hit & Run Motor Accident (Section 161):

Compensation quantum has been substantially revised in the Amendment Act. Amount of compensation has been raised to Rs. 2,00,000 in case of death and Rs. 50,000 in case of grievous hurt from earlier provision of Rs. 25,000 & Rs. 12,500 respectively for death & grievous hurt. The Amendment empowers Central Government even to prescribe higher amount of compensation for Hit and Run cases.

8. Scheme of Golden Hour for Road Accident victims (Section 162):

A new section has been added in Chapter XI to provide scheme for the immediate compensation &cashless treatment of victims of the accident during the Golden Hour. Golden Hour is defined as a time period lasting one hour following a traumatic injury during which there is the highest likelihood of preventing death by providing prompt medical care (Section 2 (12A). The insurance companies for the time being, shall provide treatment of road accident victims during the golden hour in accordance with the provisions of the Act and the schemes made under this Act. The Central Government shall make a scheme for the cashless treatment of victims of the accident during the golden hour and such scheme may contain provisions for creation of a fund for such treatment.

The concept of Golden Hour is very vital from the perspective of insurers too as it could mitigate the losses to a great extent.

9. Protection of Good Samaritans (Section 134 A):

The Amendment Act introduces new section 134-A that defines 'Good Samaritan' as a person who, in good faith, voluntarily and without expectation of any reward or compensation (three ingredients & essentials of assistance) renders emergency medical or non-medical care or assistance at the scene of an accident to the victim or transporting such victim to the hospital.

Amendment makes provision for protection of good Samaritans from unnecessary trouble or harassment from civil or criminal proceedings and empowers Central Government to frame Rules for their protections. This is a welcome provision to ensure medical aid to injured accident victims in time. Hopefully, the eyewitnesses to the accident who in fear of legal hassles use to remain mute spectators may now come forward to help the victims in timely medical aid. This may not only reduce the rates of death and disabilities but may also reduce the financial burden of the insurers in accident claims. It can also help in reducing the nuisance created by the ambulance chasers.

10. Third Party (Section 145):

The definition of the third party has been widened, and now in addition to the Government it includes the driver and any other co-worker on a transport vehicle. Drivers and other co-workers of transport vehicles are now included in the mandated TP insurance.

The provision with respect to covering liability under Workmen Compensation Act for named employees and provision of non-coverage of contractual liability has been deleted in the Amendment Act.

The new provision will eliminate reference to Employee Compensation Commissioner as the cases now will be dealt with only at Tribunals. From insurers perspective however, the claim outgo may be increased.

11. Necessity for Insurance against Third Party (Section 146):

The provision related to necessity for insurance against third party has been kept as it is in the Amendment Act.

12. Accident Information Report (AIR- Section 159):

This section mandates for information to be given regarding the accident. The police officer, during the investigation, shall prepare an Accident Information Report (AIR), within three months, to facilitate the settlement of claim in such form and manner and containing such particulars and submit the same to the MACT and such other agency as may be prescribed. From insurers' perspective, this was a wanting provision with regard to investigation and its report to insurers. It may hopefully curtail the fraudulent practices of planting different vehicles in place of uninsured vehicles and different drivers in place of one who does not possess valid and effective DL and thus resulting in gain from insurers' perspective in addition to reliable evidence on accident.

13. Abatement of a Claim for Personal Injury on Death of the Claimant (Section 166 (5):

As per present law, a claim for personal injury would abate on the death of the claimant due to operation of Section 306 of the Indian Succession Act, and it would not survive to his estate. The claim would survive to the estate only if death had nexus with the injuries and only in such cases the legal heirs would be entitled to come on record and continue with the prosecution of the claim. After Amendment of the Act, the right of a person to claim compensation for injury in an accident shall survive to his legal representatives, upon the death of the person injured irrespective of whether the cause of death is relatable to or had any nexus with the injury or not.

14. Quantum for Appeal (Section 173):

No appeal shall lie against any award of MACT if the amount in dispute in the appeal is less than Rs. 1,00,000. Earlier this amount was Rs. 10,000. This may reduce litigation and appeals by the insurance companies. Normally, insurers themselves were not encouraging the practice of appeal for smaller quantum.

15. Currency of Driving Licence (Section 14):

The currency of DL for transport vehicles is now extended to remain valid for 5 years & for the transport vehicle carrying goods of dangerous or hazardous nature validity is extended to 3 years instead of validity of 3 years and one year respectively earlier for such vehicles. The validity of license for other vehicles for a license holder under 30 years remains valid till 40 years and over 30 years of age and below 50 years the validity is extended for 10 years. After attaining the age of 50 years, till 55 years the validity is extended till the age of 60 years. On attaining the age of 55 years the DL is extended for a period of 5 years. Earlier the DL's currency remained valid for 20 years or till the person attained the age of 50 years, whichever was earlier and thereafter it was extended for a period of 5 years.

16. Renewal of Driving Licence (Section 15):

The grace period of 30 days for every DL has now been omitted in the MV (Amendment) Act 2019. However, where the application for the renewal of a licence is made either one year prior to the date of its expiry, the DL shall be renewed with effect from the date of its renewal. The time limit for renewal of driving licence thus increased from one month to one year before and after the expiry date. Where an application is made more than 3 years after the DL ceasing to be effective, the licensing authority may refuse to renew the licence unless the applicant undergoes and passes a test of competence to drive to its satisfaction.

This provision may however impact some burden on claims from the perspective of the insurers.

17. Driver Refresher Training Course (Section 20 with Section 200):

A new provision has been introduced mandating a condition to undergo driver refresher training course for reviving licence after suspension/ revocation under Section 19 and also for compounding of traffic offences under Section 200.

18. Community Service as Punishment (Section 2 (4a):

The Amendment Act introduces a provision of Community Service. It means an unpaid work, in which a person is required to perform as punishment for an offence committed under this Act. This provision encourages the reformative theory of punishment and serves the dual purpose of punishment as well as social service.

19. Licensing of Cab Aggregators (Section 1A):

The Amendment Act defines "Aggregator" as a digital intermediary or market place for a passenger to connect with a driver for the purpose of transportation. These aggregators will be issued necessary licenses by the State. Aggregators are required to comply with the extant provisions of Information and Technology Act, 2000.

20. Liabilities of Guardians in Case of Accidents by Juveniles (Section 199(A):

The Amendment Act by inserting this section impose liability & fine of Rs. 25000 with a provision of three years imprisonment on guardian or the owner of the vehicle responsible for an accident caused by a juvenile. The juvenile will also be tried under the Juvenile Justice (Care and Protection of Children) Act while the registration of the vehicle will be cancelled. Only time will tell whether this would aid towards controlling driving by youngsters who are not even eligible to get a driving licence.

21. Property (Section 145):

Baggage of passengers is now included in the definition of the property. Amendment Act property includes roads, bridges, culverts, causeways, trees, posts, milestones and baggage of passengers and goods carried in any motor vehicle. ❑

THE TRAUMA CALLED PROPERTY INSURANCE CLAIM

Taking and talking about property insurance is illusive concept and getting a claim is a traumatic experience in India. There are definitely exceptions but any opinion survey with the Home Insurance policy holders and Shop Insurance policy holders would reveal the above. In the era of fully nationalized General Insurance sector, the villain was mostly the Insurance company. Now, it is the property surveyor who gets undue importance in the whole eco-system of survey of loss, assessment, document verification and subsequent disposal of the claim.

Here we are talking about simple fire, flood or say inundation losses to the insured residential/small shop property where the quantum of loss could range between say Rs. 40,000/- and Rs. 10,00,000/- or may be more but within say Rs. 20,00,000/-. The surveyor complicates the claim from all possible angles resulting into trouble, annoyance, frustration and eventual jeopardization or even rejection of the claim. He does it by dumping the policy holder with a requirement of what is known as documents or more formally LOR (Letter of Request) for documents.

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We would argue that for small property losses, the surveyor's insistence on "so -called" document requirement is mostly baseless and can be done away with. The surveyor's job is an independent assessment of the loss for which his expectation of being served with the host of documents on a platter is totally unjustified. In effect, the Indian surveyors are doing 90% document survey job and 10% real assessment job. Unfortunately, it should be 90% real assessment job based on minute physical inspection, measurement, examining the degree of damages, condition of the property, technical analysis, market study of the prices of damaged items, possibility of re-use of materials, best possible sale of salvage etc.

Chapter IV of the IRDAI (Insurance Surveyors and Loss Assessors Regulation), 2015 clearly stipulates these jobs as stated above as part of duties and responsibilities of a surveyor and loss assessors. The Regulations categorically impose the responsibility of maintaining confidentiality and neutrality without jeopardising the liability of the insurer and claim of the insured.

The Chapter VI (1) titled Code of Conduct of the same Regulation stipulates ethical behaviour with integrity on the part of the surveyor. Integrity hereby implies not merely honesty but fair dealings and truthfulness. Unfortunately, in most of the cases, these are not practised.

This piece will show the hollowness of such demand for documents from the surveyor document by document. The list (not exhaustive) is as under:

1. Estimate of loss:

The very first favourite document of a surveyor for any property loss is the document called the "estimate of loss". This actually is a preliminary figure which is supposed to be submitted by the insured and backed by one or multiple documents from the third party vendors involved in repair and reinstatement of the loss. Such documents are supposed to capture the material cost, labour cost, supervision cost, debris removal cost, architect's fees etc.

Now, for a small fire loss in a residential building, the challenges faced by the home owner to provide such a document are as under.

- ❖ In small townships, the small contractors are neither equipped nor accustomed to provide itemized repair invoices, that too with GST details.
- ❖ The large contractors are generally not interested in undertaking small construction/repair jobs.
- ❖ The cost of a large contractor is far too high even if he is made agreeable to undertake the repair job. In such a case, the surveyor insists for a smaller contractor and the home/shop owner is pushed back to the first challenge as stated above.

The sheer bad practice here is that the surveyor should know the approximate amount of loss by a minute physical inspection of the damaged property. He should enquire/know that prevailing local prices of the items of similar quality damage. By all means, he is duty bound to do the above job by physical inspection, measurements and local price enquiry.

2. Sanctioned plan of the house for the area and age of the building:

This document is useful if the same is readily available. However, for reasonably old residential property it may be the case that the old widow is not aware where the sanction plan was kept by her late husband. It is absolutely surprising that the surveyor would go on insisting for the same document over and over again much to the annoyance of the insured. We are of the firm belief that it is the duty of the surveyor to take the measurement of the whole property including the affected portions. It is his duty to convince himself about the year of construction and the plan, (if at all important) by visiting the municipal authorities.

3. Fire Brigade report:

This is an important document for processing a fire claim. The details stated in this report enable the claims department officials of the insurer to cross check the date and time of the fire. The time taken by the fire fighters to extinguish the fire gives a corroborative evidence about the intensity of the fire and the possible extent of damage. The cause of fire stated therein allows the claims handler to cross check the same with the proximate cause stated in the claim form as well as what has been identified as the cause by the surveyor. For fires in large industrial complexes, large building complexes, markets with several types of shops selling and storing several types of merchandizes, such report gives a good insight into the cause of fire, breaches of safety norms (if any), storage of declared or undeclared hazardous items, inadequacy of the fire-fighting system etc. However, for a simple residential fire, insisting for a fire brigade report is generally devoid of much justification. The cause of fire can be very well be established by mere visual inspection of the place of loss by the surveyor. Most importantly, getting the fire brigade report is not easy and is time consuming. Therefore, except in some rare case where the moral hazard of the insured is doubtful, fire brigade report must not be insisted upon by the surveyor as is being routinely asked.

4. Final repair bill with proof of payment:

Unless a fire policy is issued on reinstatement value basis, the surveyor has no right to ask for final repair/ reinstatement bill for the property with proof of payment. A reinstatement value fire policy is the one where the sum-insured has been fixed based on the present day replacement value of the property irrespective of when the building was erected or the furniture, fixture, fittings and the machineries were purchased. In such a case, the fire claim is payable only after the reinstatement of the property without any improvement however. If the fire policy is without the reinstatement value clause (say the sum-insured has been fixed on depreciated value basis) the insured has a right not to even reinstate the property. In many cases, deliberately or due to sheer ignorance, the surveyor routinely insists for the repair bill and proof of payment even when the fire policy is not on reinstatement value policy. This not only is improper but also causes harassment to the Insured not to speak of the delay in issuance of the survey report and eventual settlement of the claim.

5. Original purchase invoices of furniture, fixture, fittings and contents:

This is another favourite demand of the surveyors even for small to medium home fire loss. Hardly ever it is realised by the surveyor that in a residential property getting the invoices of the furniture, fixture, fittings and contents is almost impossible since the homeowner hardly keeps them. In many cases, the furniture is made within the house itself by the known carpenter of the homeowner who seldom issues any invoice. The role of the surveyor should be simply to check the damages and find out the present day value of the items so damaged to check the underinsurance factor (if any). The role of physical inspection and knowledge of market price and/ or deprecated value is paramount here. One can legitimately expect such skills from a licensed surveyor rather than serving him everything on a platter.

6. Salvage value of the affected item/s:

While submitting the list of requirements, the surveyor routinely asks for the salvage value of the affected items ignoring his role and responsibility in finding out the same himself in order to finalize a logical and reasonable assessment. It is not fair to expect a homeowner to explore the market and to find a salvage buyer. This by no means can be taken as a claimant's job unless the insured wishes to offer a price for the salvage. There are occasions where even for a non-industrial/commercial risks, the surveyor has been found to insist for 3 quotations for salvage from the homeowner which is simply ridiculous. The surveyor should be skilled enough to ascertain a price and make local enquiries about the potential salvage buyers. For a non-industrial risks, this is not at all a difficult job.

7. First Information Report (FIR):

The surveyors routinely ask for the FIR as a part of claim documentation. It is strongly felt that unless there is an element of malicious damage, the requirement of FIR should be dispensed with in case of a simple fire loss in a shop or dwelling. The surveyor has a right to conduct a local enquiry in case he has reason to believe that some irregular eventuality has taken place.

8. Newspaper cutting:

Though not insisted for in case of home losses, even for commercial losses arising out of natural calamity, such document must be taken as an additional corroborative document and not as a strictly necessary document. In a small locality, there may not be any local newspaper reporting a flood loss or a malicious damage loss to a commercial property. A medium or even a large sized loss for a small or medium sized factory in a small locality may not feature in a leading newspaper. Therefore, in effect except for very large catastrophe newspaper cutting may not be readily available though it remains a comforting document both for the surveyor and the claims handler in the Insurance company.

9. Claim form:

This is a vital and required document for any fire or for that matter any Insurance claim for small home or shop losses. However, it is felt that the surveyor has a role to guide the claimant to properly fill up such form since the claimant may not be well conversant with such form or may be modestly educated. The spirit and intention at all points should be to assist a distressed Insured rather than pressurizing him with voluminous requirement of documents.

10. Claim bill:

This is a required document and the claimant must be guided to make a proper itemized claim bill. Legally, this is the evidence of the claimant's demand of a particular quantum to compensate his loss.

11. Meteorological report:

This is another favourite document sought by the surveyor for weather losses. For a normal homeowner, such document must not be insisted upon. The reasons are many. Such document may not be readily available. There could be a possibility that no meteorological office exists in the location. Finally, even in absence of the meteorological report, common knowledge and physical inspection would very well establish the genuineness of the loss and quantum thereof.

Conclusion:

The fact that an insurance contract would require an independent assessor to assess a loss beyond a certain amount is never disputed. There would be requirement of supporting documents as well to authenticate both the genuineness and the quantum of loss. The policy document as furnished by the Insurer to the surveyor would establish the validity of the coverages and perils covered with the boundaries of payment defined through various conditions, losses, warranties, deductibles etc.

The bottom line however remains the fact that the ultimate goal is to reasonably dispose of the claim (it could be payment or a rejection even). Be that as it may, the role of the surveyor is to quantify the loss through physical examination of the damages and not to rely solely on the supporting documents. In that event, logically the surveyor has no role and all the cases can be converted as self-surveys or mere document based assessment. No stakeholder would want such a situation.

The insurer also has a very important role to play and must guide the surveyor on how to complete an assessment smoothly without pressing for irrelevant or unnecessary documents which defies the very basic principal of customer service and claims settlement. The regulator also has a role here by way of issuing standardized guidelines on simple property loss assessment so that the surveyors cannot take resort to unnecessary requirement of documents to delay or jeopardize an assessment. ❑

Edelweiss General Insurance joins hands with InterMiles to launch travel insurance

Edelweiss General Insurance (EGI) has declared the launch of Edelweiss Group Domestic Travel Insurance in partnership with InterMiles. The product, which is a free cancellation air travel policy, takes care of all cancellation concerns customers may have, thus allowing them to be stress free in a volatile environment, where travel plans may keep shifting.

The customers, who are booking tickets on InterMiles for traveling across India, can opt for zero cancellation, by paying a nominal amount at the time of booking. The policy is a full proof cover for travelers, since it covers most of the reasons that lead to ticket cancellation.

This policy will also allow the customers to cancel their flights up to 24 hours before departure in case they are unable to fly due to some unavoidable circumstances. All the claims will be settled digitally. Free cancellation allows InterMiles members to get a complete refund on airline cancellation penalty. Members can add the free cancellation policy to their booking.

Shanai Ghosh, ED & CEO, Edelweiss General Insurance, remarked, "Our travel plans sometimes change due to circumstances not under our control and it can end up costing us quite a bit. This hurts especially in current times where people are looking to save all they can. We are excited to partner with InterMiles to help customers plan their travel without any stress. We have integrated our platforms to offer a seamless experience to the customer, especially for claims which is also completely digital. We are consistently looking for opportunities to provide innovative and simple digital solutions to the customers to protect their Health, Lifestyle and other prized possessions."

INSURANCE-BUYING TECHNIQUES AND UNDERSTANDING THE POLICY

The Indian Insurance market is phenomen only composed of Life Insurance Companies, General Insurance Companies, Health Insurance Companies and some specialised insurance companies taking care of some special requirements of the society. The other category which can be substancially narrated as Government, Private sectors and Foreign enteties.

The major role of insurance is to pay some money, to make some repairs, to replace a destroyed or stolen property or to replace to some degree lost incomes following the death of a policyholder. There are two types of insurance i.e. general and life. General insurance pays money, replace lost or destroyed property as a result of misfortunes such as fire, strike, storm, pests, drought, flood, theft and the like. Life insurance, on the other hand, pays the policyholder if he survives the policy period or his dependents in the event of his untimely death or disability. The problem that many people face when seeking to buy insurance is deciding which policy(s) to buy now!

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Below are some tips that may help you select the right insurance product for your needs:

If you own a motor vehicle or you are an employer, always ensure that you buy the compulsory motor vehicle third party insurance and workers injury benefit insurance.

Plan to have a life policy which will pay some money to your dependents in the event of your untimely death. This can go a long way in assisting the family in settling down as they cope with the reality of the loss. How much life insurance do you need? A quick rule of thumb for measuring your life insurance needs is to multiply your current annual income by a factor between 10 and 15. For instance, if you earn 50,000 a year, you would require about 500,000 worth of life insurance benefits in the event of death.

Take insurance for your treasured possessions such as business, home, crops or livestock because their loss will cause you financial loss that may be quite difficult to cope with, at times even changing completely the lifestyle of your family.

It is advisable to arrange for health insurance for yourself and family because sickness comes suddenly when money is not available. You may not even have no time for raising that money.

Education is increasingly becoming more expensive. However, the future belongs to the educated and everybody would like their children to have the best education. It is not always possible to have enough money to pay school fees as well meet other competing needs of life. An education policy can take care of this by allowing you to pay small regular amounts from the time the children are born or when still young.

We are all growing old day by day. People are also more likely to live longer after retirement, thanks to medical advancement. During that time you will not be able work due to old age yet you still have needs to meet. It is, therefore, advisable to arrange for income to rely on during these times. Life policies, investment plans, pension plans, annuities, and deposit administration schemes are best suited to meet old age needs.

Illness is a risk we live with right from birth to death. It is important to plan for illness in order not to be caught unawares should it strike. Illness can at times be critical e.g. stroke or heart attack. Medical policies take care of hospital expenses incurred as a result of illness.

We are always exposed to accidents either falling off, getting mugged or hit by a vehicle or any object. Personal accident policies pay a given sum of money to the policyholder or his/

her beneficiaries following an accident that often results in injury, disability or death.

In order to buy valid insurance, always ensure that the insurance agents you are dealing with are licensed by the IRDAI. Deal with an insurance company with an office near you. This saves a lot of time when you require their services. IRDAI is passing a lot of valuable information about insurance on TV, Newspaper and other print media and electronic media (Bima Bemisal), both Hindi and vernacular radio stations, providing reading materials through its website of at its offices, in many other forms.

Understanding the Insurance Policy

An insurance policy is a legal contract between an insurance company and a policyholder. It is the evidence that you are insured and is normally issued after paying the premium. As a policyholder, it is important that you read and understand your policy. This will enable you to verify whether it meets your insurance needs. Further, reading the policy will help you understand your rights and obligations as well as those of the insurance company. There are a number of terms used in an insurance policy and which, as a policyholder, you need to understand and familiarize yourself with:

Title of Policy: This section indicates the class or type of policy that you are taking and also includes the name and address of the insurance company.

The Preamble: Sets out the necessary conditions that must be met by the parties before the completion of an insurance contract. It identifies the parties to the contract, the agreement, the proposal form, the premium amount, refers to the policy schedule, any report or other document relating to the policy, policy terms and conditions, compensation upon the happening of the insured event and the sum insured.

Policy Schedule: Outlines your name and address; type of policy taken; the policy number; your business or profession; date of commencement of cover; period of insurance; sums assured; premium amount and provision for signature of the insurance company's authorized official. It also contains cover limits defining the highest benefits payable in case of a loss.

Definitions: Defines the terms used in the policy document. This section is very important and is meant to guide you in understanding your policy. You are required to refer to it when reading the policy.

Policy Benefits: Describes the types of benefits the policy will pay in the event of a loss. These include theft, burglary, death, disability, surrender and maturity benefits among others.

Policy Exclusions: Exclusions are risks the insurance company is not prepared to cover under the policy. Examples include HIV/AIDS, riot, intake of illegal drugs & alcohol and war, among others. Some insurers, however, allow policyholders to buy back some of the exclusions by paying additional premium.

Policy Conditions: These are rules guiding the policy such as how to revive a lapsed policy, surrendering a policy, rules guiding policy loans, loss of policy document, duty of disclosure and policy cancellation and termination.

Signature and Attestation: This section contains a place for the signature of the insurance company's authorized officer and the policyholder's signature. You are required to sign this part of the policy only when satisfied with the policy. You have a maximum of thirty (30) days, also known as the cooling off period, within which you can decide to sign or refuse to sign the policy.

Many buyers of insurance sign policies without understanding its terms and proceed to keep it safely only to produce it at the time of a loss. This is dangerous and is synonymous with using a driving license to which you have not appended your signature and whose expiry date you do not know. Note that different policies have different terms.

In case you do not understand any terms in your policy, contact your insurance agent, medical insurance provider, insurance company or IRDAI for further guidance. ❑

Minor lapse on part of driver no reason to dismiss insurance claim

Telangana State Consumer Disputes Redressal Commission held that a minor lapse on the driver's part is not liable for a claim to be dismissed, and directed an insurance company to reimburse Rs. 17.54 lakh.

The Commission bench, comprising president MSK Jaiswal and member Meena Ramanathan, was dealing with a complaint filed by Ch Sudhakara Raju, a resident of Banjara Hills, against Bharati Axa General Insurance Co Ltd. The complainant stated that in September 2013 his car, purchased for over Rs. 60.21 lakh, was stranded in Jubilee Hills due to heavy rains when water overflowed from KBR National Park. The water entered the car's engine, and it would not start. The vehicle was then towed to a workshop on the same night. When this was informed to the opposite party, it sent an appointed surveyor, and after inspecting the vehicle, reported 'hydrostatic loss' which was not covered by the insurance policy.

The complainant wrote to the opposite parties contending the outcome of the vehicle inspection as improper. After this, the complainant engaged the services of an IRDA surveyor who assessed the damage and noted that it was due to flood water entering the engine manifold, damaging its parts. The cost of repair was estimated at over Rs. 20 lakh. For their part, the opposite party denied all allegations, and maintained that except Rs. 53,108, no amount is payable by it, and that the damages to the vehicle are not insured.

After taking all submission into consideration, the Commission noted that while there was a 'minor lapse' on the driver's part, 'that by itself cannot be taken as a serious lapse on her part so as to deny the benefits of the insurance policy.'

The order reads, "Taking into consideration the above facts and circumstances and the natural human nature and the way in which people conduct themselves, we feel that it will be highly unjust, unfair and injustice to the complainant with the order so as to make her suffer for the act which she has admittedly committed as has been borne out from the letter Ex.A5. We feel that the interest of justice demands that this by itself cannot be taken as a ground for the insurance company to deny the claim of the complainant."

The Commission also touched upon the appointment of surveyors by both parties in the case. Apart from directing the opposite party to reimburse Rs. 17.54 lakh as assessed by surveyors of the complainant, costs of Rs. 10,000 were also ordered.

Bachat Plus Scheme

from Life Insurance Corporation of India

The Life Insurance Corporation of India has launched Bachat Plus, a non-linked, participating, individual life assurance savings plan. The applicants may either pay the premium in lump sum (single premium) or may avail the 5-year limited premium paying option.

With the taxpayers searching for options to save tax, this close ended plan - available for sale for a maximum period of 180 days - will not only provide the tax-saving option u/s 80C, but also provide an ideal opportunity for people availing the single premium option to avail the LTC Scheme benefits.

Premium Payment Options: There are two options each under the single premium and limited premium plans. Under the single premium plan, Option A provides a Sum Assured on Death of 10 times the tabular premium for the chosen Basic Sum Assured, while Option B provides a Sum Assured on Death of 1.25 times the tabular premium.

Death Benefits: On the other hand under the limited premium plan, Option 1 provides a Sum Assured on Death of 10 times the tabular premium for the chosen Basic Sum Assured, while Option 2 provides a Sum Assured on Death of 7 times the tabular premium.

Survival Benefits: The survival benefit will be the Guaranteed Sum Assured on Maturity, i.e. the Basic Sum Assured. As it's a participating plan, Loyalty Addition may also be there, provided the policy has completed 5 years and all the premiums are paid.

Age of Entry: The minimum age of entry under the single premium plan is 90 days (completed) for both Option A and Option B, while the maximum age of entry is 44 years (nearer birthday) for Option A and 70 years (nearer birthday) for Option B.

Under the limited premium plan, the minimum age of entry is 90 days (completed) for Option 1 and 40 years (nearer birthday) for Option 2, while the maximum age of entry is 60 years (nearer birthday) for Option 1 and 60 years (nearer birthday) for Option 2.

Age at Maturity: The minimum age at maturity will be 18 years, while under the single premium plan, the maximum age at maturity will be 65 years (nearer birthday) for Option A and 80 years (nearer birthday) for Option B. Under the limited premium option, the maximum age at maturity will be 75 years (nearer birthday) for Option 1 and 80 years (nearer birthday) for Option 2.

Policy Term: The minimum policy term may be opt for is 10 years and maximum 25 years under all the options, except for the age range of 41 years to 44 years under the single premium Option A, where the policy term may be availed is between 10 years and 16 years.

Maturity & Life Coverage: While the rate of return on maturity is not very significant, the main benefit is the life cover up to 10 times the premium paid, which would remain intact for the full policy term without any chance of getting lapsed.

Tax Benefits: Moreover, by availing the single premium option, people up to 44 years of age may avail either the 80C benefit or the LTC Scheme benefit.

#DigitalSuccessDialouge

The Changing Landscape of Insurance Sector with Evolution of Digital

Date: 18th March 2021

Organised By: INT. (Indus Net Technologies)

Media Partner: The Insurance Times

INT. (Indus Net Technologies), a Software Product Engineering Partner for Financial Services, Healthcare and Retail businesses, has been regularly organising Digital Success Dialogue, an online interactive series. Recently an interactive session was organised on 18th March 2021 on The Changing Landscape of Insurance Sector with Evolution of Digital.

Dr Rakesh Agarwal, Editor, The Insurance Times interacted with Mr Amit Roy, Executive Director, PWC, India to understand his perspective on the subject.

The event was streamed live on social media channels.

Dr Rakesh Agarwal gave an overview about the current developments in the industry with evolution of digital technology. He said the insurance industry was unable to push the digital growth due to low acceptance level from the consumers and intermediaries but COVID 19 has removed those barriers and has forced people to adopt technology and get used to it.

He added that the current scenario has significantly accelerated the opportunities of digital engagement and digitized delivery of product and services for the insurance Industry. And going forward I believe the technology would prove to be a game changer in the insurance sector. Though with technology there would be some challengesin terms of cost, scalability and regulatory challenges but those are all manageable.

India has a vast underpenetrated market and without technology it will be quite impossible to reach out to the masses. Technology needs to be leveraged and distribution cost need to be minimised so that the consumer is the ultimate gainer. The distributors and service providers also need to provide value added services and shiftthe focus from customer satisfaction to customer delightment.

The whole insurance eco system and value chain is going to benefit from these initiatives in coming days.

Mr Amit Roy said increase in FDI limit to 74% will bring significant changes in the insurance industry and the overall insurance penetration will get a boost.

With emergence of AI and emerging technology if the right kind of experience is created, the penetration of health insurance can grow many x. Mr Roy was extremely optimistic that technology will transform the way the insurance business was transacted in India. For growth of general insurance sector he said huge opportunity exists in the market for retail products.

Mr Roy candidly discussed about the range of issues in the Indian Insurance Industry.

"Digitisation is the way forward for any business sector and category to grow prosper and expand. Insurance Sector has been witnessing a dynamic change in the working style with more awareness being generated about its demand. The Covid 19 situation has accelerated it. With more adaptation of latest digital Methodologies, Insurance Sector will witness massive growth" quoted Abhishek Rungta, Founder & CEO of INT. (Indus Net Technologies).

Full Interview can be viewed at Youtube in the link https://www.youtube.com/watch?v=MOCIiQA2phw&t=1677s

Advertorial

Crossing borders for learning and knowledge expansion in Nepal

Birla Institute of Management Technology (BIMTECH) has been working with the Banking, Finance and Insurance Institute of Nepal Ltd (BFIN) as a partner for years. The partnership involves mutual learning and expanding knowledge in both countries.Banking, Finance and Insurance Institute of Nepalregularly conducts training, workshops, and seminars to enhance the knowledge, skills, and capabilities of the employees of the financial sector thereby helping instrengthening the financial systems in Nepal.

Training sessions with members of Banking Finance and Insurance Institute of Nepal Ltd (BFIN).

Prof. Pratik Priyadarshi conducted a programme titled "Effective Sales Development Program for Non-Life Insurance Market" with members of BFIN Ltd working with non -life insurers in Nepal. The content of the programme covered diverse issues like current trends in the non-lifemarket, innovations happening at the product level, increasing use of Artificial Intelligence (AI)and Machine learning (ML) by insurers to gain insights into consumer behaviour, dataanalytics, Use of social media in marketing, etc.

Training sessions with IME Life Insurance Company, Nepal

As part of the continuing partnership, BIMTECH faculty members conducted training sessions on diverse topics like Basics of Life Insurance, Life Insurance Products, Marketing Management, Customer Service in Insurance, Technology in Marketing and Personal Financial Planning, etc. to the employees of IME Life Insurance Company, Nepal. BIMTECH faculty members Prof Manoj K Pandey, Prof. Pankaj Priya, Prof. Manoj Pareek, and Chairperson of Insurance Business Management programme Prof. (Dr.) Abhijit K Chattoraj took sessions with managers and executives working with IME Life Insurance, Nepal stationed in different parts of Nepal on a virtual platform in the last week of February.

Both the training sessions saw active participation from the learners who reciprocated by giving positive feedback on the learnings and interactions with BIMTECH Faculty members.

LEGAL

Govt. amends insurance ombudsman rules for better resolution of policyholders' complaints

The Finance Ministry has recently declared that the government has amended insurance ombudsman rules and brought insurance brokers within their ambit, allowing policyholders to file online complaints. The amended rules have enlarged the scope of complaints to ombudsmen from only disputes earlier to deficiencies in service on the part of brokers, insurers, agents and other intermediaries.

The timeliness and cost-effectiveness of the mechanism has been substantially strengthened under the amended rules. Policyholders will now be capable of lodging complaints electronically to the ombudsman and a complaints management system will also be created to enable policyholders to track the status of their complaints online.

"Further, insurance brokers have been brought within the ambit of the Ombudsman mechanism, by empowering the Ombudsmen to pass awards against insurance brokers as well," the Ministry stated. "A number of amendments have been made for securing the independence and integrity of the ombudsman selection process, while also building in safeguards to secure the independence and impartiality of the appointed persons while serving as Ombudsmen."

'Minor lapse on part of driver no reason to dismiss insurance claim'

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After taking all submission into consideration, the Commission noted that while there was a 'minor lapse' on the driver's part, 'that by itself cannot be taken as a serious lapse on her part so as to deny the benefits of the insurance policy.'

The order reads, "Taking into consideration the above facts and circumstances and the natural human nature and the way in which people conduct themselves, we feel that it will be highly unjust, unfair and injustice to the complainant with the order so as to make her suffer for the act which she has admittedly committed as has been borne out from the letter Ex.A5. We feel that the interest of justice demands that this by itself cannot be taken as a ground for the insurance company to deny the claim of the complainant."

The Commission also touched upon the appointment of surveyors by both parties in the case. Apart from directing the opposite party to reimburse Rs. 17.54 lakh as assessed by surveyors of the complainant, costs of Rs. 10,000 were also ordered.

Only private doctors on COVID duty covered by govt. insurance: Bombay High Court

The Bombay High Court has recently refused relief to the widow of a private doctor, who died of the Corona Virus, citing that the Rs. 50 lakh insurance cover under a Central scheme included only those private medical practitioners who were drafted for COVID-19 duties.

A division bench of Justices S J Kathawalla and R I Chagla dismissed the petition filed by Kiran Surgade, a Navi Mumbai resident, seeking Rs. 50 lakh cover under the 'Pradhan Mantri Garib Kalyan Yojana' (PMGKY) for her husband who died after contracting COVID-19 from a patient at his clinic.

The Plea:

According to the plea, the petitioner's husband Bhaskar Surgade got a notice from the commissioner of the Navi Mumbai Municipal Corporation (NMMC), asking him to keep his dispensary open and warned action if he fails to comply with the notice.

The petitioner claimed that her husband opened the clinic and started treating patients, including those infected by Corona Virus and he too contracted the disease and died of it on 10 June, 2020.

The judgment of the court:

The court said the NMMC notice only asked Bhaskar Surgade to keep his clinic open and the same cannot be construed as a notice requisitioning his services for the specific purpose of treating COVID-19 patients and/or working in a COVID-19 hospital.

The court further added, "There is a difference between specifically requisitioning/drafting services and directing private practitioners to not keep their clinic closed. The intent and object of the NMMC notice was to encourage medical practitioners to keep their dispensaries open," the court said. "This notice did not mandate that the said dispensaries are to be kept open for COVID-19."

No insurance claim if death due to alcohol consumption: SC

The Supreme Court has recently declined to grant the insurance claim to the legal heir of a man who died of asphyxia due to alcohol consumption.

A bench of Justices M.M. Shantangoudar and Vineet Saran stated that the proviso of the insurance company makes it clear that the injured is not entitled to compensation since it was proved that he was intoxicated and that death was due to intoxication. SC said the insurer was only liable to compensate a person who got injured solely and directly from an accident.

The bench said, "The provisions of insurance policy specifically disclose that compensation will not be paid in respect of injury of the injured if he is under the influence of intoxicating liquor."

The judgment of SC came on an appeal filed by Narbada Devi, the legal heir of a man employed as watchman with the Himachal Pradesh State Forest Corporation. The man died on a rainy cold night of October 7-8, 1997, in Chopal Panchayat of Shimla district. The post mortem indicated that the probable cause of death was asphyxiation caused by alcohol consumption and regurgitation of food into larynx.

"We find that the National Commission and the State Commission have rightly held that the deceased's death was not accidental, and that the insurance company would not be liable to settle the appellants' claim", said Supreme Court. ❑

Finance Minister introduces Insurance Amendment Bill 2021

Indian Finance Minister Nirmala Sitharaman recently introduced the Insurance Amendment Bill 2021 in the Rajya Sabha seeking to increase FDI in insurance to 74% from 49%. It was recently approved by the Union cabinet; and it amends the Insurance Act, 1938.

Sitharaman had announced the higher FDI in the budget and declared that the majority of directors on the board and key management persons would be resident Indians. At least 50% of the directors would be independent, while a specified percentage of profits would be retained as a general reserve.

IRDAI Circular

Issuance of digital insurance policies by insurance companies via Digilocker

IRDAI/ INT/ CIR/ DGLKR/ 030/ 02/ 2021

Date:09-02-2021

1. Digilocker is an initiative under the Digital India program by the Government of India where citizens can get authentic documents/ certificate in digital format from original issuers of these certificates. It aims at eliminating or minimising the use of physical documents and will enhance effectiveness of service delivery, making these hassle free and friendly for the citizens.
2. In the insurance sector, Digilocker will drive reduction in costs, elimination of customer complaints relating to non-delivery of policy copy, improved turnaround time of insurance services, faster claims processing and settlement, reduction in disputes, reduction in fraud and improvement in customer contactability. On the whole it is expected that it will lead to better customer experience.
3. In order to promote the adoption of Digilocker in the insurance sector, the Authority advises all insurers to enable their IT systems to interact with Digilocker facility to enable policyholders to use digilocker for preserving all their policy documents.
4. The insurers should inform their retail policyholders about Digilocker and how to use it. Insurers are also advised to enable the process by which the policyholders can place their policies in the digilocker.
5. Digilocker team in NeGD (National e-Governance Division) under Ministry of Electronics and Information Technology shall provide necessary technical guidance and logistic support to facilitate adoption of Digilocker. A brief for on-boarding documents and contact details of resource persons in NeGD is annexed.

T.L. Alamelu
Member (Distribution)

Product Structure for Insurance of Remotely Piloted Aircraft System (RPAS) / Drones

IRDA/CIR/MISC/031/02/2021

Date:11-02-2021

1. Currently, only a few general insurers in the Indian Market are offering insurance cover for RPAS/Drones through existing products under Aviation Insurance. Considering the unique characteristics of Drones that differentiate them from other aircrafts and taking into account the phenomenal growth in the usage of Drones for multiple purposes, there is a need to augment the current insurance availability customized to the requirement of drone owners and operators.
2. In line with the above objective of making basic insurance covers available by the general insurers for Drones and to facilitate flexibility and innovation in the development of insurance coverage for evolving technology requirements, the following product construct is provided.
   a. Section I: Legal Liability to Third-Party.
      Indemnify the insured against its legal liability (including Defence Costs) to pay Damages, for third

party civil claims arising out of bodily injury or death or property damage, by an accident or a handling error on part of the authorized operator. Currently, TP Liability cover should be offered in line with Aircraft/ Aviation Liability. The change, if any, in Government of India rules/guidelines in respect of TP Liability cover for Drones from time to time may be adhered to.

b. Section II: Physical Damage to Drone Body /Hull Indemnify the insured in respect of repair/ replacement of the insured RPAS. RPAS means an Unmanned Aircraft System including payload, ground handling tools and/or equipment on Hull Agreed Value basis.

c. Section III: Personal Accident cover to Operator. Indemnify the Insured/ Authorised operator for bodily Injury sustained by the Insured/ Authorised Operator anywhere in India while operating drones and arising out of an Accident.

d. Section IV: Medical expenses cover to operator. Indemnify the Insured/ Authorised operator for the medical expenses who has been hospitalized because of a Bodily Injury arising out of flight of the covered Drone.

e. Optional Covers to enhance the coverage.
   i. Alternate Hire Charges
   ii. Drone War Liabilities
   iii. Cyber Liability Cover
   iv. Invasion of Privacy Cover
   v. Night Flying Endorsement
   vi. BVLOS Endorsement
   vii. Drone in Transit Endorsement
   viii. Liability for damage to UAS that insured does not own
   ix. Personal & Advertising Injury Liability

3. The Authority had constituted a working group to suggest, inter alia, product construct. The group has developed a model product, the wordings of which are given in the Annexure. All general insurers are encouraged to file this product as per the procedure required under the extant Product Filling Guidelines. Alternatively, the insurers may design and develop their own product keeping in view the minimum coverage as specified in the given Policy Wording. The filling of the said product/s may be carried out at the earliest to respond to the new and quickly growing market.

4. Any such product should necessarily offer third party insurance covering the liability that may arise on account of any mishap involving drones and causing death or bodily injury to any person or damage to property.

Yegnapriya Bharath
Chief General Manager (Non-Life)

Communications on basic information on health insurance policies to the policyholders

IRDAI/HLT/REG/CIR/038/03/2021

Date:01-03-2021

1. Attention is drawn to the provisions of Regulation 12 of IRDAI (Protection of Policyholders' interests) Regulations, 2017 specifying therein minimum information to be provided as part of health insurance policy. While the policy document is forwarded with relevant information, in order to continue the relationship with policyholders and to ensure information flow, it is considered important to periodically notify the policyholders certain relevant and key details relating to health insurance coverage available to the policyholders.

2. In order to ensure flow of relevant information to policyholders the following norms are specified:
   i) All the general and health insurers as part of policy servicing, shall communicate the following basic information about the health insurance policy to the policyholders:
      a. Name of Product and policy number,
      b. Extent of coverage available by way of available Sum Insured and Cumulative Bonus,
      c. Number of insured people covered under policy,
      d. Policy period,
      e. Number and amount of claim settled (under relevant period), if any,
      f. Balance Sum Insured and Accrued cumulative bonus available, if any,
      g. Due date of renewal and premium payment frequency,

h. Premium amount due on renewal (to be specified at the time of renewal)

i. Grace Period (within 5 days after renewal due date)

j. Contact details (for any query or other issues) of customer support service of Insurer, Toll Free No. or e-mail Id etc.

ii) The above information shall be communicated by insurers to all the policyholders twice in a year, i.e, 6 months after issuance of policy and at least 1 month prior to the renewal due date. However, in case of a multiyear policy, the information can be shared with a frequency of 6 months from the date of issuance of policy.

iii) In addition to the above, in the event settlement of any claim under a health insurance policy, the insurer shall also communicate the details of balance sum insured along with the cumulative bonus available, if any, to the policyholder. This shall be notified to the policyholders within 15 days of settlement of claim.

iv) The insurer may choose any mode of communication (message, e-mail, letter etc) for the purpose of notifying the above referred information. The sample messages / communications that all the insurers to notify to the policyholders is placed at Annexure-1 for illustration purpose only. Insurers can improve on the same while refraining from making the message complex, unintelligible or too long with unnecessary information. These norms are applicable to all individual (both indemnity and benefit based) health insurance policies.

3. All the insurance companies shall comply with the instructions issued in this circular at the earliest and not later than 1st June 2021.

4. This has the approval of the competent authority.

DV S Ramesh
General Manager (Health)

Rural Insurance data formats

IRDAI/NL/CIR/MISC/033/2021

Date:02-03-2021

In order to monitor the performance of Rural Insurance Business and support the development of policy and regulation for promoting rural insurance business, it is necessary to analyses data pertaining to Rural Insurance. It has therefore been decided to collect data as follows:

S. No	Form Name	Title
1	Rural_A	Crop Insurance
2	Rural_B	Livestock, Poultry, Aquaculture, Insects and other Animal Insurance
3	Rural_C	Rural/Agricultural Property and Rural/Farmer's Package Insurance
4	Rural_D	Rural Health and Personal Accident Insurance

You are required to submit the following:

1. The last 3 FY Rural Insurance data in the prescribed formats starting from FY 2017-18 on or before 31st March 2021.
2. Rural Insurance data in prescribed format for each Financial Year starting with FY 2020-21 to IIBI on or before 3 months of closing of Financial year.

(Yegnapriya Bharath)
CGM (Non-life)

ICICI Lombard contactless motor insurance claim approvals crosses 10 lakh

ICICI Lombard General Insurance 'InstaSpect' feature for vehicle damage assessment has reached the milestone of over 10 lakh motor insurance claim approvals since its launch in 2018.

The 'InstaSpect' feature, which eliminates the need for vehicle damage assessment through a physical survey, has a live stream feature for virtual assessment. It brings down the claim approval time to a mere few hours.

ICICI Lombard said in a statement, "In the digitally enabled new normal, 'InstaSpect' has gained significant traction with more people using it to get their claims settled from the comfort and safety of their homes."

"Interactive elements such as an instant survey on live video call assisted by claims manager and query resolution in real-time have significantly contributed to the app feature's popularity," the insurer added.

Performance Statistics - Non-Life Insurance

GROSS DIRECT PREMIUM UNDERWRITTEN FOR AND UPTO THE MONTH OF FEBRUARY 2021

(Rs. in crores)

INSURER	For the month of February		Upto the Month of February		Market Share upto the Month of Feb. 2021 (%)	Growth over the corresponding period of previous year (%)
	2020-21	2019-20	2020-21	2019-20		
Acko General Insurance Limited	36.95	30.08	358.38	341.40	0.20	4.97
Bajaj Allianz General Ins. Co. Ltd.	769.93	699.18	11,698.75	12,052.03	6.52	(2.93)
Bharti AXA General Ins. Co. Ltd.	221.49	221.22	2,912.56	2,905.15	1.62	0.26
Cholamandalam MS General Ins.	405.34	374.74	3,945.54	4,028.89	2.20	(2.07)
NAVI General Insurance Limited	8.45	8.99	94.54	150.34	0.05	(37.11)
Edelweiss General Ins. Co. Ltd.	17.94	16.51	194.00	133.95	0.11	44.83
Future Generali India Ins. Co. Ltd.	290.55	223.71	3,383.28	3,118.60	1.89	8.49
Go Digit General Ins. Ltd.	321.30	49.51	2,088.55	1,601.04	1.16	30.45
HDFC Ergo General Ins. Co. Ltd.	1,155.61	813.60	10,895.74	8,458.10	6.07	28.82
ICICI Lombard General Ins. Co. Ltd.	1,078.00	1,061.21	13,029.35	12,569.09	7.26	3.66
IFFCO Tokio General Ins. Co. Ltd.	614.93	542.64	7,709.46	7,341.56	4.30	5.01
Kotak Mahindra General Ins. Co.	51.20	43.52	484.30	393.00	0.27	23.23
Liberty General Ins. Ltd.	123.95	139.21	1,321.19	1,422.91	0.74	(7.15)
Magma HDI General Ins. Co. Ltd.	108.66	96.32	1,164.74	1,140.66	0.65	2.11
National Ins. Co. Ltd.	1,047.77	1,321.51	12,614.98	13,541.62	7.03	(6.84)
Raheja QBE General Ins. Co. Ltd.	29.04	18.49	236.52	131.46	0.13	79.92
Reliance General Ins. Co. Ltd.	561.01	430.84	7,514.62	6,989.95	4.19	7.51
Royal Sundaram General Ins. Co.	238.90	319.56	2,555.26	3,425.89	1.42	(25.41)
SBI General Ins. Co. Ltd.	756.84	620.87	7,352.60	6,225.41	4.10	18.11
Shriram General Ins. Co. Ltd.	184.86	212.56	1,929.10	2,219.02	1.08	(13.07)
Tata AIG General Ins. Co. Ltd.	492.29	553.00	7,398.13	6,856.50	4.12	7.90
The New India Assurance Co. Ltd.	2,217.63	1,925.33	26,020.32	24,687.55	14.50	5.40
The Oriental Ins. Co. Ltd.	1,071.69	1,052.26	11,314.97	12,302.08	6.31	(8.02)
United India Ins. Co. Ltd.	1,187.93	1,169.20	15,198.55	15,805.75	8.47	(3.84)
Universal Sompo General Ins. Co.	166.73	144.15	2,741.13	2,603.74	1.53	5.28
General Insurers Total	**13,159.00**	**12,088.20**	**1,54,156.55**	**1,50,445.68**	**85.91**	**2.47**
Aditya Birla Health Ins. Co. Ltd.	109.73	104.44	1,123.49	767.13	0.63	46.45
HDFC Ergo Health Ins. Co. Ltd. #	---	215.56	---	2,200.47	---	(100.00)
ManipalCigna Health Ins. Co. Ltd.	63.91	49.31	654.32	513.63	0.36	27.39
Max Bupa Health Ins. Co. Ltd.	172.51	118.33	1,497.03	1,084.62	0.83	38.02
Care Health Insurance Limited	229.83	198.98	2,243.88	2,166.88	1.25	3.55
Star Health & Allied Ins. Co. Ltd.	850.28	709.00	8,016.29	5,864.00	4.47	36.70
Reliance Health Ins. Ltd.*	---	(0.02)	(0.01)	6.02	(0.00)	(100.22)
Stand-alone Pvt Health Insurers	**1,426.26**	**1,395.60**	**13,534.99**	**12,602.74**	**7.54**	**7.40**
Agricultural Ins. Co. of India Ltd.	1,078.78	230.61	10,836.46	9,031.43	6.04	19.99
ECGC Limited	103.04	91.40	907.72	1,001.29	0.51	(9.34)
Specialized PSU Insurers	1,181.82	322.01	11,744.18	10,032.72	6.55	17.06
GRAND TOTAL	**15,767.09**	**13,805.82**	**1,79,435.73**	**1,73,081.14**	**100.00**	**3.67**

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; #HDFCERGO Health Insurance has been merged with HDFCERGO General w.e.f 13.11.2020 - Hence HDFCERGO General upto the month figure is merged figure.*

Performance STATISTICS - LIFE INSURANCE

SUMMARY OF NEW BUSINESS PERFORMANCE OF LIFE INSURERS FOR THE PERIOD ENDED FEBRUARY - 2021 (PROVISIONAL)

(₹ Crores)

Sl. No.	Particulars	Premium in Rs. Crore					No. of Policies / Schemes				
		Month of Feb-2021	Upto Feb-2021	Month of Feb-2020	Upto Feb-2020	YTD Variation in %	Month of Feb-2021	Upto Feb-2021	Month of Feb-2020	Upto Feb-2020	YTD Variation in %
1	**Aditya Birla Sun Life Insurance Co. Ltd.**										
	Individual Single Premium	14.75	121.73	7.16	100.07	21.65%	183	1770	146	2741	-35.43%
	Individual Non Single Premium	164.07	1583.69	145.32	1479.32	7.06%	20474	219101	21976	230854	-5.09%
	Group Single Premium	173.88	2019.54	251.58	1519.72	32.89%	7	55	9	88	-37.50%
	Group Non Single Premium	0.47	58.53	0.76	4.87	1101.83%	0	1	0	2	-50.00%
	Total	**360.37**	**3851.17**	**412.66**	**3176.21**	**21.25%**	**20673**	**221346**	**22166**	**234214**	**-5.49%**
2	**Aegon Life Insurance Co. Ltd.**										
	Individual Single Premium	0.05	0.57	0.06	2.35	-75.60%	3	25	2	15036	-99.83%
	Individual Non Single Premium	1.21	32.79	5.87	64.08	-48.83%	794	13486	1575	20597	-34.52%
	Group Single Premium	0.00	5.23	0.00	1.08	383.71%	0	0	0	0	---
	Group Non Single Premium	0.00	0.00	0.00	0.00	---	0	0	0	0	---
	Total	**2.85**	**58.63**	**6.94**	**82.00**	**-28.50%**	**807**	**13596**	**1583**	**35732**	**-61.95%**
3	**Ageas Federal Life Insurance Co. Ltd.**										
	Individual Single Premium	22.13	211.17	12.68	120.03	75.93%	523	5508	425	4086	34.80%
	Individual Non Single Premium	32.70	215.60	20.75	242.29	-11.01%	4180	29876	3076	39273	-23.93%
	Group Single Premium	17.75	104.03	12.75	126.89	-18.01%	0	0	0	2	-100.00%
	Group Non Single Premium	0.00	0.05	0.00	0.33	-85.58%	0	5	0	0	---
	Total	**72.58**	**530.85**	**46.19**	**489.54**	**8.44%**	**4703**	**35389**	**3501**	**43361**	**-18.39%**
4	**Aviva Life Insurance Co. Ltd.**										
	Individual Single Premium	1.36	10.94	0.93	8.25	32.66%	156	454	258	733	-38.06%
	Individual Non Single Premium	23.26	115.00	12.91	102.46	12.23%	2819	17069	1958	17800	-4.11%
	Group Single Premium	1.23	2.21	0.30	2.55	-13.22%	0	0	0	1	-100.00%
	Group Non Single Premium	0.28	1.34	0.08	1.21	10.76%	0	0	0	0	---
	Total	**29.27**	**178.72**	**18.34**	**202.07**	**-11.55%**	**2983**	**17645**	**2222**	**18569**	**-4.98%**
5	**Bajaj Allianz Life Insurance Co. Ltd.**										
	Individual Single Premium	7.07	45.07	6.30	72.31	-37.67%	123	869	45	440	97.50%
	Individual Non Single Premium	267.24	1983.33	186.45	1684.30	17.75%	39374	364438	31481	275422	32.32%
	Group Single Premium	405.37	2825.36	254.64	2672.27	5.73%	1	55	0	47	17.02%
	Group Non Single Premium	0.00	0.00	0.00	0.00	-8.10%	0	0	0	0	---
	Total	**692.86**	**5021.27**	**461.12**	**4593.36**	**9.32%**	**39523**	**365492**	**31527**	**275945**	**32.45%**
6	**Bharti Axa Life Insurance Co. Ltd.**										
	Individual Single Premium	2.94	80.27	2.76	36.92	117.41%	45	2813	2006	7272	-61.32%
	Individual Non Single Premium	55.89	455.45	51.94	533.82	-14.68%	10103	93306	12137	185382	-49.67%
	Group Single Premium	17.24	113.62	13.53	180.00	-36.88%	4	15	4	13	15.38%
	Group Non Single Premium	0.00	0.00	0.00	0.00	---	0	0	0	0	---
	Total	**76.21**	**651.98**	**68.23**	**750.73**	**-13.15%**	**10152**	**96137**	**14147**	**192667**	**-50.10%**
7	**Canara HSBC OBC Life Insurance Co. Ltd.**										
	Individual Single Premium	23.67	386.46	25.42	83.83	361.00%	198	3330	93	473	604.02%
	Individual Non Single Premium	132.08	772.55	86.58	869.08	-11.11%	17970	148101	13017	135760	9.09%
	Group Single Premium	28.17	628.01	7.06	334.31	87.86%	2	11	0	10	10.00%
	Group Non Single Premium	0.45	3.28	0.46	6.38	-48.67%	0	2	0	3	-33.33%
	Total	**186.99**	**1930.69**	**120.10**	**1378.53**	**40.05%**	**18179**	**151511**	**13111**	**136254**	**11.20%**
8	**Edelweiss Tokio Life Insurance Co. Ltd.**										
	Individual Single Premium	0.20	5.87	1.33	8.64	-32.10%	1979	4387	1196	3469	26.46%
	Individual Non Single Premium	41.13	322.39	37.38	290.43	11.01%	6643	63694	8494	69106	-7.83%
	Group Single Premium	2.07	12.47	2.68	18.34	-32.00%	0	0	0	4	-100.00%
	Group Non Single Premium	0.15	2.86	0.10	6.03	-52.62%	0	0	0	2	-100.00%
	Total	**43.60**	**348.31**	**43.21**	**334.09**	**4.26%**	**8623**	**68110**	**9692**	**72625**	**-6.22%**
9	**Exide Life Insurance Co. Ltd.**										
	Individual Single Premium	10.25	76.76	2.77	103.19	-25.62%	148	1098	69	2166	-49.31%
	Individual Non Single Premium	59.50	459.59	66.85	585.89	-21.56%	12917	123952	16464	170956	-27.49%
	Group Single Premium	0.08	0.59	0.05	0.42	40.39%	0	0	0	0	---
	Group Non Single Premium	3.30	17.17	18.34	26.05	-34.08%	1	22	7	40	-45.00%
	Total	**82.66**	**607.70**	**94.78**	**783.51**	**-22.44%**	**13066**	**125072**	**16540**	**173162**	**-27.77%**
10	**Future Generali India Life Insurance Co. Ltd.**										
	Individual Single Premium	0.28	2.64	0.26	4.80	-44.88%	18	130	27	302	-56.95%
	Individual Non Single Premium	35.97	249.47	41.24	317.56	-21.44%	5225	43035	6879	58927	-26.97%
	Group Single Premium	12.05	59.00	9.65	68.54	-13.93%	0	5	0	3	66.67%
	Group Non Single Premium	0.00	0.00	0.00	0.00	---	0	0	0	0	---
	Total	**71.61**	**383.57**	**54.20**	**696.67**	**-44.94%**	**5245**	**43195**	**6909**	**59274**	**-27.13%**
11	**HDFC Life Insurance Co. Ltd.**										
	Individual Single Premium	270.94	3042.83	305.14	2593.96	17.30%	3574	35856	3601	35657	0.56%
	Individual Non Single Premium	591.85	5634.63	502.73	5101.30	10.45%	79224	809015	80048	769195	5.18%
	Group Single Premium	988.30	8361.49	733.34	7245.61	15.40%	17	151	231	383	-60.57%
	Group Non Single Premium	0.00	0.00	0.00	0.00	---	0	0	0	0	---
	Total	**1895.94**	**17251.18**	**1580.41**	**15336.00**	**12.49%**	**82824**	**845097**	**83890**	**805454**	**4.92%**
12	**ICICI Prudential Life Insurance Co. Ltd.**										
	Individual Single Premium	437.05	2231.72	172.74	1229.79	81.47%	3911	23903	1943	16582	44.15%
	Individual Non Single Premium	580.90	4283.30	570.05	6041.68	-29.10%	61742	542441	71747	687984	-21.15%
	Group Single Premium	287.91	1853.05	228.63	1915.12	-3.24%	2	71	21	141	-49.65%
	Group Non Single Premium	0.02	0.02	0.00	0.00	---	1	1	0	0	---
	Total	1737.03	10875.07	2143.88	11364.77	-4.31%	65912	568932	73825	706132	-19.43%

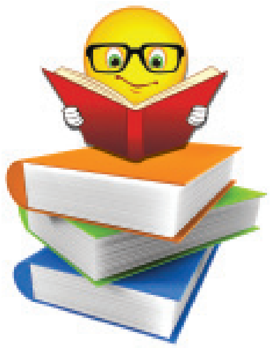
Performance STATISTICS - LIFE INSURANCE

SUMMARY OF NEW BUSINESS PERFORMANCE OF LIFE INSURERS FOR THE PERIOD ENDED FEBRUARY - 2021 (PROVISIONAL)

(₹ Crores)

Sl. No.	Particulars	Premium in Rs. Crore					No. of Policies / Schemes				
		Month of Feb-2021	Upto Feb-2021	Month of Feb-2020	Upto Feb-2020	YTD Variation in %	Month of Feb-2021	Upto Feb-2021	Month of Feb-2020	Upto Feb-2020	YTD Variation in %
13	**IndiaFirst Life Insurance Co. Ltd.**										
	Individual Single Premium	3.79	29.04	1.61	18.64	55.84%	133	1197	-51	15709	-92.38%
	Individual Non Single Premium	116.68	717.58	110.85	734.64	-2.32%	24237	167402	19162	152759	9.59%
	Group Single Premium	64.99	951.73	37.17	849.56	12.03%	18	176	14	149	18.12%
	Group Non Single Premium	0.04	0.45	0.06	0.45	0.87%	0	3	1	5	-40.00%
	Total	**185.50**	**1698.81**	**149.69**	**1603.29**	**5.96%**	**24388**	**168778**	**19126**	**168622**	**0.09%**
14	**Kotak Mahindra Life Insurance Co. Ltd.**										
	Individual Single Premium	177.44	951.71	93.73	652.41	45.88%	3770	35165	4878	42915	-18.06%
	Individual Non Single Premium	204.08	1288.54	162.82	1312.71	-1.84%	30000	238816	26116	232477	2.73%
	Group Single Premium	146.18	812.74	111.12	1050.67	-22.65%	20	181	12	220	-17.73%
	Group Non Single Premium	0.04	0.53	0.24	4.07	-87.03%	2	16	0	25	-36.00%
	Total	**640.26**	**3981.89**	**472.44**	**4361.13**	**-8.70%**	**33842**	**274761**	**31030**	**276077**	**-0.48%**
15	**Max Life Insurance Co. Ltd.**										
	Individual Single Premium	127.22	1275.66	105.45	974.77	30.87%	471	4809	213	1741	176.22%
	Individual Non Single Premium	535.91	3881.82	404.68	3430.00	13.17%	58773	541814	55812	521472	3.90%
	Group Single Premium	67.50	382.27	33.53	293.38	30.30%	0	17	8	107	-84.11%
	Group Non Single Premium	0.00	0.00	0.00	0.00	---	0	0	0	0	---
	Total	**731.80**	**5613.69**	**559.85**	**4808.17**	**16.75%**	**59242**	**547031**	**56116**	**524138**	**4.37%**
16	**PNB Metlife Life Insurance Co. Ltd.**										
	Individual Single Premium	12.03	89.57	1.50	14.53	516.58%	202	1341	28	448	199.33%
	Individual Non Single Premium	142.00	1140.19	128.13	1165.55	-2.18%	22315	207996	18144	175328	18.63%
	Group Single Premium	56.21	307.29	42.86	359.09	-14.43%	0	1	0	7	-85.71%
	Group Non Single Premium	0.06	0.62	0.03	0.59	4.64%	13	152	16	163	-6.75%
	Total	**223.31**	**1597.80**	**174.98**	**1588.98**	**0.55%**	**22530**	**209490**	**18188**	**175946**	**19.06%**
17	**Pramerica Life Insurance Limited.**										
	Individual Single Premium	0.08	1.77	0.46	7.95	-77.72%	3	2022	8	332	509.04%
	Individual Non Single Premium	8.50	101.19	11.83	144.78	-30.11%	2903	24261	3723	36965	-34.37%
	Group Single Premium	13.36	75.31	18.91	267.24	-71.82%	0	11	3	54	-79.63%
	Group Non Single Premium	0.00	0.00	0.00	0.00	---	0	0	0	0	---
	Total	**23.18**	**201.87**	**34.16**	**493.13**	**-59.06%**	**2917**	**26480**	**3754**	**37805**	**-29.96%**
18	**Reliance Nippon Life Insurance Co. Ltd.**										
	Individual Single Premium	4.21	46.88	6.68	46.35	1.14%	144	1379	189	1398	-1.36%
	Individual Non Single Premium	87.04	748.78	81.02	786.87	-4.84%	17100	164077	17547	182821	-10.25%
	Group Single Premium	0.00	0.00	0.00	0.72	-100.00%	0	0	0	0	---
	Group Non Single Premium	10.30	106.32	8.16	48.37	119.79%	4	28	1	14	100.00%
	Total	**102.39**	**911.89**	**96.11**	**896.28**	**1.74%**	**17255**	**165536**	**17739**	**184268**	**-10.17%**
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	265.31	2212.34	121.35	1499.95	47.49%	5237	42048	2847	29941	40.44%
	Individual Non Single Premium	919.98	8500.48	605.01	8935.66	-4.87%	145974	1380449	112149	1399601	-1.37%
	Group Single Premium	548.43	7033.75	335.20	4828.35	45.68%	18	149	3	80	86.25%
	Group Non Single Premium	0.51	14.34	5.04	16.89	-15.10%	0	2	0	0	---
	Total	**1750.73**	**18064.31**	**1081.83**	**15464.34**	**16.81%**	**151239**	**1422950**	**115014**	**1430182**	**-0.51%**
21	**Shriram Life Insurance Co. Ltd.**										
	Individual Single Premium	4.33	46.91	3.44	34.18	37.23%	141	1330	136	1787	-25.57%
	Individual Non Single Premium	42.71	400.87	41.30	396.36	1.14%	27178	233937	26534	236867	-1.24%
	Group Single Premium	37.79	153.36	19.13	177.64	-13.66%	0	3	0	5	-40.00%
	Group Non Single Premium	0.00	0.00	0.00	0.00	---	0	0	0	0	---
	Total	**99.89**	**701.51**	**64.50**	**620.79**	**13.00%**	**27339**	**235388**	**26670**	**238671**	**-1.38%**
22	**Star Union Dai-Ichi Life Insurance Co. Ltd.**										
	Individual Single Premium	21.69	178.82	13.60	88.63	101.75%	438	3309	234	1860	77.90%
	Individual Non Single Premium	82.41	559.81	58.39	493.75	13.38%	12206	81807	7467	69192	18.23%
	Group Single Premium	22.87	131.98	11.95	78.73	67.62%	0	2	0	0	---
	Group Non Single Premium	0.02	1.04	0.17	1.60	-35.15%	0	0	0	0	---
	Total	**141.48**	**978.84**	**87.72**	**696.29**	**40.58%**	**12646**	**85134**	**7701**	**71065**	**19.80%**
23	**Tata AIA Life Insurance Co. Ltd.**										
	Individual Single Premium	28.83	544.89	39.53	402.26	35.46%	266	3451	282	2537	36.03%
	Individual Non Single Premium	311.90	2650.41	300.17	2321.77	14.15%	41280	375885	58384	427122	-12.00%
	Group Single Premium	4.75	25.49	3.34	36.99	-31.09%	0	1	0	0	8
	Group Non Single Premium	3.12	48.54	9.92	71.69	-32.29%	1	44	-3	62	-29.03%
	Total	**354.12**	**3352.90**	**357.18**	**2856.80**	**17.37%**	**41582**	**379650**	**58695**	**429893**	**-11.69%**
	PRIVATE										
	Individual Single Premium	1435.62	11593.61	924.88	8103.80	43.06%	21666	176194	18575	187625	-6.09%
	Individual Non Single Premium	4437.01	36097.47	3632.26	37034.30	-2.53%	643431	5883958	613890	6095860	-3.48%
	Group Single Premium	2896.11	25858.53	2127.43	22027.22	17.39%	89	904	305	1314	-31.20%
	Group Non Single Premium	18.79	255.10	43.37	188.54	35.30%	22	276	22	316	-12.66%
	Private Total	**9504.64**	**78792.65**	**8128.51**	**72576.68**	**8.56%**	**665670**	**6066720**	**633146**	**6290056**	**-3.55%**
24	**Life Insurance Corporation of India**										
	Individual Single Premium	1563.58	26326.66	888.55	20854.55	26.24%	74805	838262	40515	805455	4.07%
	Individual Non Single Premium	2387.23	22537.86	2236.02	27580.84	-18.28%	2164872	15469225	1100285	19920980	-22.35%
	Group Single Premium	8597.97	101275.43	6726.37	84695.66	19.58%	76	384	26	963	-60.12%
	Group Non Single Premium	227.16	5299.21	537.53	27184.76	-80.51%	653	6131	38	2268	170.33%
	Total	**12920.57**	**156068.64**	**10404.68**	**160910.51**	**-3.01%**	**2242595**	**16334410**	**1143145**	**20753444**	**-21.29%**
	GRAND TOTAL	**22425.21**	**234861.30**	**18533.19**	**233487.19**	**0.59%**	**2908265**	**22401130**	**1776291**	**27043500**	**-17.17%**

Glossary



Investment Income Accrued
Investment income earned as of the reporting date but not legally due to be paid to the reporting entity until subsequent to the reporting date.

Investment Income Due
Investment income earned and legally due to be paid to the reporting entity as of the reporting date.

Investment Income Gross
Shall be recorded as earned and shall include investment income collected during the period, the change in investment income due and accrued, the change in unearned investment income plus any amortization (e.g., discounts or premiums on bonds, origination fees on mortgage loans, etc.)

Poll

Do you think increase of the FDI limit to 74% will help in increasing penetration?

Yes

No

Can't say

Results of Poll in our March 2021 Issue

Do you think more efforts are needed for road safety by all stakeholders to prevent accidental deaths in road accidents?

Yes	100
No	00
Can't say	00

You may send your views to :
Poll Contest, **The Insurance Times**
25/1, Baranashi Ghosh Street, Kolkata - 700 007
Phone : 2269 6035, 2218 4184, 4007 8428
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