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THE INSURANCE TIMES

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The Insurance Times

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Editor-in-Chief's Desk

Ram Gopal Agarwala
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With the advent of electronic vehicles the future of Motor Insurance market in India is set to change drastically. With the scarcity of Petroleum products and dominance of few countries in supplying petrol, countries are aggressively looking for alternate technology/options like electric vehicles, alternate cheaper fuels, solar powered or any other similar technology. May be down the line after 10-15 years the vehicle insurance market may transform completely.

The government is giving lot of push for E vehicles which will help to save rising fuel costs, low maintenance, more longevity, and cheaper vehicles. Once the e-vehicles dominate the Indian market, the scenario of vehicle insurance may also transform completely. The cost of insurance will decrease, servicing cost will decrease and costs of parts will reduce. Currently Motor insurance contributes significant amount in general insurance portfolio. The general insurance industry must undertake continuous research and development in this area to understand the possible disruption in the market and frame strategies accordingly.

Climate Change is another area which needs serious consideration by Insurance Industry. The climate change has already started to impact us in big way and moving forward the intensity will continue to increase. As the businesses and economies get impacted, the insurance industry too will feel the heat. The size and frequency of claims will rise with lot of unpredictability and uncertainty. Insurance Companies and regulators must invest sufficient resources for research in the area of climate change as this may alter the whole dynamics of insurance business.

IRDAI is still headless with retirement of earlier chairman Mr. S C Khuntia. The succession planning should be done, way ahead of possible vacancy. It has been seen that government is taking lot of time in filling up of top posts.

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General Insurance News

SBI General Insurance to use drones for fast claim settlement in cyclone-hit states

SBI General Insurance said it will use drones to carry out surveys and assess damage caused by cyclone 'Yaas' in parts of Odisha, West Bengal and Jharkhand in a bid to speed up the claim settlement process for its customers affected by the natural disaster.

The insurer has also set up a task force to manage queries and claims on a fast-track mode, a company official said.

"The company has reached out to a panel of surveyors to avoid any loss of time in the claim settlement process," he said.

The team at SBI General has set a standard operating process in motion, and instant settlement will be done for small claims, he said.

Additionally, the insurer follows a process of fast- track settlement for losses of up to Rs. 10 lakhs, the official said.

"These initiatives will help claim processing and settlement in the cyclone-affected areas in West Bengal and Odisha," he said.

Most of the damage has been reported in coastal villages and farmlands, the official said.

Cyclone 'Yaas', packing winds of up to 130-145 kmph, whiplashed the country's eastern coasts on Wednesday, dumping heavy rain, damaging houses and farmlands, and leaving at least four persons dead - three in Odisha and one in West Bengal.

Niti Aayog recommends privatization of UIIC

The NITI Aayog has recommended privatisation of state-owned insurer United India Insurance Company as the government aims to move ahead with its new public sector enterprise (PSE) policy for Atmanirbhar Bharat. The policy think tank has suggested that the public sector insurer be considered for privatisation in the banking, insurance and financial services sector, which has been classified as 'strategic' in the PSE policy, said an official.

Infusing equity in ECGC cover will benefit the sector

The government's decision to boost export insurance cover by infusing equity in Export Credit Guarantee Corporation (ECGC) and providing additional corpus to the National Export Insurance Account (NEIA) for project exports over the next five years would help ease liquidity crunch and mitigate risks, say exporters.

The decision to infuse equity in ECGC over five years to boost export insurance cover by Rs. 88,000 crore, announced by Finance Minister Nirmala Sitharaman, would certainly benefit exporters as there will be higher leverage for banks towards export finance, said Rakesh Kumar, an exporter of handicrafts and Director General of the Export Promotion Council for Handicrafts. "As the coverage for exporter under ECGC would increase, it would encourage many more exporters to avail of the services of ECGC and mitigate their risk," he said.

ECGC promotes exports by providing credit insurance services and support around 30 per cent of India's merchandise exports.

While the ECGC has, at present, been managing to provide facility to all exporters, augmenting the funding is a welcome move and shows positivity for the future, said Sanjay Jain, Chairman, Confederation of Indian Textile Industry.

"In the long term, as the ECGC gets better capitalised, it can provide more support to the exporters as their need for insurance increases," Jain explained.

The planned infusion of additional equity will make ECGC stronger and increase exports, if the scheme starts covering risky importers also, said Anupam Shah, an engineering goods exporter.

Insurers want early implementation of IFRS norms

Insurance companies have sought early implementation of the International Financial Reporting Standards (IFRS) from the government. The move would help insurers in India in shifting towards a risk-based solvency and supervision regime.

The request was made when the government had sought suggestions on amendments to the Indian Insurance Companies (Foreign Investment) Rules, 2015, that impose certain restrictions on insurers with foreign investment over 49 per cent.

The industry has been seeking clarity on the implementation of IFRS, as its timeline has been deferred by the Insurance Regulatory and Development Authority of India (IRDAI), said a senior government official.

"Insurance companies have been keen on the early implementation of IFRS. It will not require them to maintain or reserve anything extra," he added. The adoption of the new accounting standards will help in moving towards a risk-based solvency and supervision regime, which will be "easier and attractive" to foreign investors, said the official.

This will further boost foreign capital in the insurance sector, he added. The government is likely to take up the issue with IRDAI.

Tata AIG General aims to expand

Tata AIG General Insurance is hopeful of expanding its footprint this fiscal despite challenges from the ongoing Covid-19 pandemic. The insurer is eyeing a premium of at least Rs. 10,000 crore and is set to launch new products.

"We are looking to cross about Rs. 10,000 crore mark overall this fiscal," said Parag Ved, President and Head, Consumer Lines, Tata AIG General Insurance.

The company had gross direct premium underwritten of Rs. 8,402 crore in 2020-21 and a market share of 4.05 per cent.

Its gross premium underwritten grew by 15.29 per cent in the first three months of the current fiscal to Rs. 2,074.01 crore by June 30, 2021 compared to Rs. 1,798.97 crore a year ago.

"Despite the disruption from the pandemic, last year was a good year for us. Prior to the pandemic, we had made certain strategic investments and identified key areas two years back. Health was clearly identified as a very focussed product for us," Ved said.

The insurer has worked out a strategy of creating a standalone health insurance kind of a set up, which has boosted its customer acquisition in the segment.

Non-life insurers' GDPI grows by 13.7%

India's non-life insurers in the June quarter have reported a 14% growth in gross direct premium income (GDPI), led largely by demand for health insurance covers during the deadly second wave of Covid-19, latest data released by sector regulator IRDAI showed.

These companies registered premium collections worth Rs. 44,434.96 crore in the first quarter of 2021 as against Rs. 39,054.82 crore in the year-ago period. Non-life insurers include general insurers, standalone health insurers and PSU insurers.

For the month of June, the insurers collected premiums worth Rs. 14,809 crore as against Rs. 13,842 crore in the same month last year, registeringa growth of 6.9%. General in surers, 15 in total, who maintain portfolios in segments such as motor, liability health, travel, crop and SMEs registered premiums worth Rs. 39,810.39 crore in the june quarter against Rs. 35,839.88 in the same period of last year, up 11%.

The April-June quarters in both 2020 and 2021 were characterised by strict country wide lockdowns.

Even as June 2021 has seen a revival in business activities, the demand for insurance covers barring health remains subdued according to experts.

Cabinet approves privatisation of general insurance firm

The Union cabinet has approved amendment to the General Insurance Business (Nationalisation) Act, 1972 paving way for privatisation of one state-run general insurer.

The amendments, approved by the cabinet, will remove the clause for the Centre to hold at least 51 per cent in public sector insurance companies at any given time and transfer of management control to private players in case of a shortlisted firm. It will also have an enabling provision for the transfer of management control from the government to the potential buyer of the public sector insurance company.

Following the cabinet nod, a bill will be moved in Parliament. Although the bill is not part of the indicative schedule of legislation for the monsoon session, it is not clear whether the bill will be introduced during any of the remaining days of the session that is scheduled to end on August 13. Reports suggest that the finance ministry will move amendments to the insurance act in the ongoing Parliament session.

It is also learnt that once the bill is passed it will pave the way for overseas investments in a government-owned insurer up to the ceiling of 74 per cent since the Centre has already increased foreign direct investment in the insurance sector. ❑

IRDAI News

Mandatory to continue offering standard Corona policies: IRDAI tells insurance companies

After receiving multiple complaints of some insurance companies not issuing the Corona Kavach and Corona Rakshak policies, the Insurance Regulator and Development Authority of India (IRDAI) on Monday reiterated that it is mandatory for all general and health insurers to offer these standard Covid-19 policies to policyholders. In the wake of the first wave of Covid-19 last year, IRDAI had directed all non-life insurance companies to roll out these two standard Covid-19 policies by July 10, 2020.

This was mainly targeted at people who did not have any health insurance cover. These policies were earlier permitted to be offered till March 31, 2021, and with second wave hitting the country, the regulator allowed insurers to offer and renew these standard Covid policies up to September 30, 2021.

An industry expert pointed out that the rising Covid claim ratios have been pinching insurers. He pointed out that the pricing of standard Covid products, that were fixed last year by insurers, do not seem viable anymore in the face of rising Covid claims. "When we priced it and launched these policies, no one had the visibility of the numbers... but at the same time, no one had predicted that the numbers could go so bad within a year...we took a hit last year, but it is difficult to continue like this. Therefore, many insurance players are no longer pushing this policy," another industry source said.

Besides he added that revising the premium of such policies, where sum insured is not very high, does not make sense even for sellers of the policy as well as buyers. While Corona Kavach is an indemnity-based product, Corona Rakshak is a benefit-based product. While benefit policies pay a fixed amount following a claim, indemnity plans provide either cashless or reimbursement for the money spent on medical treatment. Both are offered for a tenure of three and half months, six and half months or nine and half months. While the sum insured in Corona Kavach ranges between Rs 50,000 to Rs 5 lakh, in Corona Rakshak, it ranges between Rs 50,000- Rs 2.5 lakh.

Delay in appointing new IRDAI chief: insurance sector worried

A delay of over two months by the central government to appoint the new IRDAI chairman following the retirement of former chairman Subhash Khuntia, is hampering regulatory progress and causing business disruptions for India's insurance sector amid the coronavirus pandemic, according to industry stakeholders. Mr Khuntia retired from the post on 6 May. Insiders claim that there is a backlog of crucial policy considerations and routine clearances are getting delayed

These concerns have been further exacerbated as the country's insurance sector has taken a massive hit owing to the devastating second wave of the COVID-19 pandemic in the second quarter of this year. Highlighting one such concern, an industry executive requesting anonymity said: "The renewal of reinsurance Unique Identity Numbers (UIN) has been stuck for several weeks now in the general insurance category. These are routine clearances, and delays are affecting the pricing of policies."

The chief executive of a general insurer said that the delay is affecting key industry decisions. For instance, third party motor insurance rates which are set every year by the regulator are yet to be approved for the financial year starting 1 April 2021 (FY22). "The rates were not specified in FY21 either due to COVID-19. This means that insurers are operating on rates specified in FY20, over two years ago," the executive said. According to a report in Hindu Business Line, although about 30 candidates had reportedly applied for the post and a shortlist drawn up, no one has been named to the position so far.

IRDAI nods to raise premium on Corona Kavach Policy

BIG development for general insurance companies and for the customers. The pressure on general insurance companies is likely to come down. This will have a positive impact on ICICI Lombard General Insurance Company Limited and The New India Assurance Company Limited.

In the second wave of the Coronavirus Pandemic, the claims received by the General Insurance Companies increased significantly. Even the direction by Insurance and Regulatory Development Authority of India (IRDAI) to launch health insurance cover exclusively for the treatment of Covid-19 - Corona Kavach - at low premiums created pressure. As a result of which, the general insurance companies created such terms and conditions on the policy that it became unviable for customers to get this policy.

IRDAI allows non life insurers to offer home treatment as add-on cover

The Indian insurance regulator IRDAI has allowed non-life insurers to offer "homecare/domiciliary treatment" or treatment at home as an add on cover afresh or to their existing policies. In a circular to all non-life insurers including standalone health insurers, the Insurance Regulatory and Development Authority of India (IRDAI) has said companies have to file their products with it, if home treatment is offered as an add-on cover.

According to IRDAI, homecare treatment is one taken at home for an ailment that normally needs hospitalisation provided that a medical practitioner advises the insured home treatment; there is a continuous active line of treatment with the health status of the insured monitored daily by a medical practitioner during the duration of home treatment; and that records of daily monitoring of the insured patient and the treatment given are recorded and signed by a medical practitioner

Norms for settlement of claims should be mentioned in the policy document and prospectus, it said. IRDAI said that insurers can offer the cover to their existing policyholders by charging an additional premium for the residual period of time. Reacting to the development, Liberty General Insurance Ltd's CEO and Whole Time Director Roopam Asthana saidthat the "add-on cover has to be priced right taking into account the data and possible scenarios". ❑

Govt to scrap 51% holding clause to privatise insurer

The government is ready with a proposal to amend insurance laws to privatise one of the three unlisted general insurance companies. The draft Bill, which has been sent for approval by the Union Cabinet before introducing it in Parliament, seeks to remove the 51% floor on government holding, official sources told TOI. Foreign investors will be able to hold up to 74% in the divested general insurance firm subject to Indian management and control, government sources said, while ruling out any plan to sell New India Assurance or GIC.

While NITI Aayog has suggested the name of at least one general insurer to be privatised, sources said, a decision on which one of the three — United India, National or Oriental Insurance — will be privatised is yet to be taken. The name has been shared with the Department of Investment and Public Asset Management and will be recommended by a panel of secretaries with ministerial panel taking a call on it before it is endorsed by the Union Cabinet.

The sources indicated that the process of finalisation will take place after the Bill is cleared by Parliament. The government is hoping for its passage later in the year, paving the way for privatisation of India's first insurance company sometime next year. In the Budget, finance minister Nirmala Sitharaman had announced the privatisation of one general insurance company and two public sector banks, for which the process is yet to commence.

The Finance Ministry is planning to amend the banking laws for the sale of the two state-run lenders later this year and the Bill to amend the Bank Nationalisation Act will draw upon some of the features of the General Insurance Business (Nationalisation) Act. As reported first by TOI on June 7, NITI Aayog has identified Central Bank of India and Bank of Maharashtra for privatisation. Government sources said that work has already begun on the listing of Life Insurance Corporation (LIC) later in the financial year with the valuation exercise underway. The valuation will help the government decide on the size of the issue, which will also be based on the feedback it receives during roadshows in the coming months.

LIC of India News

Govt. to invite Merchant bankers bids

The government is likely to invite bids from merchant bankers for managing LIC disinvestment as it moves ahead with plans to launch the IPO by January, an official said. The Department of Investment and Public Asset Management (DIPAM) had in January appointed actuarial firm Milliman Advisors LLP India to assess the embedded value of LIC ahead of the IPO, which is touted to be the biggest public issue in Indian corporate history.

The official further said the Budget amendments to the LIC Act have been notified and the actuarial firm would work out the embedded value of the life insurer in the next couple of weeks.

Under the embedded value method, insurance companies' present value of future profit is also included in its present net asset value (NAV).

"We will invite bids for appointment of merchant bankers in the next couple of weeks," the official said, adding discussions are going on with institutional investors.

"We are hoping to get regulatory approvals by November-end," the official said. Up to 10 per cent of the LIC IPO issue size would be reserved for policyholders.

The LIC Amendment Act has been made part of the Finance Act, thereby bringing the required legislative amendment for launching IPO of the country's largest life insurer.

LIC's auditor appointment turned into a board driven process

The Centre has taken one more step towards making Life Insurance Corporation (LIC) 'IPO ready' by turning the statutory auditor appointment into a board driven process, in line with SEBI's listing requirements. Hitherto, the statutory auditor for central office and zones required the Centre's approval.

The Finance Ministry's Department of Financial Services has amended the LIC Rules, 1956 for a new framework on the selection of auditors.

No longer will the government appoint the auditor, but it will be the shareholders at the Annual General Meeting, according to LIC observers.

Under the new process, LIC's Audit Committee will recommend to the board for adoption a policy for selection of auditors. On the Board adopting this policy, the Audit Committee will draw up a panel of auditors and recommend to the board an individual or a firm for appointment. The board will then place the matter before shareholders for their approval at the AGM.

SN Ananthasubramanian, former ICSI President and practising company secretary, said: "The amendments to the LIC Rules which introduce various aspects of board-monitored governance, are essentially to make LIC IPO ready."

Ashok Haldia, former CA Institute Secretary, said that the overhaul in auditor appointment provisions, "together with other amendments to the LIC Act/ Rules is a step that could enhance corporate governance and transparency, giving more comfort to investors looking to come on board LIC,"

Retirement age of LIC chairman extended to 62 years

The government has extended the superannuation age of IPO-bound LIC Chairman to up to 62 years by making amendment to the Life Insurance Corporation of India (Staff) Regulations, 1960.

The changes made in the rules will be called the Life Insurance Corporation of India (Staff) Amendment Rules, 2021, according to a government notification dated June 30, 2021.

It is to be noted that the retirement

age for the top executives of the majority of PSUs is 60 years, barring a few exceptions, including the State Bank of India (SBI).

"Notwithstanding anything contained in these rules, if the Central Government appoints the Chairman for a term of office that extends beyond sixty years of age, or extends his term of office to a period beyond the said age, he shall not superannuate till he completes such term, or till he attains the age of sixty-two years, whichever is earlier, the gazette notification said.

Last month, the government approved a nine-month extension to LIC Chairman M R Kumar till March next year in view of the insurer's proposed initial public offer towards the end of the current fiscal.

LIC's holding in IDBI bank to be sold

LIC's holding in IDBI Bank would be sold along with the government's stake in the lender's disinvestment, but the exact quantum of stake dilution is yet to be decided, the Department of Investment and Public Asset Management (DIPAM) has said.

The central government and LIC together own more than 94 per cent equity of IDBI Bank.

LIC, currently having management control, has 49.24 per cent stake, while the Government of India holds 45.48 per cent. Non-promoter shareholding stands at 5.29 per cent.

The Cabinet in May had approved the strategic sale of the entire stake of the government and Life Insurance Corporation (LIC) in IDBI Bank Ltd.

In response to queries received from potential transaction advisors, the DIPAM has clarified that since LIC's stake would be sold along with that of the government's, a single transaction advisor would manage the entire share sale process.

"The mandate received from CCEA is to off-load upto 100 per cent stake of GoI and LIC alongwith transfer of management control. However, the exact quantum is yet to be worked out. It will be determined, as we go through the transaction and ascertain investors' interest, market appetite etc.

"It is clarified that LIC's stake will be sold alongwith GoI's shareholding in this transaction. So there is only one transaction advisor," it said.

The quantum of stake dilution would be declared before RFP (Request for Proposal) stage of the transaction, it added.

The DIPAM had last month invited bids from transaction advisors and legal firms for managing and advising on the strategic sale and transfer of management control in IDBI Bank.

LIC post of executive chairman scrapped

Life Insurance Corporation of India (LIC), which is gearing up to launch a mega initial public offering (IPO), will now have a Managing Director and Chief Executive Officer instead of an Executive Chairman on the pattern of public sector banking industry.

The changes have been made by the Department of Financial Services under the Finance Ministry by amending Life Insurance Corporation of India (Employees) Pension (Amendment) Rules. Besides, some other rules under LIC Act, 1956, have been amended.

"Chief Executive and Managing Director means the Chief Executive Officer and Managing Director appointed by the Central Government under section 4 of the Act (LIC Act 1956)," according to a gazette notification. While public sector banks are run by MD and CEO appointed by the government, the board of directors will be headed by a non-executive Chairman selected by the government.

Currently, LIC top management consists of the Executive Chairman and four Managing Directors. The Chairman of the LIC is a government of India Secretary rank officer. With the executive powers now going to the proposed MD and CEO, LIC is likely to get a Non-executive Chairman who chairs the board meetings.

However, it's not yet clear about the role and designation of four MDs of LIC. "The full picture about the composition of the top management is yet to be clear as the government is yet to clarify how they are going to redesignate posts existing four MDs. Obviously, there can't be five MDs for LIC," said industry observers.

However, while Chairman and MD posts in nationalised banks are split, State Bank of India still has an Executive Chairman and four MDs.

Govt. approaches IRDAI to allow listing of 'corporation'

The government has approached the insurance regulator to seek an exemption for listing of a 'corporation' as it prepares for Life Insurance Corporation of India's (LIC) initial public offering (IPO), expected to be the largest offering in the country.

The Department of Investment and Public Asset Management (Dipam) is in talks with the Insurance Regulatory and Development Authority of India (Irdai) to seek an exemption for the listing of an insurance 'corporation' on the exchanges, as LIC would be the first insurance corporation coming with an IPO said an official.

Irdai's current guidelines allow listing of insurance companies that are governed by the Companies Act on the exchanges, the official added. Although several changes were made in the LIC Act to align the insurer with the provisions of the Companies Act for its listing, it is still a corporation, he said.

The markets regulator, Securities and Exchange Board of India (Sebi), allows listing of corporations, but an exemption will have to be sought from Irdai, he said.

The discussions have started as the government prepares for India's largest IPO, which is expected to shore up government's revenues in the pandemic-struck year.

These approvals are being sought even before the embedded value of the insurer is derived, and the size of the IPO is decided, so that the IPO timeline is shortened. The government is planning to launch the IPO in the last quarter of the current fiscal year.

LIC gets IPO-ready by cleaning books

The Life Insurance Corporation of India (LIC) is cleaning up its books ahead of its initial public offering (IPO) later this year. The corporation, which brought down its net non-performing assets to 0.05% as of March 2021 from 0.79% as of March 2020, is now selling its fully provided NPAs.

As part of its IPO plans, the corporation plans to audit its half-yearly accounts for the period ended September 2021. Traditionally, the corporation has been publishing only full-year accounts. The half-yearly accounts are likely to include the embedded value - a valuation method unique to insurance companies that includes the net present value of future earnings from policies. LIC has appointed Milliman as the actuary for the process and EY as the advisers.

The corporation is simultaneously engaged in the recast of its capital base that will enable the distribution of shareholding over a much wider base. The government is determined to complete the public issue during the current fiscal and, with that in mind, is working toward ensuring that the corporation's books are IPO-ready as of end-September.

The ministry is putting the remaining legislative changes in place. LIC, too, is working overtime to put in place policies to comply with Sebi regulations for listed companies.

Although LIC has a large corporate debt portfolio, the share of exposure to corporate debt is small considering that it has policyholder funds, which have gone up to Rs 34,87,654 crore.

IDBI Capital Markets has put on the block LIC's exposure to 15 companies, including DHFL, Reliance Communications, Reliance Capital, Jaiprakash Associates, Amtek Auto, IL&FS and Sintex. According to sources, the corporation has fully provided for these loans and the sale would improve the quality of its portfolio. Sources said that it is not selling the entire portfolio of default debt, but is doing so in a phased manner.

Arogya Rakshak insurance plan launched by LIC

The Life Insurance Corporation of India (LIC) has introduced Arogya Rakshak, a non-linked, non-participating, regular premium, individual, health insurance plan.

The plan provides fixed benefit health insurance cover against certain specified health risks. It provides timely support in case of medical emergencies and helps the insured and his family to remain financially independent in difficult times, LIC said in a release.

The plan has been launched on Monday at LIC Zonal Office unit, Bengaluru by Zonal Manager (South Central Zone) M. Jagannath through video conference, in which Regional Manager (Marketing) AP-Telangana S.Sainath and Regional Manager (Marketing) Karnataka Uday Kumar Navani were among those who participated.

The release said an individual can insure himself/herself (as principal insured), the spouse, children and parents under one policy. ❑

Insurers likely to spike up premiums

The health insurance segment, which witnessed a 30.9 per cent jump in the June quarter, and term cover plans of life insurers are likely to witness a spike in premium in the next couple of months in the wake of huge claims and losses, amid the Covid pandemic. This year, life insurance Covid claims have seen a jump of 4-5 times when compared to the last year. "As a result, insurance companies have experienced losses, with even big ones that were making profits for 10 years in a row. Health claims have also shot up with the Covid second wave hitting insurers hard," said an insurance source.

"With the third Covid wave expected any time, prices will be rising again for sure. There is no way insurance companies will be able to sustain at current prices as the provisions made were getting exhausted in the second wave itself. The rise will be different for various companies and segments," he said. "I have burnt fingers in the Covid health claims," said an official of a PSU general insurer.

Health Insurance News

India Inc able to claim deduction on financial support

India Inc will be able to claim deduction on financial support provided to employees and their families for medical expenses or ex-gratia payments in the event of death due to Covid-19. The government had exempted the recipients from taxation of any financial help received from their employers and or others to meet their Covid-19 treatment expenditure in the financial year 2019-20 and onwards.

Group health insurance cost rises

Rising Covid claims are pushing up the cost of group health insurance for employers by 25%-40% in the wake of the second wave of the pandemic. This, even as new demand for employee health cover is coming from smaller employers like small and medium-sized enterprises (SMEs) and MNCs with less than 50 employees.

Small business owners are realising that the Employees' State Insurance Corporation (ESIC) programme under which they are covered is inadequate and are opting for commercial group cover.

Both Star Health & Allied Insurance MD S Prakash and SBI General Insurance head (product development) Subramanyam Brahmajosyula said that they are seeing 40%-50% growth in SME business compared to last year.

Companies that have adopted the full work-from-home model get a relatively lower hike on premium as risk exposure is lower as well as the claims raised.

"On an average, we have recorded a 30% rise in the premium price of group health policies as compared to the previous year. On requests, we provide add-on covers where tele-medical consultations and elderly care are covered, against an additional premium. This also includes consultations for mental illnesses," said Future Generali India Insurance chief operating officer Shreeraj Deshpande.

Insurtech company Vital's co-founder Jayan Mathews said, "Since the pandemic outbreak, employees expect an inclusive and cost-effective group health policy which covers post-Covid effects - including counselling for mental health and wellness. There is an added pressure on employers to provide inclusive wellness care for employees who work from home." Vital co-develops the insurance cover with Care Health Insurance and integrates with healthcare platforms for wellness benefits. The rise in premium is because the second wave has made health insurance less profitable.

Home care cover beneficial for non-cov patients

With the fear of third wave of Covid-19 looming large, insurance regulator IRDA has urged insurers to explore a product for home treatment of non-Covid patients.

National Insurance Company (NIC), one of the leading PSU insurers, said earlier this week there has been a discussion with IRDA for a product which would cover home treatment in individual policies for non-Covid patients, including critical illness.

The home treatment was allowed in September following opening of satellite centres by hospitals and for Covid patients at home. It is also allowed for some corporate health insurance policies. The new product would be in personal health insurance domain. Individual health policies constitute the bulk of health insurance industry and IRDA now wants to expedite cover for non-Covid cases in these new normal times.

But, sources said insurers are yet to finalise the modalities of the product. "It is in the discussion stage. We are looking at different aspects like pricing of the product. Secondly, whether it can be offered as an add-on benefit with existing products with a higher premium. It will be discussed with actuaries and then we might devise the product and file it to IRDA," sources added. Actuaries apply mathematical and statistical methods to assess risk in insurance, finance, and other industries.

An official of a leading private insurance company also said there has been a verbal discussion with IRDA for a possible home product for non-Covid cases. But, he pointed out that it is yet to take any call on this. "

Jyotirmay Kundu of Heritage TPA pointed out that in some corporate policies home treatment is already covered.

Chiranjib Bera of Raksha TPA said planned hospitalization is still being cancelled or deferred due to Covid fear.

Insurers settle 80 percent claims

After the second wave of Covid-19 swept India in April-May, insurance companies settled about 80 per cent, or more than 15.39 lakh health claims exceeding Rs. 15,000 crore as on June 22, said a top IRDAI official.

"Over 19.11 lakh Covid health claims have been reported as on June 22 as far as medical insurance or hospitalisation is concerned.

"While in terms of death claims, which is handled by life insurers, about 55,276 claims have been intimated and, nearly 88 per cent, or 48,484 claims amounting to Rs. 3,593 crore, have already been settled," said TL Alamelu, Member (Non-Life), IRDAI, while inaugurating 13th Global Insurance E-Summit organised by industry chamber Assocham.

She added that the repudiated claims for health is 4 per cent and in life it is just 0.66 per cent.

Alamelu, however, said that these figures showcase the opportunity available for insurers; although Ayushman Bharat covers health for many people, there are other schemes, including specialised State schemes, but many people are not covered by insurance in any form.

Only 14% of Covid deaths had insurance cover

While the country reported over 3.91 lakh deaths due to Covid-19 pandemic, only 14 per cent of them - 55,276 deaths - have made insurance claims so far, indicating the poor life insurance penetration in the country.

Out of 55,276 claims intimated to the insurance firms, nearly 88 per cent - 48,484 claims - amounting to Rs 3,593 crore have already been settled, said L Alamelu, Member (non-life), Insurance Regulatory and Development Authority of India (IRDAI). On the other hand, insurance companies have settled about 80 per cent - over 15.39 lakh - of health claims exceeding an amount of Rs 15,000 crore as on June 22. Over 19.11 lakh Covid health claims have been reported as on June 22 as far as medical insurance or hospitalisation is concerned, Alamelu said.

The repudiated claims for health cover are just about 4 per cent while in life it is just about 0.66 per cent, which is negligible, she said.

Alamelu said these figures showcase the opportunity available for insurers. "Now we are grappling with the problem that most of these people have spent a good amount of their savings. It has even taken many below the poverty line, they have gone into debts, sold their assets, pledged their jewellery and have been pushed back to the worst times," she said while addressing an Assocham event.

She said both the insurance industry and the regulator have worked together to design new policies to cater to the demands of new and unprecedented situation. "We have also eased some processes and procedures to make it easier for servicing the policyholders," Alamelu said.

Max Bupa Rebrands to 'Niva Bupa'

Max bupa the health insurance company announced in a press release that it will be rebranding itself to Niva Bupa. The rebranding, which is part of an overhaul strategy aims to introduce a range of new products and digitally-enabled services under the Niva Bupa banner. The company is currently backed by True North and the Bupa Group, it plans to use the new brand to democratize health insurance by leveraging more customer touchpoints and provide better financial assurance the company said.

The new brand name and approach comes in light of the change in shareholding patterns as India left the company, which made way for the entry of the Private Equity firm, True North. This change in shareholding patterns made it necessary for the company to rebrand its identity as part of the transition, the press release revealed. The company arrived at the name 'Niva Bupa' after allegedly doing in depth customer testing, interviews, surveys and gaining insights. The customer base that was targeted for this research were new-age millennials and middle-aged customers who were either existing or first-time buyers of health insurance products as per the release. ❑

Private Life Insurance News

Digit Insurance achieves valuation of $3 bn

Canadian billionaire Prem Watsa-backed Digit Insurance has achieved a valuation of $3.5 billion with its latest fundraising round of $200 million from existing investor Faering Capital and some new ones like Sequoia Capital India and IIFL Alternate Asset Managers. The investment is subject to regulatory approvals.

With this round of funding, the total capital infusion into Digit has crossed Rs 3,000 crore - the highest for any non-life company in India. The fundraising follows a 44% growth in premium to Rs 3,243 crore. Insurance companies need to set aside capital for solvency in proportion to the business they write.

The company counts Virat Kohli among investors. The latest fundraise will result in a 5% dilution in the company's equity.

Digit Insurance chairman & founder Kamesh Goyal said that 99% of the company's business by volume and 85% by value is generated digitally. The company's digital platform equips it to be competitive on pricing and its use of analytics has enabled it to achieve the highest retention ratio for the entire industry in motor insurance at the time of renewal.

Motor insurance is the largest business segment, accounting for around 75% of the company's premium income. Digit's digital platform allows the company to ramp up its business without a corresponding increase in operating costs. This also enables it to do significantly higher business in smaller towns, where insurance distribution infrastructure is not developed. In the first two months of the current fiscal, Digit managed to grow premium by 70%, which is more than four times the 17% growth recorded by the industry.

Standard Life to sell 3.5% in HDFC Life

Standard Life of UK, the joint venture partner of mortgage financing major HDFC in HDFC Life Insurance, is aiming to mop up about Rs 5,200 crore by selling a 3.5% stake in the insurer through block deals. Standard Life has mandated JP Morgan India and BofA Securities to sell 7 crore HDFC Life shares at price between Rs 658 and Rs 678 each, the term sheet for the deal showed.

At the lower end of the price band, the offer is at a 5.5% discount to HDFC Life's closing price of Rs 696 on the BSE, while at the upper end the discount is 2.6%. If the whole of the 3.46% stake put up in the deal goes through, going by data on the BSE website, Standard Life would be left with 5.4% in the private life insurance major - down from 8.9% at the end of March 2021. If there is strong demand for HDFC Life shares, the seller may sell more than the 7 crore currently put up in the deal, the term sheet indicated.

In the last three and half years since November 2017 when the life insurer went public, Standard Life has reduced its stake in the company by a little over 20%. At the end of December 2017, the UKbased financial services major had a stake of nearly 29.4% in the company.

Drop in out-of-pocket expenses for policyholders

Insured people are seeing a drop in out-of-pocket expenses for Covid treatment in recent months, but they still have to shell out about 30 per cent of the claim amount.

Data with the Insurance Regulatory and Development Authority of India (IRDAI) reveal that, on an average, about 71.4 per cent of the claim amount for Covid-19 treatment is settled by insurers, while the remaining 29 per cent has to be paid out of pocket by the policyholder.

The data reveal that of the average claim amount of Rs. 1.33 lakh, as much as Rs. 95,512 is settled through insurance.

Earlier, out-of-pocket expenses were higher, and could be to the tune of about 40-45 per cent. Insurers say that there are various factors that lead to out-of-pocket expenses for customers during Covid treatment. However, it has come down significantly due to lower costs of consumables and standardised treatment protocols.

"Disallowances are around four main buckets. The first one is when the product runs out sum insured," said Rajagopal Rudraraju, Senior Vice-President and National Head, Accident and Health Claims, at Tata AIG General Insurance.

According to him, one of the biggest reasons for out-of pocket expenses by customers is that the amount of treatment exceeds the sum insured. "The insurer cannot do anything in such a case. In normal claims, this issue of sum insured running out comes up less frequently, but is more common in Covid-related health claims," he noted.

The cost of consumables such as PPE kits and gloves has also come down, but depending on the insurance cover it can add to the out-of-pocket expenses. "During the peak of the pandemic last year, it was up to 13 per cent to 15 per cent of the bill. Now, it is eight per cent to seven per cent of the bill," he said.

Rs. 2,180 crore bonus for some policyholders: HDFC life

HDFC Life announced a bonus of Rs 2,180 crore to its policyholders subscribing to participating insurance plans.

Under a participating plan, a policyholder is eligible to get a share in the profits of company in the form of bonus.

The eligible participating policyholders will get a share of the surplus generated in the participating fund and their benefit amount will increase with declaration of bonuses every year, HDFC Life said in a statement.

It exceeds the previous year's bonus by 44 per cent. A total of 15.49 lakh policyholders are eligible for this bonus, it said.

Out of the total amount, Rs 1,438 crore will be payable to policies in this financial year as bonus on maturing policies or as cash bonuses, said the insurer.

The remaining bonus amount would be payable in the future when policies exit on maturity, death or surrender.

HDFC Life MD and CEO Vibha Padalkar said the company remains committed to its policyholders in delivering the best in terms of products and services.

Life insurers seek a fix on third wave impact

India's life insurance sector is assessing possibilities of increasing Covid-19 specific provisions in FY22 to protect solvency margins in the event of a likely third wave as the impact of the second incidence exceeded their risk model estimates.

A sudden spurt in Covid-19 cases in countries such Israel and the United Kingdom, being seen by experts as a beginning of a possible global third wave, has created uncertainties among insurers on the extent of provisions to be made for a sudden increase in claims burden as seen during the second wave between April and June, according to industry insiders.

Some sections of the insurance industry also believe that the third wave of infections in India could also lead to a new round of price hikes for term premiums which have already been increased twice in the last 20 months owing to reinsurance pressures.

As per estimates shared by industry sources, India's life insurers settled around 25,000 death claims worth around Rs. 1,500 crore in the first quarter of FY22, just on account of coronavirus. This is more han what life insurers had settled in the first 12 months of the pandemic over FY21.

$1.4-bn gain for investor Fairfax

Prem Watsa, founder of Fairfax group, has struck a goldmine in his investment in Go Digit General Insurance Ltd. Fairfax Financial Holdings has made a $1.4-billion (around Rs 10,000 crore) gain after Digit launched a $200-million share sale at a valuation well above Fairfax's investment in the four-year-old company.

Watsa's investment in this comparatively small insurance firm has appreciated by ten times in a period of four years, making it one of the fastest appreciations in the insurance sector.

Since Digit was founded in 2017, Toronto-based Fairfax has invested approximately $154 million in the former. That investment is currently carried on Fairfax's balance sheet at $532 million and, when the new equity issuances by Digit close and the Indian government and regulatory approvals are given, will have an aggregate market value of approximately $2.3 billion, Fairfax said.

Fairfax had recently acquired a majority stake in CSB Bank.

Digit - which boasts of cricketer Virat Kohli as an investor - said it was raising money by selling stock to a group of institutional investors that includes Faering Capital, Sequoia Capital India and IIFL Alternate Asset Managers. The latest financing values Digit Insurance at $3.5-billion (Rs 25,900 crore). ❑

International News

Marine, aviation and transit insurance in Asia-Pacific to reach US$14.5bn by 2025

The marine, aviation and transit (MAT) insurance industry in Asia-Pacific is projected to grow from US$11.2bn in 2019 to US$14.5bn in 2025, in terms of written premiums, according to GlobalData, a leading data and analytics company.

GlobalData's insight report, 'Global Marine, Aviation and Transit Insurance Market to 2025 - Key Business Lines, Trends, Drivers, Challenges, Regulatory Overview and Developments', reveals that MAT insurance industry in Asia-Pacific will grow at a compound annual growth rate (CAGR) of 4.4% over 2019-2025.

Deblina Mitra, Senior Insurance Analyst at GlobalData, comments: "Air-travel restrictions, supply chain disruptions and weak economy slowed the industry's growth in 2020 in Asia-Pacific."

Japan and China, which are among the top five global markets, collectively accounted for 60% of Asia-Pacific's premiums in 2020. China's intricate presence in global supply chain and its growing airline and marine fleet are strong growth drivers for insurers.

Asia-Pacific has also seen several insurers withdrawing from MAT industry due to years of unsustainable losses resulting from both man-made and natural hazards and bottomed out premium prices which resulted in reduced market capacity.

For instance, Allianz, Swiss Re and Ascot withdrew from Singapore while Axa-XL withdrew from hull underwriting in Hong Kong and marine liability in Singapore in 2020. However, impact on premium price increase due to these market exits were mostly offset by the entry of new players such as China-based Donghai Marine Insurance and the resurgence of Lloyd's syndicate's presence in the region.

Ms Mitra adds: "The enactment of new sulfur limits as per the International Maritime Organization ruling in 2020 is a development that aims to tackle global warming contributed by the maritime sector and is a focus area for insurers."

The regulation mandates shipowners to make changes in ship parts and fuel to comply with the standards. This exposes insurers to high claim risk and can lead to increase in prices.

Ms Mitra concludes: "Delayed recovery in the aviation sector and uneven progress of vaccines will continue to restrict the growth of aviation premium in the region this year."

Increased levels of personalization hit the term assurance market as more insurtechs launch pay-as-you-go life insurance

Over the past year life insurers have had to rethink their strategies, being pushed to adopt greater levels of digital services and underwriting flexibility - an area where life insurers have typically lagged. While the direct channel was already gaining ground before the COVID-19 pandemic, consumers' preference for life insurance is bound to continue shifting even further in the coming years - especially as insurtech are increasingly targeting the life insurance market with pay-as-you-go life insurance, says GlobalData, a leading data and analytics company.

GlobalData's 2020 UK Insurance Consumer Survey found that 24.8% of consumers visited a price comparison website (PCW) before purchasing term assurance in 2020, up from 19.6% in 2019. In the non-mortgage-related market, the proportion of consumers seeking out comparison services was much higher at 31.6%. GlobalData's 2020 survey also found that financial savings are increasingly becoming a key priority for term assurance customers, with 69.1% of consumers that would consider wearing an activity tracker and exchanging that data with a life insurance company only doing so for financial rewards, up by 18.6 percentage points (pp) compared to 2019.

Jazmin Chong, Insurance Analyst at GlobalData, comments: "These findings illustrate how consumers are becoming increasingly self-reliant and financially conscious, especially when it comes to term insurance policies - a market that is heavily tied to the mortgage market. Despite this, non-mortgage-related was the only term assurance product to record an increase, up 2.2% in terms of new contracts sold in 2020. Meanwhile, contracts sold in the mortgage-related term assurance market contracted by 5.1% for the year. Going forward, GlobalData forecasts that new contracts for mortgage and non-mortgaged-related term will grow by 4% in 2022."

Growth in the term assurance market for the next five years will be driven by both an economic recovery and the removal of COVID-19 underwriting restrictions. Even more importantly, a greater number of consumers will purchase term assurance policies because the pandemic has illustrated the negative impact of unprecedented events. Ensuring family members are protected upon death remains the key driver leading to purchases in the term assurance market.

Chong continues: "Insurers that have already adapted to the fluctuating market environment - including AIG Life, BGL Group, and Aviva - will be less impacted by consumer changes. Those that have gone even further by gamifying or innovating cover will be the ones to further benefit."

These include fully digital insurtech DeadHappy, which offers pay-as-you-go term assurance. Its application process invites customers to create a 'deathwish' - something that makes the process more light-hearted and engages with a younger audience who do not normally think about death. In addition, fully digital insurtech Bequest launched a pay-as-you-go term assurance policy in July 2021, providing instant cover that targets parents and families. Bequest has rapidly captured venture capital investment interest, securing £1.7m in seed funding upon launching its new product.

Chong adds: "If insurtechs are able to successfully streamline their protection onboarding - delivering a smooth claims process while providing the financial flexibility they are promising - then they will be setting a new standard for service delivery and meeting consumers' newly established demands. Similarly, usage-based-insurance in personal motor has become increasingly popular among consumers due to the impact of the pandemic and has resulted in incumbent insurers like Covea partnering with insurtech By Miles in order to continue reaching customers."

Cyber insurance industry to exceed $20bn by 2025

The global cyber insurance market was worth $7bn in gross written premiums (GWP) in 2020 and will reach $20.6bn by 2025, as the market will continue to thrive post-COVID-19, according to GlobalData, a leading data and analytics company.

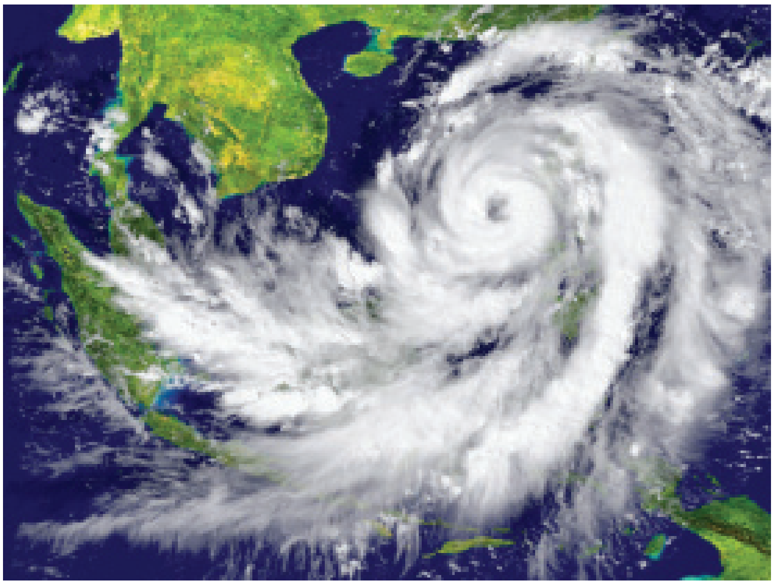
GlobalData's report, 'Cyber Insurance, 2021 Update - Thematic Research', reveals that cybersecurity was thrust into the spotlight in 2020 as the COVID-19 pandemic forced businesses to digitize their processes and adopt remote working practices overnight. The pandemic also presented an opportunity for cybercriminals to exploit global panic, with a surge in cyberattacks occurring in 2020. This has made the need for cyber insurance apparent to businesses, but the market is not as easy to navigate as it once was.

Ben Carey-Evans, Insurance Analyst at GlobalData, comments: "The cyber insurance market has seen rapid expansion in recent years, with customers enjoying high coverage limits, flat rates, and abundant capacity as insurers sought to capture business in a highly competitive market. Despite lower cover limits and increasing premiums, we expect the cyber insurance market to see continual strong year-on-year growth up to 2025. The need for robust cybersecurity and cyber insurance is becoming apparent to businesses of all types and sizes, as the frequency and severity of cyberattacks continues to rise."

The market recorded growth of 33.5% in 2020 as businesses around the world realized the increased threat COVID-19 and staff working from home posed. The growth rate is set to remain high throughout the forecast period, with GlobalData projecting a rate of 27.3% growth in 2021.

Carey-Evans adds: "COVID-19 has also brought about a permanent shift in the way businesses and consumers operate, with remote working practices set to stay and digital consumer channels seeing more use than before the pandemic. This lasting shift in behavior will push the demand for both commercial cyber insurance and to a lesser extent personal cyber insurance in the coming years." ❑

TROPICAL CYCLONE : A CHALLENGE TO INSURANCE INDUSTRY - GIS TECHNOLOGY A SOLUTION



Tropical Cyclones/Hurricanes are location specific. In an article in June 2021 issue of Insurance Times, a new web application TROPCYC for Risk Assessment of Tropical Cyclone for India specific was introduced. Looking at the rapid climate change forecasted by the scientists, accepted generally by International Community (Paris agreement), General Insurance Industry world over must be prepared to meet the challenges of higher frequency & intensities of cyclones than experienced till now. To meet the challenges, the General Insurance Industry has to first accept it and then find ways to protect their customers with optimum premium based on their risk exposure and also share its huge claims experience in risk reduction, risk control, loss prevention and disaster management.

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Insurance Industry has to use its claims experience over the years, absorb the knowledge & advances in the field of meteorology, climate change models, advances made in structural engineering to build structures suitable to face the fury of high Wind speeds/Flash floods/Storm Surge hazards of the Tropical Cyclones and the new technologies such as Geographical Information Systems (GIS) to deliver their customers Insurance Products & Services on a real time basis.

The Insurers are covering the Tropical Cyclone catastrophes since the birth of the Insurance in UK. The Underwriter in the last century or earlier covered the risk on information given on a slip from the Insurance Broker. There was no knowledge on potential damages/claims to be paid in the absence location knowledge of the Tropical Cyclone Hazard. We are now in 21st century in a global economy connected with fast telecommunication, 5G Internet and vast & exploding knowledge in all fields. We are better equipped to face the challenges today provided we use the knowledge available. Let us identify the challenges:

Underwriting

In All India Fire Tariff all the weather perils viz. Cyclones, Flood etc. were clubbed together and a single rate was uniformly charged all over India. The tariff rates by nature are generally conservative and ignored risk based premium structure. This mind set appears to be continuing even though there are no tariffs in the Indian market. Consequently only those customers who are exposed to the risk took the cover while the majority did not cover the hazard, leading to selection against Insurers. The time has come to develop sound underwriting policy for covering Tropical Cyclones Hazard so that majority of customers buy the cover. Thus following the first principal of Insurance i.e. few unfortunates are paid from the premium collected from the majority. This is one major reason why the insurance penetration has remained low in India.

Maximum Probable Loss (MPL) Estimate (which the Insurers use as a principal tool for Underwriting & Reinsurance) is the answer. The Insurers have to look at their claims paid for Tropical Cyclones in last 5 or 6 six cyclones. The claim study would reveal the myth of 100% or total loss in a Tropical Cyclone. Of course in some cases such as mobile towers etc., loss can be total but not in the well built structures, in particular in bread & butter business of Commercial and Industrial assets. Incidentally internationally recognized Saffir-Simpson scale does not include Severe Cyclonic Storms (Wind Speeds below 119 kilometers per hour) as causing significant damages. Also Insurers in India did not have significant claims reported in recent 'Nisarga & Nivar' Severe Cyclonic Storms.

The need of the hour is to analyze the claims paid in the recent six or seven Tropical Cyclones by the Insurance companies to arrive at realistic MPL Estimates. MPL Estimate would need to be co-related with Red, Yellow & Blue Zones by using Latitude/Longitude of the location of the claim for different occupancies. The realistic MPL Estimates together with predicted number of cyclones & their intensities would equip Insurers to form their underwriting policy. It is however recognized that the Underwriting is not a purely technical issue but a tech-know-commercial one and Insurers have large experience & expertise to frame their underwriting policy.

Reinsurance

Reinsurance is the unique feature of Insurance business. No other business has it. By Reinsurance the risk is shared globally. Insurers/Reinsurers retain the risk based on their capital & risk appetite and share their premiums and claims through the reinsurance treaties for smooth business operations. But the important factor in Reinsurance is to MPL estimate to decide the retention of individual risk and transferring the balance to Reinsurers all over the world. But in case of catastrophic perils such as Tropical Cyclone not only one client is affected but a large number of clients suffer damages since the diameter of the cyclone can be as high as 500 kilometers plus. Here the accumulation of MPLs is critical. Technology of GIS comes to help to arrive at accumulated MPLs in one single cyclone.

Based on the MPL and Accumulation of MPLs Estimates Insurance companies can design their Reinsurance Policies to protect their balance sheets with no surprises and to safe guard interests of their all stakeholders. GIS software application such as TROPCYC can play very important & effective role in delivering to the customers, updating data/ analysis on a real time basis at a click of the mouse in today's fast-moving market.

Loss Prevention and Disaster Management

There is a huge data source in the form of claims and Engineers Inspections which can be utilized to recommend Loss Prevention measures and to prepare disaster management plans. This information may be shared with customers of the Insurance Companies first and also with the professionals viz. Architects/Structural Engineers/ Industry bodies/Disaster Management Institutes/NGOs etc and also general public. It would be a great service to the nation. Regulator can play a vital role by publishing informative reports and circulating them to all concerned and thereafter interacting with them proactively. This would certainly increase reputation of the Insurance Industry.

Geographical Information System (GIS)

Reference was made to GIS as a tool which is must for Insurance Industry for Risk Assessment, Marketing and much more.

Under remote sensing technologies with the help of satellites, it has become possible for us to monitor our planet and gain critical information pertaining to the topography and climate data. Over the years, this data has become prevalent in determining as well as predicting natural calamities for property protection and development.

GIS is now being extensively used to predict natural disasters. Initially used to accumulate land data, GIS technology is now being increasingly integrated into risk assessment software. GIS uses its vast database and mathematical algorithms to analyze spatial locations and portrays the output in visual data.

This data is spread over maps so patterns and relationships can be assessed. With the help of this data, different zones can be created over a map depending on the potential risk they possess from calamities like floods, landslides, and cyclones. These zones can be strengthened against the threats they may encounter by implementing the necessary pre-disaster strategies. GIS is used for risk assessment because of its near-accurate capability of predicting natural phenomenon's like storms, cyclones, and floods.

❖ *Identify risk potential for assets in cyclone-prone areas*

Asset owners in risk-prone areas insure their properties against damage caused due to natural calamities. Asset owners can take informed decision on location of the property, designing the structure loss prevention and business continuity. Insurance companies face a risk when it comes to charging an optimum premium amount to their customers in cyclone-prone areas. This is primarily due to the lack of a scientifically proven data source.

Using GIS-based solutions, insurance agencies can identify the probability and intensity of cyclones to determine insurance coverage and charge asset owners the appropriate premiums. These logical, data-driven premium values, in turn, encourage more asset owners to opt for risk insurance for tropical cyclones. This is a win-win situation for both the insurer and the insured.

❖ *Use GIS data in real-time to track tropical cyclones and their impact*

GIS is not only useful pre-disaster but even after that. Insurance companies can use GIS to trace a cyclone in real-time to understand its path.

By overlapping information of the insured with the damage caused by the cyclone over a map, the insurer can get a clear idea of the number of claims expected. This will help the company to be well-prepared in the disbursement process and provide relief to the insured.

The insured will appreciate this action taken by the insurer of swiftly disbursing the funds, helping them rebuild their assets, and getting the business back on track as soon as possible.

❖ *Emergency planning:*

Natural disaster impacts most part of the globes and the destructions caused by them are inevitable, and to respond to these challenges caused by the unexpected disaster is quite difficult. GIS based location-based system can be used exponentially to cope up with such challenges that occurred through natural disasters.

❖ *Identification of probable affected area:*

Natural disasters are the sudden events and the occurrence of such events can be predicted to certain extent, based on the hazards that pose threat to the area. As the natural disaster are the rare events, but the records of the past events can give valuable information.

❖ *Migration planning and measurements:*

In case of the events of natural disaster the mitigation planning plays an important role for the safety and security of the lives of the people in the hazardous zone. The risk of the hazardous zone is not same all over the areas, so in such case the GIS can be used to demarcate the zones of the high medium and low risk zones within the area based on which the mitigation measurements can be planned. Depending upon the severity of the natural disaster of the area can be determined using the GIS Tools.

❖ *Post disaster management*

GIS can be used for planning and managing the post disaster management such as utility management, finding the prone areas, calculating the economic losses in terms of infrastructure and in case of irrigation.

❖ *Fleet Management and planning rescue operations*

GIS can be used for planning the fleet in case of emergency, in case of planning the shortest route, or rerouting the fleet as per the cyclonic condition, planning the service area in case of emergency. GIS can be widely used for rescue operation in case of any critical damages.

Optimal use of location intelligence and analytics to improve the services provided to citizens and customers

For forecasting and analyzing the past data and for trends analysis or for the prediction of the events the different statistical methods are used based on the distribution and the relationship of the data.

Data collection of the natural events is quite difficult as most of the past records are in tabular data. The next challenge is conversion of the data in GIS platform and the segregation of data based on the events and the intensity of the impacts it has.

Unique value proposition by TROPCYS for emergency response

TROPCYC application has been developed for the prediction or the forecast of the cyclone events that are probable to occur. The TROPCYC system considers the past cyclonic event for the last 129 years. The data consider the wind intensity data which had occurred in the past 129 years, this data is extracted, segregated and processed for the number of cyclones that had occurred within the area, and using the statistical method are used for prediction analysis.

In each report, wind speeds in km/hr, Flash Floods & Storm Surge height at the given Geographical location has mentioned, this is highlighted in classified zones with different scale. Hazard zones viz. Red Zone, Orange Zone, Yellow Zone, Blue Zone and Green Zone are marked on analyzing historical catastrophic Cyclonic events from 1891 to till date.

On GIS platform, Storm Surge zones are marked on the coast of India as defined by INCOIS and sea water penetration on land is marked by analyzing published reports from IMD. All the reports are in descriptive formats; now after analyzing we have converted reports in tabular format for clear understanding of the users. ❑

Increased levels of personalization hit the term assurance market as more insurtechs launch pay-as-you-go life insurance

Over the past year life insurers have had to rethink their strategies, being pushed to adopt greater levels of digital services and underwriting flexibility – an area where life insurers have typically lagged. While the direct channel was already gaining ground before the COVID-19 pandemic, consumers' preference for life insurance is bound to continue shifting even further in the coming years – especially as insurtech are increasingly targeting the life insurance market with pay-as-you-go life insurance, says GlobalData, a leading data and analytics company.

GlobalData's 2020 UK Insurance Consumer Survey found that 24.8% of consumers visited a price comparison website (PCW) before purchasing term assurance in 2020, up from 19.6% in 2019. In the non-mortgage-related market, the proportion of consumers seeking out comparison services was much higher at 31.6%. GlobalData's 2020 survey also found that financial savings are increasingly becoming a key priority for term assurance customers, with 69.1% of consumers that would consider wearing an activity tracker and exchanging that data with a life insurance company only doing so for financial rewards, up by 18.6 percentage points (pp) compared to 2019.

Jazmin Chong, Insurance Analyst at GlobalData, comments: "These findings illustrate how consumers are becoming increasingly self-reliant and financially conscious, especially when it comes to term insurance policies – a market that is heavily tied to the mortgage market. Despite this, non-mortgage-related was the only term assurance product to record an increase, up 2.2% in terms of new contracts sold in 2020. Meanwhile, contracts sold in the mortgage-related term assurance market contracted by 5.1% for the year. Going forward, GlobalData forecasts that new contracts for mortgage and non-mortgaged-related term will grow by 4% in 2022."

Growth in the term assurance market for the next five years will be driven by both an economic recovery and the removal of COVID-19 underwriting restrictions. Even more importantly, a greater number of consumers will purchase term assurance policies because the pandemic has illustrated the negative impact of unprecedented events. Ensuring family members are protected upon death remains the key driver leading to purchases in the term assurance market.

These include fully digital insurtech DeadHappy, which offers pay-as-you-go term assurance. Its application process invites customers to create a 'deathwish' – something that makes the process more light-hearted and engages with a younger audience who do not normally think about death. In addition, fully digital insurtech Bequest launched a pay-as-you-go term assurance policy in July 2021, providing instant cover that targets parents and families. Bequest has rapidly captured venture capital investment interest, securing £1.7m in seed funding upon launching its new product.

3rd Prize Winner : Technical Paper Writing Contest 2020

TECHNOLOGY CHANGING THE LANDSCAPE OF MICRO-INSURANCE IN INDIA

Background of Micro-insurance

Definition:

The term "Microinsurance" which is also commonly known as "inclusive insurance" refers to the eco-system & different kinds approaches towards ensuring availability of insurance protection & services to the un-served, vulnerable & low-income populations in emerging markets with appropriate and affordable insurance products.

All the more absolutely, microinsurance is a method for ensuring low income individuals against explicit dangers in return for an affordable instalment of premiums whose sum is relative to the probability and cost of the hazard. The essential differentiation from conventional protection is in the focusing of low income individuals, which prompts unmistakable qualities and destinations, including tending to the specific dangers of low pay individuals, reasonableness and comprehensiveness, effortlessness and lucidity in documentation, open procedures, and building trust among target customers.

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Reasons why microinsurance is important for developing nations:

Low-income families, group and even small ventures are especially defenceless against dangers, be it their financial/ health wellbeing or even property or business which are commonly seen in developing nations. Since very few of these groups actually have access to efficient and effective way of formal risk management and social protection mechanisms, recuperating of the losses and recovering from the shock is at best difficult, and more often impossible.

The key benefits of the insurance are not only limited to health. It is also for the small-scale farmers and micro entrepreneurs who take more risk and invest more in their businesses when they know that they are protected. Insurance can also be a factor to extend or supplement for social protection benefits, particularly for the workers in the informal economy.

Microinsurance also supports in the sustainable development and contributes towards achieving the Millennium Development Goals (MDGs). Various studies also demonstrate that a causal link in between the development of the insurance industry and the national economic development by putting a price on the risk and supporting of entrepreneurship. Insurers are also a major source of long-term investment capital, and also can stimulate the development of debt and the equity markets.

Brief history of micro/inclusive insurance in India:

Inclusive insurance has a long history in India. With the formal nationalization of the insurance industry in year 1956, extending service to the rural & marginalised people have always been on the high agenda of the Govt & the Govt owned insurance companies. Life & General Insurance companies had in their portfolio many products which was specifically designed for rural & marginalised group with a different set of relaxed under-writing & servicing conditions. But because of the high cost of transaction such policies could never attain the desired result. With its wide distribution network LIC of India was in a position to do some justice in a better way compared to its GI counterparts.

However, the inclusive insurance got a boost riding on the growth & accomplishment of Micro-Finance institutions in the early phase of the opening up. They were in the business of extending small credit to the rural / needy people even in urban locality for some productive purpose & wanted their credit part to be insured. This gave a launch of many group based life products. Maybe the first such items to be brought into the market was the Credit Plus Policy presented by Aviva Life Insurance in 2002. Such items were designed to address the necessities of the Micro-Finance Institutions. The insurance companies had tie-ups with MFIs &there was insignificant contact between the insurance agency and the clients. This brought about low-quality assistance. There was complaint also about the intention / use of the claim payments. The end clients began building up a negative observation about the insurance agencies.

This issue came in to the notice of the Insurance Regulatory and Development Authority of India (IRDAI), and then the need for developing &regulating of the such market / distribution was felt. The path for the first micro insurance regulations emerged with the Microinsurance Regulations, 2005. This regulation was revised and then replaced in 2015, which is the new Micro insurance Regulations.

The Micro insurance Regulation then mandated filing of specific products under the "micro insurance" tag. The new channels were identified & such products were to be sold by those designated channels only. According to IRDAI's most recent information, there are 26 micro insurance plans in India which are offered by 16 life insurance companies.

Micro insurance regulations in India: Some of the measures taken by Insurance Regulatory development of India (IRDA) along with government were as:

Mandate: Rural areas and the social sector, and obligations for the private insurance industry During the nationalised insurance the phase approximate 48% of LIC's customers were from rural and semi-urban areas. After the liberalisation, the industry regulator was more concerned about inclusive insurance growth and rural exposure for the insurance companies. IRDAI, therefore mandated the insurance companies through the rural and social sector obligation 2002 to safeguard of certain percentage of polices to be sold in rural areas and certain number of lives are covered in the social sector.

Permitting self-help groups (SHGs), NGOs, and MFIs as new micro insurance delivery channels.

Entering into various Private Public Partnerships (PPP) agreements between the Indian government and the insurance Companies.

Microinsurance Regulations, 2005:

Micro Insurance Regulations 2005 clearly conveys the clarity on:

- ❖ Product guidelines for the Distribution, Design and Issuance of policy contracts
- ❖ Guidelines for the Agents Appointment, Remuneration, Code of conduct, Capacity Building etc.
- ❖ Guidelines for the Life & non -life tie-ups: A life insurer may offer general microinsurance products & vice versa
- ❖ Mandate on covering Rural and Social sectors

Insurance companies in India did very well riding on the micro-finance business growth. However the whole business model came crashing down with the collapse of the MFIs institutions on 2011-12. The performance of the agencies were also found lacking. SHGs channel remained non-starter where lots of complaints were received about the NGOs.

Taking lessons from the past experience, IRDAI came out with the new revised regulation in year 2015 & the same is still operative. The main highlight of the new regulations were as follows:

- Capacity of building exercises were expanded by introducing additional 25 hours of training for micro agents. Licensed to distribute general insurance MSME policies with mandatory refresher training in every three years.
- Appointment of the Micro agents was expanded through tie ups with AIC and other health insurers are also permitted now.
- Minimum number of 5 person from earlier cap of 20 was allowed for group policies
- Definition of the micro-agents was expanded with inclusion of Regional Rural banks, Primary agricultural and other co-operative Societies, Bank correspondents of scheduled commercial banks etc.
- Rural and Social Sector in Obligation: Life Insurers are required to cover a certain percentage of the total number of policies in rural areas and to Insure a given number of lives in the social sector.

Current status: In spite of good intention & push from the regulator, the micro-insurance portfolio did not achieve its desired level of performance. One of the key reasons was the failure of the different distribution channel & the operating cost associated with them. It remained a tool for the fulfilment of the compulsory "Rural / Social" business requirement imposed by the regulator. Missing the quota could result in an insurer being de-licensed in India. Despite the quota system, more than half of the respondents with the microinsurance portfolios have an in-force premium level of only 0-2% against their total insurance business portfolio.

Millenium.org conducted a survey of the insurance provider

Understanding the support towards microinsurance from the regulator is relatively very high, because of the compulsory quota system was imposed. On the other hand, the availability of demand of information, reinsurance, support from technical service providers (TSPs), as well as the availability of the actuarial data, were rated as medium to low levels of support by most respondents. Despite significant efforts made by the IRDAI.

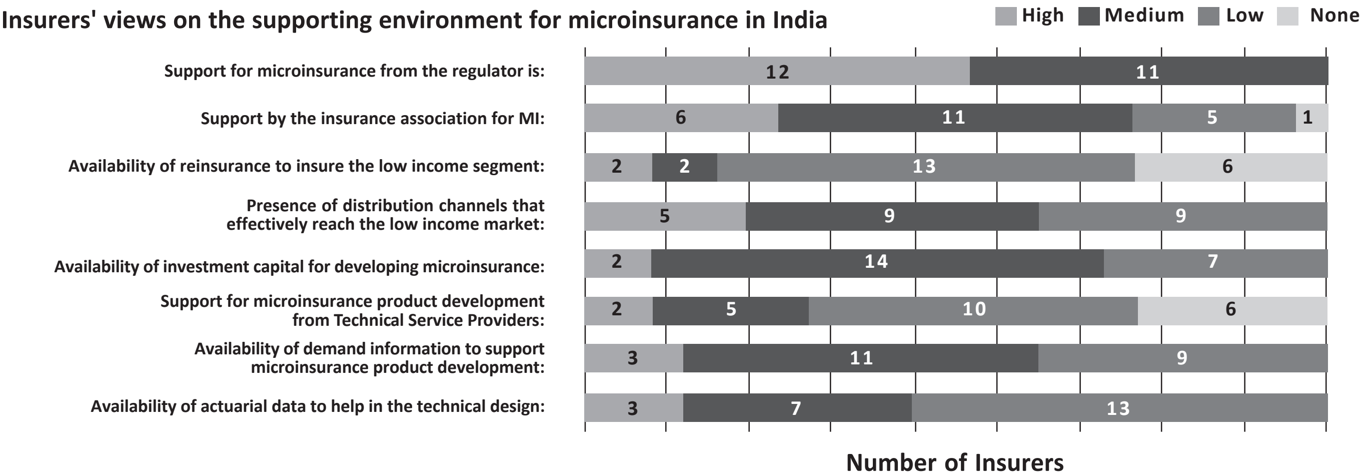
The effectiveness of the quota system remains questionable. The contrast seen between the different drivers in the operating environment demonstrates the disconnect between government mandate and the appetite of the market to supply microinsurance. According to the research conducted, some of the insurers are dumping microinsurance products that are very poorly serviced onto customers solely to meet their quota.

Outreach / present stage of Microinsurance:

Microinsurance is believed to work as powerful risk management tool for the low income and to the vulnerable groups by preventing them from falling into the poverty

Present Dynamics of Inclusive Insurance in India

Insurers' views on the supporting environment for microinsurance in India



**source: A recent survey conducted by Milliman.org* trap. But not much is known about outreach and efficacy of microinsurance across regions and groups.

In any case, not much is thought about the effort and viability of microinsurance across districts and gatherings. In India, however the administration assumes a proactive job in giving protection spread to the poor through financed protection plans and different projects. The size and capability of the microinsurance showcase are gigantic because of a sizeable part of poor people and low-pay populace who live with no proper protection.

As per the IRDAI report (2018-19) around 12.20 crore individuals were covered under specified micro-life insurance policies either in their individual capacity or under a group schemes. The volume of combined premium was around Rs 3226 Crores. The year saw a death claim pay out of Rs 890 Cr under 308800 lives. As on 3/2019 there were 44 life products available from 16 life insurance companies out of which 20 were individual products where rest were of group policies. There were around 73000 of licensed micro-insurance agent's majority of whom (90%) were individuals & the rest coming from NGOs/SHG/BCs etc.

The performance in non-life portfolio continues to be poor & we had only sale of around 15000 micro-general policies.

Microinsurance and social security:

Social protection measure is regularly related with microinsurance for poor people and low pay gatherings. Microinsurance can assume an essential job as an exhaustive instrument to lessen neediness, disparity and powerlessness, especially where open social assurance measures are deficient and unevenly conveyed. Shockingly, the greater part of the world's all out poor don't profit by any type of social security measures. Since microinsurance is intended for the assurance of low-pay individuals to adapt to basic dangers, it can likewise endeavour to cover the rejected, for example, poor, ladies and laborers in casual area.

In many creating nations like India, the extent of casual workforce in all out workforce is considerable and there is expanding propensity towards easy going nature of work.

With intrinsic restrictions of the current social security measures in the nation, there is additionally a popularity to battle the unfavourable effects of catastrophic events, for example, dry spell, floods, tornado, and so forth. Shockingly, the ex-post ways of dealing with stress basically upheld by the Government are not adequate and don't cover all gatherings on the whole sector.

Key constraints and hindrance in Microinsurance:

(1) There are explicit purposes behind low interest for protection disregarding extraordinary need. Providers have their own interests, which help to clarify why there has been slow advancement in microinsurance showcase. The provincial money related markets portrayed by restricted and wrong administrations, lacking data and limit holes moreover frustrate in development of new products.

(2) There are difficulties in protection item plan, which bring about a confusion between customer's needs and standard items on offer. Deficient exertion in item improvement could be because of alternate point of view of partners.

(3) Absence of satisfactory and appropriate protection information is a significant concern. In the non-attendance of an appropriate protection database count of premium, costs, benefits, ability to pay, in light of full-scale totals may not give real bits of knowledge. Building furthermore, sharing cases accounts can help in adjusting evaluating choices to actuarial computations, in this way diminishing cost.

(4) Demand is a complex issue, with trust, liquidity constraints, the quality of the client value proposition and behavioural constraints emerging as the most important determinants of demand.

(5) Cumbersome and wrong methodology hinder the improvement of this sector.

(6) Contrasting points of view of the guaranteed and the back up plans, lead to low customization of items and low interest for what is accessible.

Technology changing the landscape of Indian microinsurance

The main view point of technology changing the landscape is the place where technology can help in reaching masses of people, simplifying of products & solutions and replacing the repetitive tasks with AI, ML or by using software algorithms in Insurance industry is where Insurtech comes in to picture.

By increasing in the smart phone usage among the semi urban and rural areas in developing nations and especially in India shows that there is a huge potential and many potential customers for Microinsurance in present period.

Mobile microinsurance is a genuine case of InsurTech in the Microinsurance space. It tends to the current difficulties by utilizing mobile channels for correspondence, enlistment, instalment of premiums by means of broadcast appointment finding or digital cash, claims submission, and cases pay-outs. The utilization of climate stations and satellite information for crop protection is additionally a case of InsurTech, as is packaging of medical coverage with contributions, for example, tele-specialist administrations, which we are beginning to see a greater amount of. Here making of straightforward and easy to understand interface that figures out how to collaborate with various locales of individuals and various ages is the key factor.

Key opportunities by technology implementation in Microinsurance:

Mobility can be a distinct advantage, empowering developments like retail location innovation, solar powered deposit machines and advanced digital payments.

Real time connectivity can empower mass handling and adjusting of low-premium approaches, requiring negligible manual mediation and decreasing expenses, which also results in better customer engagement and 24*7 service engagement.

Adaptability and versatility are made by distributed computing, remarkably programming as-an administration (SaaS) stages.

According to highlights from International conference on Inclusive Insurance and from various authentic reports and websites key areas to concentrate for growth of Inclusive Insurance especially for India are of:

As per the telecom regulator TRAI statistics, India had over 102.5 crores of active mobile in India at the end of 2018. Out of this approximately 52 crores users were in rural belt. Mobile service tele-density was 155.48 in urban areas and 59.15 in rural areas. The number of broadband subscribers reached 518.55 million. India has 18.17 million wired broadband connections and 499.95 million wireless broadband connections in 2018. The cost of smart phone has come down drastically in recent past & the number of smartphone users is expected to touch a figure of around 36 crores by 2022 as Statista Research. This digital reach is of immense benefit to the business providers in terms of not only reaching to the targeted audience with business promotion but also to transact business over it.

By and large, microinsurance is characterized as a protection item that expects to give money related assurance to low-pay families especially those with estimated salary not as much as Rs. 250 every day. Be that as it may, the section in dubious to work as the normal ticket size is low as against the administration cost. One such back up plan, which has figured out how to showcase the microinsurance well in the market, is Shriram Life Insurance Company (SLIC). The organization for the most part centres around provincial India with least normal ticket size in the business (INR 13,749 contrasted with INR 49879 for the private business for Q1 FY 18-19).

Talking about the fragment potential in India, Casparus Krumholtz, MD and CEO, SLIC shares that the division should move past the definition and the attention ought to be on spreading the insurance net to the layer of society that is monetarily generally defenseless, where the passing of a provider rises above into budgetary fiasco for the family and now and again no food on the table.

"Working with this mass market has requested different operational and item developments. We endeavour to create items that enhance the portion and appropriation channels in technology space that guarantee mass reach," he included.

Key changes observed in technology implementations of recent times in Indian insurance industry:

Insurance companies have already started implementing technology on a larger scale in all stages of an insurance contract. Starting from pre-policy issuance which is verification of an applicant's proposal to paying out the claim. The digital push by the government along with a strong push towards a cashless economy also has provided considerable help in implementing digitization that has touched every aspect in the insurance industry.

Major changes were observed in:

Customer awareness: One of reason for people were not purchasing insurance is the lack of awareness. In an initiative towards connect & engage the potential customers, mainly the younger generation insurance companies are using the digital platform extensively. The beautiful text / audio / video ads put on social media platforms reach to the urban / rural clients with same ease. The very objective of such sessions was to engage and educate respondents online. The companies are now using the social media platforms as a strategic tool & bringing people / target customers under their fold.

As on March, 2018 Bajaj Allianz a leading general insurance company had 2.3 million followers on Facebook, 88000 on twitter, 212000 on LinkedIn & 5000 subscribers on YouTube.

Similarly, ICICI Lombard the largest general insurance among private company had a follower base of 900000 followers on Facebook.

If there are any new product launched agents are now sending video content in which it explains about the policy and details in infographic style videos. It is not only cost effective but at the same time agent can reach to multiple customers. Follow up actions can always be taken subsequently.

On Boarding: The recent regulatory intervention in distribution space & introduction of new channels such as Common service centres &PoS have brought a big positive change in spreading the wings of not only the old established companies but the new age #InsureTech ventures operating in distribution space. Toffee Insurance & Turtle mint are the two shining examples in this space.

True to its name, Toffee Insurance is working on a model where it is offering product as per the very specific singular need of the customer. It came in highlight offering "only Dengue" small ticket size policy & after that it continued doing similar product innovations & offerings. The organization is disseminating plans through various channels like APIs, versatile, and SMS exchanges. Their present portfolio incorporates cycle protection, salary security protection, every day drive protection, and dengue protection. The organization has prevailing with regards to selling policies to 115K+ Indians, of which 80% are first-time purchasers. At present, Toffee Insurance is accomplices with Hero Cycles, Wildcraft, Eko, and Apollo Hospitals and is supported by ICICI Prudential, Religare, HDFC Ergo, and Tata AIG Insurance among numerous others.

Turtlemint gave an innovation stage to insurance agents to sell items, and presently has around 75,000 partners/agents (PoS) working with it on Pan India basis. Being a broker they are in a position to offer a bouquet of retail plans for the benefit of their agency / client base. Such accessibility was not possible without the use of technology.

By implementing virtual offices companies have leveraged technology to compress distance and time to make the process of getting insurance efficient and cost-effective. The aim is to be able to reach market penetration in Tier 3 and 4 cities making the benefits of insurance available to individuals and communities across the country.

Company like Bajaj Allianz have nearly 4000 virtual offices in India which maximises the reach of insurance to masses which is very important. The concept of virtual office is an extension of tablet-based application through which the officials can receive premium payments, issue policies and also settle claims. The virtual office can integrate all these applications and provide a 24x7 sales and service to the customers.

This kind of new POS is cost efficient and effective way of reaching customers as well and also creates multiple job opportunities in those cities.

Common service centres: A large number of digitally trained individuals are leading a silent entrepreneurship revolution in the heart of Indian villages. Through common service centres (CSC) or Jan SevaKendras. Insurance companies comes with an agreement to sell the non-complex policies through Rural Authorised Person (RAP), Such personal touch points through RAPs have given those in villages access to simple-to-understand products to mitigate the risk to life, motor, agriculture pump sets, personal accident insurance and farmers' package policies. By limiting the sum insured of these products to 2 lakhs (other than for motor insurance), insurers are able to extend such micro-covers and obviate the risk emerging from such groups.

The digital on boarding process is made very easy for micro policies which require minimum details, uploading of necessary documents to payment of premium can done with in very less time, the policy is issued within a minute. In some cities there are popup stores in which a human interaction will be there to ease the process in semi urban and rural areas.

The technology has made it possible for the companies to set-up mini offices having 2/3 staffs. IffcoTokio General Insurance Co is one such organization which is opening "bima Kendra" in rural part. "We are trying to open offices in smaller towns and rural areas and are working on smaller products that will cater to that segment of the society. The industry is working on customised bite size insurance products that have lower premium, shorter tenure but high volume" said Mr. Warinder Sinha, MD & CEO in his interview given to Indian Express.

Customer engagement: Personalized online video is a new trend in customer engagement. Advancement in video hosting and distribution technology platforms made it possible to create and share videos with ease that are tailored to customer's interest, demographics, and behaviour. Content of the videos are crafted using personalized tokens to make customer feel important and valued for the organization, which goes a long way in developing longstanding customer relationship.

Social media is a recent phenomenon, which took everyone by storm including businesses. The insurance industry too is looking at social media as a platform to enhance visibility, build brand, build trust, listen to customer likes/dislikes, provide customer support and generate leads.

The website, portals & the tools available there has made many of the services available at the click of the mouse for which one needed to visit offices travelling far distances earlier. This has added to the trust factor making general insurance accepted by the people even in rural part.

- Getting premium quotes on various products
- Getting instant information about branch and network hospital locations
- Getting a status update about a claim or policy
- Knowing claims procedure details
- Getting policy soft copy and even
- Buying insurance online

Examples for many service handling accounts in platforms like Twitter, Facebook and LinkedIn which we are seeing widely in present days.

All the above mentioned points were driving present insurance industry to growth in which the technology is the key aspect enabling us to.

Claim Settlement: In spite of the fact that majority of the insurance companies are making under-writing losses i.e. paying more claims than the premium received, the general perception is negative about the sector.

There are two factors leading to such impression. The first is of the terms & conditions & second is about the delay in claim settlement process. Thanks to the regulator's efforts all the policies sold through micro-insurance or PoS are very simple / pre-underwritten kind there by reducing the possibility of conflicts at claim stage & the digital technology has started helping in the second one i.e. speedy selection of the claims.

Reliance general insurance company settled few home insurance claims using the two-way video chat to show the damage in rural home in the Kerala flood.

"We took a blended approach and did a few home insurances claims on video on an experimental basis," said Rakesh Jain, CEO, Reliance General Insurance, referring to the Kerala home insurance claims. Broadly speaking, they are using emerging technologies, including artificial intelligence, big data analytics and block chain to transform IT systems. Getting minor motors claims using the claim interface in mobile app is a common feature now. The companies have started extensive use of WhatsApp / video etc in claim assessment. This technology-based initiative involves customer him/herself in the process of settlement of their motor claim up to the limit allowed by the insurance regulator.

All such quick claim settlement add value to the industry & raises the trust bar.

Future / way forward for microinsurance in India

India is a country with a population of around 1.3 billion. It is also estimated that around 40% of the actual total population live below poverty line (BPL). Though there are some different Govt social security schemes for this vulnerable section but because of the reasons mentioned earlier and due key changes in technology transformation they are yet to avail the benefit of the same.

The Govt gave a big push in 2014 through the Pradhan Mantri Jan Dhan Yojana by opening no-frill bank accounts & providing subsidised life & personal accident policies. The implementation of Pradhan Mantri Jan Aayush Yojana (Aayushman Bharat) in 2018 there by covering around 50 crores individual under family floater heath cover gave a big fillip to the realization of universal health coverage.

Both these schemes are technology driven & there are very less manual intervention. Success in such mass scheme & the benefits seen by the people have added trust element in insurance schemes & helping a lot.

Illiteracy and non-availability of banking facilities, lack of structured insurance schemes or timely advice leave the poor people helpless and they face the fury of nature. Micro insurance is a solution for addressing these problems along with proper awareness.

Technology is already playing and going to play huge role in terms of various innovative products like sachet products, better customer awareness and engagement, innovative distribution models and faster claim settlements.

Customer centric approach, affordable pricing & ease of transacting business are the three crucial points which can help insurance companies making good inroad. Fortunately, the new technology is making all these three converge at one place. The growing use of tech based third party distribution network is a reality giving a good cost arbitrage to the insurance companies. The new age #fintech & #insuretech venture are bringing new opportunities.

We have started witnessing the disruption in insurance industry & the days are not far away when the existing protection gaps would be a matter of history. ❑

Life insurance premium improves after dip

The life insurance industry saw an improvement in premium collection in June after witnessing a 5.5 per cent drop the previous month as economic activities picked up in states amid falling Covid-19 cases. The new business premium (NBP) of life insurers - 24 in total - rose 3.95 per cent year-on-year (YoY) to Rs 30,009.48 crore. NBP is the premium acquired from new policies in a particular year. The yearly group renewable premium, which jumped almost three times, aided the growth.

But when compared to the pre-pandemic period (June 2019), the NBP still lags by as much as 6.9 per cent. On a month-on-month (MoM) basis, though, the collection jumped 131 per cent. In May, life insurers had amassed NBP of Rs 12,976.99 crore. Private insurers - 23 in all - have taken the lead when it comes to growth in business. In June, the private life insurance companies collected NBP of Rs 8,213.19 crore, up 33.94 per cent YoY and 32.23 per cent over June 2019 (pre-pandemic) period. On an MoM basis, the mop-up has doubled for the private sector companies.

Insurance attracts more than 40 percent FPI

The insurance stocks attracted more than 40 per cent of foreign portfolio investor (FPI) flows into the domestic market in June. Overseas investors pumped in a total of $2.35 billion last month, of which $0.97 billion got invested in insurance companies, says a note by IIFL Securities. After insurance, the automobile and banks & financial stocks the maximum inflows at $371 million and $341 million respectively.

Insurance isn't a big sector by weight, accounting for just 2.5 per cent of FPI corpus. In comparison, nearly a third of FPI investments in the country are in the banking and financial sector. Experts say the unusually high investment in the insurance sector was on account of the large block trade in HDFC Life Insurance Company. In June, Standard Life divested 5 per cent stake in HDFC Life Insurance Company to raise about Rs. 6,784 crore. Market watchers say the share sale saw healthy demand from FPIs.

"Insurance was on of the key beneficiaries of the inflows with block deals driving a major part of it. Even after adjusting for the value of blocks, the net inflow was pretty encouraging," said Sriram Velayudhan, vice-president, IIFL Securities in a note. He added that the FISE rebalancing led to an increase in FPI flows in the auto sector.

FLYING BLIND IN AN ADVERSE CLIMATE!

POOR PRICING AND RESERVING DO NOT BODE WELL FOR INSURERS AS THE #CLIMATECRISIS WORSENS

Just as the Indian insurance market was beginning to open up to private players, two companies – one in Australia ('HIH') and the other in the UK ('Independent') coincidentally went into run-off. For similar reasons. Pricing and reserving! Underlying these two was poor corporate governance. Why is it important to revisit? One, most newcomers to the Industry perhaps missed out on them. Two, in a world besieged by Climate Crisis – these reasons will play out yet again. However, the ground has moved significantly since then. The canvas has widened into ESG (environment, societal and governance).

About the author

Praveen Gupta

Praveen Gupta is a thinker, thought leader and a proven professional with profound understandings of the insurance industry. He pursues his passion of exploring, learning and sharing from the exciting inter-sections between Climate Crisis, Diversity, Governance, Risk and Tech. He essays his passionate views through his blog; www.thediversityblog.com.

HIH saga

In The Inside Story Of Australia's Biggest Corporate Collapse Mark Westfield documents how: 'The plot of the HIH soap opera is familiar – the insurance company collapsed in 2001 with debts of about $5.3 billion, which Ray Williams and his cohorts achieved through gross mismanagement, largely charging too little for premiums and failing to put away enough to pay out claims.'

The HIH royal commission probing the collapse of HIH turned out to be a very costly case study into how not to run a company, a poor corporate governance culture and risk management gone wrong. So what can corporate leaders learn from Australia's largest ever corporate collapse?

- Using qualified & experienced directors does not guarantee success.
- Directors must probe senior management and ask questions.
- Directors cannot abdicate responsibility.
- Long term strategies need to be developed and questioned.

- ❖ Do not do business with a company related to directors/ management.
- ❖ Be very diligent during mergers and acquisitions.
- ❖ Accountability and propriety is essential at all levels of the organisation.
- ❖ Risk Management should go beyond statements, guidelines and policies.
- ❖ External regulators need to be more proactive.
- ❖ Culture affects behaviour and behaviour will ultimately affect performance.

How Independent?

'The demise of Independent left 500,000 individuals and organisations from the London Fire Brigade to the Oval cricket ground to Somerfield supermarkets and the McLaren Formula One racing team seeking new cover, cost more than 1,000 people their jobs and will almost certainly lead to a further 1,000 losing theirs eventually, and punched a hole in the investment portfolios of thousands of shareholders.'

Chris Blackhurst traces the life and times of the CEO Michael Bright in his piece The fall of the house that Bright built. The meltdown at Independent Insurance took the City and thousands of policy-holders by surprise, he observes. Yet the signs of impending disaster had been there for years, with only the charisma of its chief executive, Michael Bright, to hide the danger.

Bright, as Blackhurst points out, realised that by not building up reserves and putting cash aside for an event that may never happen he could grow profits. How did this translate into the company's last four annual reports arithmetic? Gross premiums rose from £438m to £830m, almost double. But the outstanding claim reserve barely moved, from £354m in 1997 to £372m in 2000!

Climate Crisis is staring us in the face

'Finance & insurance is increasingly hard to procure for high emissions fossil fuel industries. Nothing surprising about that! Global insurers will inevitably price in carbon risk, to protect shareholders & deliver on their treaty obligations – believes Tim Buckley of IEEFA. The issues involved are beyond insuring and investing in fossil fuels.

Shareaction recently analysed how the top 70 insurers in the world are performing? Here are their findings:

- ❖ Majority of large insurers do not live up to their role as 'risk experts' as they fail to adequately address systemic risks such as climate change and biodiversity loss.
- ❖ Insurers' boards remain ill-equipped to appropriately manage the environmental and social impacts of their organisations.
- ❖ Despite the insurance sector's focus on risk, the world's largest insurance companies are largely failing to assess the impact of climate change on their investment portfolios.
- ❖ Vast majority of insurers have not yet started to develop their approach to biodiversity loss.
- ❖ Most of the world's largest insurers show severe negligence of their impact on human and labour rights across their investment and underwriting activities.

A special report by ratings agency AM Best highlights as to how insurers and reinsurers that ignore ESG in their underwriting and investment decisions confront serious reputational risks. In turn, this risk can cause buyers and investors to flee to competitors, affecting the companies' creditworthiness and ratings.

With the likes of the IAIS (International Association of Insurance Supervisors) in a sleep easy mode and IFRS (International Financial Reporting Standards) having missed out on sustainability, responsible lawmakers have taken the lead. This is an extract from a missive shot by four Democratic party senators to the top eight US insurers:

As the leader of a major insurance company, you know the significant financial and economic risks climate change poses to both underwriting and investment.

Economists, central bankers, financial regulators, asset managers, investors, insurance analysts, credit rating analysts, investment bankers, real estate professionals, and scientists have produced an enormous trove of research suggesting that climate change and the failure to plan for an orderly transition to a low carbon economy can produce staggering economic losses.

These losses relate to the physical risk of damages caused by climate change or the transition risk of stranded fossil fuel assets as the economy transitions to low-carbon sources of energy.

Physical risks of climate change pose a serious threat to insurers, both on your assets side and on your claims side. There is ample data that rising sea levels and increased storm intensity and activity will do substantial damage to coastal property values.

In addition to sea level rise and coastal storms, more frequent and intense wildfires, riverine floods, droughts, and heatwaves will also result in very large losses, much of them insured. Indeed, the management consultancy McKinsey warns of massive physical risks that will increase "nonlinearly" as the earth continues to warm.

Transition risk is also significant for insurers that hold large stakes in fossil fuel assets. One economic paper reports "economic literature combined with industry practices suggest the presence of persistent market inefficiencies for fossil fuel reserves, so these assets are likely to be stranded and mispriced.

Beyond pricing and risk transferring

Climate Change represents an existential threat and historical models are not predictive of the future. As more and more carbon gets injected into the system – risk grows by the day and is increasingly assuming a systemic form. Transferring the risk is not only insufficient as it does not solve the problem.

Moreover, pricing without factoring for externalities will further inflate the carbon bubble for insurers. Therefore, this calls for what McKinsey prescribes – broadening the relevance of the industry and changing outcomes. Needless to mention the big clamour for Net Zero – what ought to be the last resort has become the first love. A license to greenwash.

In conclusion

'With physical risk becoming increasingly hard to price – translation from hazard to exposure to damage and the manifestation of that in cash flows is just hard to model'. This just about telescopes the pricing challenges into reserving misadventure. Factor in the rising environmental and societal demands – would it mean insurers might be flying blind till such time a dependable navigation protocol appears on the horizon? Regulators, actuaries, analysts, auditors, customers, investors, risk-managers, run-off managers, shareholders et al have a lot to ponder and act upon. Looking back, an HIH or an Independent may appear a minor aberration?!

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Source: www.thediversityblog.com.)

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CROSS SELLING IS JUST LIKE A LOW HANGING FRUITS FOR INSURERS

Concepts of Low Hanging Fruits or cross selling:-

Cross-selling is the practice of marketing additional products to existing customers, often practiced in any services industry. Financial advisors can often earn additional revenue by cross-selling additional products and services to their existing client base. A cross-sell is the sale of an additional product or service that is related to the primary purchase that a customer or client makes. Perhaps the most well-known example of cross-selling in the General Insurance Industry per se is asking the customer whether he/she have home Insurance in place before selling the Motor Insurance policy to the customer.

Cross-selling is one such area that largely depends on two things - timing and intent. In simple terms, cross-selling is getting your customer to buy a product alongside what they were planning to buy, especially if it is a complementary product. For example, when selling home insurance, your customer might open up about his son getting his driver's license, which is an opportunity to cross-sell Motor insurance to him. So, there are two rules here: customer convenience and complementary/relevant/useful products. The correct cross-sell insurance model is always customized to your customers need or customer centric products.

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The below facts one must know before hanging for cross selling are-

- Agents having only one policies of the customer-65%
- Agents having only two policies of the customer-25%
- Agents having three or more policies of the customer-10%

These statistics show us that there are multiple existing opportunities for cross-selling within the insurance sector.

Strategy for cross selling or Low Hanging Fruits: -

1. Feel the customers need - None of us like being pushed into buying something we don't need. The same goes for your customers when cross-selling policies or products. When pitching your sale, your primary objective should be to understand your client's current situation. Several individuals may recommend selling when policy renewals are taking place, which is excellent advice when done at the right time. But if your customer is in a financial bind or has little time to sit and chat, don't push for purchases. Instead, the first and foremost step when selling is to ask-

- "Do you have a couple of minutes to answer a few questions?" If no, thank them for the call and ask if there's a chance to reach out to them at a better time.
- "Thank you for taking the time to have this conversation. Is there a better time I can call?" If yes, go ahead and clarify with them the following-
- "Do you have (insurance product) coverage right now?"

For example, your customer does not have workmen compensation insurance. But data shows that one in four workers entering the workforce will become disabled and unable to work before retiring. Many employers offer WC insurance as part of their benefits package. If your customer's employer doesn't, present them with the facts and statistics and inform them of the necessity of being covered by WC insurance.

So, enquire with the following insurance cross-sell mantra

- "Do you have WC coverage right now?"
- If no- "That's quite surprising as statistically speaking, 1 in 4 workers entering the workforce tend to become injured and are unable to work before retiring."
- "Your current employer's coverage does not include WC protection which is more important than most of us may realize, especially because you are the sole earner in your family."
- Then, "Would you be interested in your WC coverage options? It can be bundled with your current (insurance product) plan and save you money."
- Confirm that it is a good time to call, or if not, inquire as to when a better time would be to call them back for a WC insurance quote. If they say no, thank them for being a valued client and offer to contact them again if you come across a service they may be interested in.

2. Segmentation of customers - Understanding customer intent and being on the same page is crucial when cross-selling is done. Customer segmentation based on specific criteria, such as location, type of insurance, age, family size, and more, can significantly help when it comes to cross-selling insurance. Tracking client behaviour is also essential to cross-selling at the right moment. When you track their policy purchases and coverage, you can visualize cross-selling opportunities for products they don't currently possess. For example, when selling any policy, it becomes a lot more appealing when personalized for the customer's needs. 74% of consumers profiles indicates personalised patterns in terms of products buying.

Let's take a look at two examples of cross-selling scripts, one that is personalized and another that is generic.

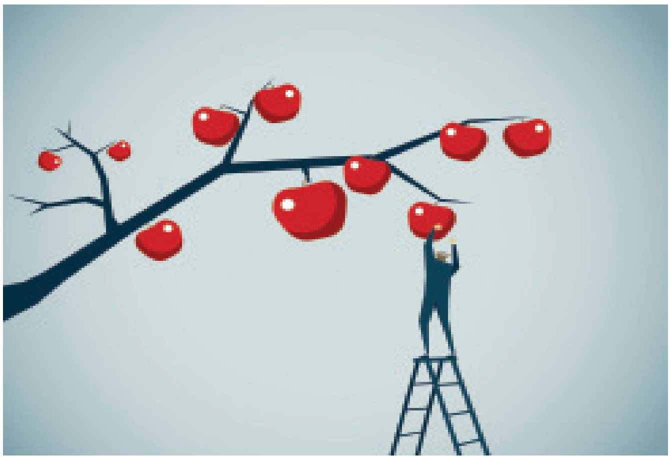
Personalized version

"Hello, Sir/Ma'am. I was looking at your account and because you have a restaurant, I always suggest getting a public liability non industrial policy. What this means for you is, if there were ever an accident, you would have protection .if people sue under liability.

Generic version

"Thank you for giving me the chance to assist you with your (insurance product) needs. Several clients bundle our insurance products under an umbrella policy to save money. Would you be interested in a new quote to check if you can save money on your (insurance product) policy?"

The first script is more convincing due to its personalized nature; in the first script, you know the client's current residence. It is far easier to sell policies based on your customer's unique needs than treating them as just another opportunity to cross-sell.



3. Cross selling becomes Automated - Cross-selling through email campaigns is a popular method of reaching customers who aren't available for calls. Automated campaigns are easier to personalize based on the segmentation of your chosen criteria. Once you create a template for your target audience, you can trigger a workflow that creates email journeys based on the same. Create a drip campaign that markets a new line of business to your existing clients. For instance, one client's business may be rapidly growing, which provides a wonderful cross-selling opportunity.

4. Review and Renewals - Your greatest cross-selling opportunity will almost always be during times of policy review and renewals. It's the perfect window of opportunity to keep your customer aware of the benefits of a different policy they're yet to invest in. When your customer arrives for their review and renewal, ensure that you're aware of their needs. Don't enter a renewal having little to no knowledge of your customer's current lifestyle and living circumstances, whether they reside with their family of four, their age, financial health, etc. When a client's policy is up for renewal, use an insurance cross-sell script to offer a bundled discount. Simply ask if your client would like a free quote for coverage they don't have after you've searched their account for products. Tell them if they qualify for a discount on a specific type of coverage. Exclusive deals are popular among loyal customers. For example, a customer coming in for renewal has an 18-year-old son. This is typically the age of getting a new car, which provides you the opportunity to cross-sell motor insurance during the renewal. But keep in mind that you can only do this if your customer is looking to get their son a car. A script to cross-sell in this setting would be along the following lines-You: Hi, how have you been? Do you have some time to spare? I noticed something pretty interesting.

- **Customer:** I have some work to get to, so not right now, please.
- **You:** I understand. Shall I give you a call tomorrow, or what time suits you?
- **Customer:** Okay, tomorrow works.

If the answer is yes, then you can continue with the pitch.

- **You:** Do you currently have car insurance?
- **Customer:** Yes.
- **You:** Great, I was wondering if your son did as well, as we spoke about him getting a driver's license a couple of months back.
- **Customer:** We've recently bought him a car. I'm not sure if he requires it yet, as he's still learning.
- **You:** I understand, but I think it would be wise to invest in motor insurance earlier rather than later as accidents may happen while learning.
- **Customer:** I'll talk it over with him and get back to you.
- **You:** Sounds great, do reach out to me whenever you need to.

If the customer already has an insurance policy, ask him when the expiry date is and follow up accordingly. If the customer does not have the other insurance policy, it is the best time to pitch your product immediately.

5. Check list creation for Client - Finally, when cross-selling to a new client, you need to get a clear idea of their current policies. The best option is to send an online, paperless form that inquires about your client's current life. The form can have objective and subjective questions relating to their home, family, health, and business. A short and sweet form for your busy clients can still give you insight into new developments in their lives. Ensure that the questionnaire you create is relevant to the client answering it. When they finish filling it, you can segment your customers into smaller units. For instance, if your client has a family history of certain health complications such as cancer or diabetes, you can confirm if their health insurance covers these ailments specifically. Also assess other details regarding their partner, children, and occupation. If they're in the process of moving into a new home, you can recommend different insurance policies based on their residence. For example, if the new area experiences flood more often than where they previously resided, you must suggest fire insurance. An evaluation created based on the policies your agency sells can instantly open new cross-selling opportunities. It won't take much of your client's time and will give a 360-degree view of the policies they require.

When you're done evaluating your client, enter their information into your existing database and reach out to them accordingly. The most crucial aspect of cross-selling, as stated at the start of this article, is timing. When you have a system that tracks and captures client behaviour in a quantifiable manner, you'll have increased cross-selling opportunities. ❑

LIFE INSURANCE IN COVID ENVIRONMENT

In the last 1 ½ years, the only common parameter, undoubtedly, across the globe and all industries has been "COVID 19: THE NOVEL CORONAVIRUS". Coronavirus didn't just appear suddenly but has been existing for a long time. It's probably been around for some time in animals. Sometimes, a virus in animals crosses over into people. The Novel Coronavirus which causes COVID-19 has proved to heavily infect humans. Like any other normal virus, it causes an infection in your nose, sinuses, or upper throat. When scientists found out that it was making people sick, they named it a novel coronavirus. Experts call this strain SARS-CoV-2 and since it started at end of 2019, WHO named it distinctly as Corona Virus Disease 2019 - in short COVID 19. Many of these are known to cause a variety of ailments, from a mild cough to severe respiratory ailments though most coronaviruses are not dangerous.

About the author

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Author is an independent Insurance Expert and an entrepreneur providing Insurance Solutions in Risk Management, Underwriting, Claims & Insurance Business Solutions to various insurers.

While the world over, Doctors and Scientists are putting in continuous efforts to study more about this COVID-19 virus and its impact on morbidity and mortality, we all by now fairly believe that it starts with basic flu symptoms, but eventually ends up affecting our lungs, liver, kidneys, brain, etc. However, with the advent of Covid 19, the entire world has seen series of critical cases, high morbidities, and unprecedented series of deaths across the globe.

Our Life Insurance Industry also has seen a huge impact not only in the overall business but even on the mortality experience. According to data compiled by the Life Insurance Council, the industry has already paid over Rs. 2,000 crores for over 25,000 Covid Death Claims. Accordingly, the insurers and the reinsurers have tied the strings together and formulated revised underwriting guidelines for new policy issuance specifically for high-risk protection plans.

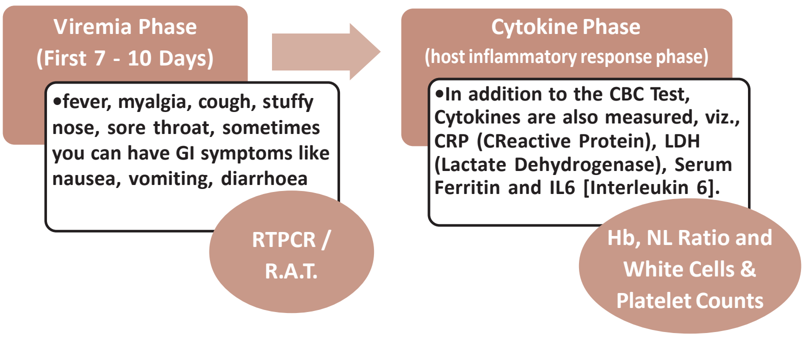
While clinical medicine is all about diagnosis, Insurance Medicine is all about Prognosis. Hence, to make this article

Dr. Rahul Pandit

more meaningful and practical, I have compiled various views of **Dr. Rahul Pandit, a Covid Expert**, and a highly experienced critical care specialist. **Dr. Pandit is Director - Critical Care, Fortis Hospitals, Mumbai.** That apart, he is also Maharashtra's COVID19 Taskforce Member & member of the National COVID19 Taskforce, duly appointed by the Hon. Supreme Court.

By now, all of us know (or at least believe to know fully well as Google Experts) about diagnostic tests like Rapid Antigen Tests [R.A.T.], RTPCR, HRCT, CRP, etc. All these tests have their limitations. **So let's understand more about these tests from Dr. Pandit, along with the importance of Cytokines - a group of proteins, peptides, and glycoproteins that are secreted by specific cells of the immune system and are a sort of signaling mechanism of our body that control the immunity and inflammation.**

Dr. Pandit starts with the fact that COVID19 is a viral illness, having different phases of infections.



One of the things in the Complete Blood Count, which is often ignored, but is very important for those suffering from COVID19, is the RDW, Red Cell Distribution. If the Red Cell Distribution width is greater than 15% it is associated with the possibility of having an infection, and may have at least moderate or may be severe COVID19.

Normally for Protection and High-Risk plans, Insurers conduct medical examinations. While obviously, insurers may not want to go on a witch hunt for COVID 19 cases and test each insured life as it would not make sense, but an important question that may crop up once in a while is whether the insurer can afford to miss out on cases of severe Covid 19 patients and write the risks on their books - specifically for high comorbidity cases. **Whether the current blood tests, ECGs, and TMTs are good enough to predict COVID 19. Insurers don't conduct CT Scans / HRCTs or MRIs in the normal course. In fact even 2D Echo is not a routine test.So are the current medical grids sufficient or are there some better Predictors of COVID 19?**

Dr. Pandit says the most important predictor for COVID19 is the 'Clinical Hypoxia' and 'Arterial Blood Gas'. If the patient has severe hypoxia on a saturation probe and it is confirmed by an arterial blood gas test, that seems to be the best predictor for COVID.

The second test is an HRCT. A CT scan determines not only the score, but what are the different patches which are being seen, and how it is described. It is often concluded that the CT and the clinical picture may not match at a particular point, but as the patient worsens, the CT does reflect the clinical condition quite well & vice versa.

Other tests include MRI and ECG or a 2D ECHO depending upon the symptoms.

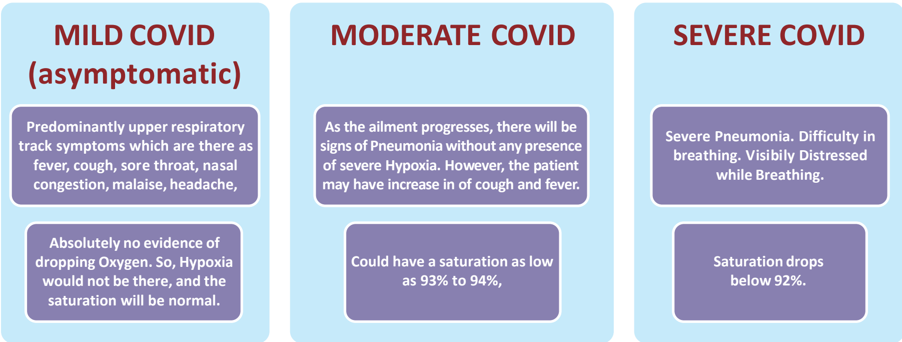
So it will be interesting to see if a few tests (like SPO2 saturation etc.) will get added in the MER along with other physical examinations by the insurers. Will HRCT, MRI, and ABG or a 2D Echo get added to the medical grids over a period based on claims experience or depending on COVID impact or co-morbidities seen in the future over time.

We all hear about Mild, Moderate, and Severe Covid. What are these in the real sense? Are these standard terminologies?

Dr. Pandit says while the definition of COVID19 is standard worldwide, the Ministry of Health and Family Welfare (MoHFW), Government of India also categorized COVID into three categories.

Dr. Pandit here forewarns that comorbidities play an important role and some patient who has existing heart disease or lung disease, maybe in a different category altogether, because even moderate symptoms in them will reflect like those in severe COVID19 patients.

Insurance is based on prognosis and once a policy is issued -



with or without medicals, the insurer doesn't generally get a chance to medically examine the life insured again. So it is pertinent for the insurer to do the right tests at the time of issuance if medical examinations are necessary. Specifically, if the life to be Insured has declared that he was COVID Positive in recent times.

Dr. Pandit says "Any person who has was recently COVID Positive, then he should undergo a thorough check-up which should include their Complete Blood Count, Serum Creatinine & BUN, Liver Function Test, ECG, 2D ECHO and Pulmonary Function Test (PFT). If the PFT is normal, quite often you can assume that functionally the patient is normal, because as I said before the CT Scan may take several weeks or months to normalise, however that doesn't mean that the patient has not got better, the patient is clinically better".

Lung problems, from pneumonia to COPD, range from mild to severe. Lung disease ranges from bronchitis and pneumonia to pulmonary hypertension. Lung function tests and X-rays are used to diagnose the problem. Many symptoms can be eased with proper treatment. PFT is surely a very useful test to determine any lung ailment. Now with COVID, it has become a critical test. Given the limitations of HRCT, are there any challenges with PFTs as well? Some studies show that up to 40% of people with COVID-19 are "asymptomatic." But the virus can still affect your body. X-rays and CT scans of some people without symptoms show lung damage including "ground-glass opacities," a typical lung lesion in people with COVID-19. **Given these facts what would be the role of PFTs or CRP or Chest XRays as critical testing parameters?**

Dr. Pandit is quick to clarify here that PFT can help to understand and diagnose restrictive or obstructive lung disease quite well, but it may not be able to differentiate whether the disease was caused because of COVID or not. It will have to be coupled with HRCT of the chest; if the HRCT of the chest shows Fibrosis and along with that the patient has a Restrictive Lung Disease, then on a history of COVID19 you could assume that it is because of COVID. However, several patients have the beginning of the fibrotic process in the lungs, even before COVID and they have not become a patient of Pulmonary Fibrosis who may not have realized the fore consequences of that. So, I think it is important that in insolation Pulmonary Function Test should not be interpreted, it should be coupled with some clinical examination as well as a CT scan of the chest.

Till COVID mortality hit India, the majority of the death certificates just mentioned the cause of death as "Heart Attack or Cardio-Respiratory Arrest". Of course, now Covid, Covid Pneumonia etc. are also seen as a major cause of death. Given the fact that the world is now seeing complexities due to COVID, it is probable that India too may see linked health issues and undiagnosed co-morbidities over the period. **So let's say if a person was positive with SEVERE COVID but now absolutely fine, then how will ECG, TMT, and 2D ECHO play a role in ruling out Cardiomyopathy in insured lives?**

Dr. Pandit explains COVID-induced Myocarditis or COVID-related Cardiomyopathy is one of the problems which a small number of patients have. Sometimes some of these patients may also present with Multisystemic Inflammatory Syndrome in adults, which may happen several weeks after the patients got better. The best way to predict that is to do an ECG and a 2D ECHO. A treadmill test should not be offered to patients without doing an ECG or a 2D ECHO, and without looking at their exercise tolerance. The treadmill test should be reserved for only patients amongst whom Coronary Atrial Disease is suspected and is best left to the Cardiologist or Physician to review and take a call whether the patient should be subjected to a Treadmill Test TMT) or not.

As per American Association for the Advancement of Science, up to half of the people in the hospital for COVID-19 have enzyme levels in their blood that signal liver damage. It may not be the virus itself that causes it. Medication or an overworked immune system can cause this, too. So the question that comes to my mind, specifically given that India is a diabetic capital of the world, is **"Can a covid positive patient who was a non-diabetic at the time of covid treatment become a freshly diagnosed Diabetic post recovering from COVID in the next 6 to 12 months?"**

Dr. Pandit responds "Yes, there is now a separate terminology, and we call those patients ' Post-COVID Diabetics'. Sometimes post covid patients face a significant amount of difficulty in controlling their sugar levels, right from the onset of Covid 19 and this is due to the ACE 2 receptor bindings of the Covid 19 patients. And in my opinion, it is the natural progression of the course of the disease, and the patient is not responsible for the high sugar levels in their body".

What is the possibility of a person developing Mucormycosis particularly in known Diabetics?

Dr. Pandit says "High blood glucose and diabetic patients are known to have RhinocerebralMucormycosis or Orbital Mucormycosis. However, our study in Fortis Hospital has demonstrated that despite being diabetic over 5000 patients being admitted to the hospital, with around 1027 in the ICU of which 417 were diabetics, we had zero incidences of Mucormycosis in the hospital. The reason for that was good glucose control and short protocol-driven glucose & steroid protocol (short-term protocol-driven approach). This aided the patients in having a very small exposure to the steroids, this coupled with tight glucose control helped them avoid any secondary or opportunistic infection."

The last few months have seen lots of hues and cries, deaths and pain. There have been complaints about treatments as well. **Usage of Steroids like Dexamethasone was prevalent during the covid treatment. Ideally, such steroids can be a cause for elevated Blood Sugar levels. So what's the medical opinion for the usage of steroids and their long-term impacts?**

Dr. Pandit responds "Obviously yes, Dexamethasone is the mainstay of treatment. Dexamethasone and Methylprednisol one are administered to patients with hypoxia. It is imperative that the patient who has hypoxia receive these drugs. Like any other steroids, these steroids also tend to cause an increase in the blood glucose level, however, the effect of this is not long-lasting; it has got no bearing in long-term glucose rise. In most patients, the dosage of steroids will last for 3 to 5 days or maybe 10 days, therefore the drug-related rise in sugar levels will also stop when the dosage stops."

One of the common things seen in covid patients was they losing weight during the Covid Treatment. **So would like to seek Dr.Pandit's opinion on how does the loss of weight during covid treatment affects a person from a high morbidity or mortality point of view?**

Dr. Pandit says "The loss of weight in COVID19 patients is usually because of the high catabolism, which happens in the body. Patients with COVID19 usually suffer from very high fever, Tachycardia, breathing difficulty, which is associated with a lot of muscle mass is lost as well as protein is lost from the body. Therefore, such patients require some time to recover. Patients who have spent a long time with severe COVID may have a high amount of morbidity as well as possible mortality. However, it is not related to a patient's weight loss but is regulated because of the disease which has caused severe catabolism. The weight usually increases and comes back to its reasonable self as the patient gradually starts to improve. Weight loss is not something seen as a permanent fixture rather it is very short-term."

Whenever a life to be insured is freshly diagnosed with some ailment (say Blood Pressure) or is under some new medication (say for Hypertension or depression etc.), as a normal underwriting protocol, insurers prefer to defer/postpone such risks so that he/she can be better assessed with surety after 3 to 6 months once the impact of medication is known.

Dr. Pandit replies "I don't think it's the right or the best decision as in my view, patients who have had COVID19 may be offered life insurance immediately after they recover, as long as the recovery process is looked at. The 3 to 6 months of postponement as mentioned in the question, has no absolute clinical bearing to say that in 3-6 months the risk of the morality of these patients is any different from that of the general population. However, what needs to be determined is that the patient is out of the acute phase. Once the patient is out from the acute phase, they can be offered life insurance, that should be the right decision. I would like to recommend Life Insurance Companies that a person who is seeking life insurance after COVID19 should undergo a thorough clinical examination. Followed by some basic evaluation like cardiac function, respiratory function, return of day-to-day activity, quality of life, and evaluation of other existing comorbidities which were pre-existing or were developed post-COVID like Diabetes Mellitus.

Vaccination is the one-word solution for this pandemic globally. Looking at the way things are moving and vaccination is being indirectly mandatory, looks like, there won't be any choice for most people. Now a question arises **"Will**

vaccination confirmation by a person be a good indicator of his protection and will it save the insurers from covid and covid related risks in future?"

Dr. Pandit says "Well, vaccination is an important step in preventing COVID19. Post-vaccination, if detected with COVID19, it definitely provides you protection from getting admitted to the ICU, or from going into severe disease and death. The incidence of vaccinated people having severe disease and death is less than 0.5%. It is not 0% but it's extremely good; whereas if you are not vaccinated the risk would be around 2 to 3% of the general population. Also, we need to understand that the vaccinated person generally develops enough antibodies to avoid infection, but a small number of patients could still get infected but would have asymptomatic or mild disease & they could spread to others."

Conclusion

When viruses infect us, they attach to our cells, penetrate, and make replicas of their RNA, which causes the spread. Viruses normally keep changing, and thus a new variant or a strain is born. A variant usually doesn't affect how the virus works. But sometimes they make it act in different ways. Scientists around the world are tracking changes in the virus that causes COVID-19. Their research is on, which shall guide experts to understand the pattern of COVID 19 virus, the treatment protocol, variant logic and spreading impact, and how effective the vaccines are going to be. Never know, probably Corona Virus over period may become similar to a Flu or influenza. But everything is still under study and research mode. A large study sponsored by the W.H.O. found that Remdesivir doesn't help hospitalized patients with COVID-19 survive and doesn't even shorten the recovery time of those who do survive.

These findings contradict earlier studies that found Remdesivir to be very effective over hospitalized coronavirus patients and helped them recover faster than patients who received a placebo. In an observational study from Wuhan, China, the cardiac injury was seen in 19.7% of patients with confirmed coronavirus disease 2019 (COVID-19) and was an independent predictor of in-hospital mortality. Mortality among patients with cardiac injury was 51.2%, compared with 4.5% among those without cardiac injury (P < .001). In a Cox regression model, patients with cardiac injury (vs without) had more than a fourfold increased risk for death during the time from symptom onset to death.

In a report on nearly 4000 COVID-19 patients from the UK who were admitted to intensive care units (ICUs), two-thirds of the subset who required mechanical ventilation died, as did one-fifth of the subset who required basic respiratory support. For comparison, the report shows that of ICU patients with viral pneumonia who required mechanical ventilation from 2017 to 2019, slightly more than one-third died.

But the picture isn't clear yet. No one can authentically conclude about COVID-19 disease or its actual impact - short term and long term or its correct treatment protocol or the overall effectiveness of vaccinations. It will be a wait and watch overall.

Source : WEBMD & MEDSCAPE

Disclaimer : Personal views of the author and the Medical Expert.

Unclaimed funds with banks near 50000 crore mark

Funds lying unclaimed with banks and insurance companies are nearing the Rs 50,000-crore mark, with an estimated addition of Rs 5,977 crore into bank accounts during 2020.

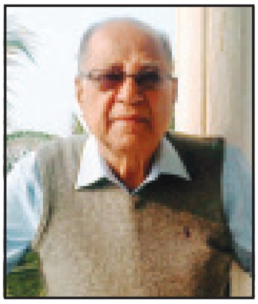
While the exact number of insurance policies where money has not been claimed is not immediately available, the government told Parliament that Rs 24,356 crore was lying in over 8.1 crore accounts. This translates into an average balance of around Rs 3,000 in each of the accounts.

The nationalised banks are close to the average, with Rs 3,030 being the average balance, which was Rs 2,710 in case of and Rs 3,340 for private lenders. In contrast, foreign banks on an average had Rs 9,250 lying unclaimed in over 6.6 lakh accounts. At Rs 654, the average balance was lowest in case of small finance banks, while it was just under Rs 1,600 for regional rural banks.

Unclaimed funds have been a perennial problem as several policyholders or their family members do not claim the maturity amount from insurance companies for multiple reasons. For instance, in several cases, the family members of the policyholder are unaware of the insurance cover purchased. Similarly, in many cases, either the documents are misplaced or the buyer misses the maturity date.

Two doyen's of Insurance Industry bids adieu

A doyen bids adieu



On 20th April 2021 the nonagenarian Arun Chandra Mukherji, a doyen of the Indian insurance industry and the former chairman of New India Assurance Company we bid adieu to all of us. He is one person I know who was involved in defining the blueprint of the Indian insurance sector at the time of the nationalization of the insurance business and during its opening up to competition twenty-eight years later.

Even though he had retired much before I had joined the Indian insurance industry, I nevertheless had the rare privilege and good fortune of working closely with this living encyclopedia twice:

- in 1996-97 when the Ministry of Finance appointed him to chair a committee to look into the solvency ratios and reserving requirements for insurers to implement the recommendations of the Malhotra Committee.
- in 2003, when he chaired the expert committee set up by the Insurance Regulatory And Development Authority to examine the remuneration system for insurance brokers and agents in the general insurance business, and I supported the Secretariat.

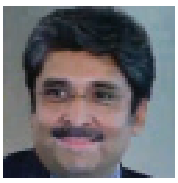
He was truly exceptional. I happened to learn many nuances, and notably, key pivots, by just observing how he conducted meetings to find practical answers to different pain points.

An anecdote that I vividly recall is a post-lunch consultation meeting with insurance industry representatives. After a round of introductions, he remarked that since he is old, listening is also harder. The person on the opposite side thought that he is hard of hearing and started speaking loudly and made his submission.

Later, during the break, he explained that listening is hard not because of hearing-related problems but because we're often consumed with ourselves. When you approach a conversation thinking only of your own agenda, your goal is to maneuver and manipulate the conversation and come out better than the other person. It's therefore important to be open to new information that you're not looking for but need to hear. He further underlined that although being a good listener is good, the intent has to be curiosity, not generosity.

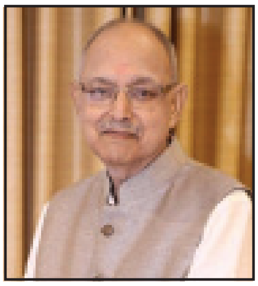
We are all self-focused, but leaders who make a difference are the ones who know the purpose is bigger than themselves. That's when they're in a strong listening mode. He was a man who pushed the limits - in his intellectual life, to be sure, but also in his professional life. What a triumph his life has been.

Arun Chandra Mukherji was cherished and loved by all of us. He will always occupy a prominent place in the annals of the history of the Indian insurance industry.



Arup Chatterjee
Policy and Regulatory Expert - Insurance, Pensions & Insurtech

Chronicler of India's insurance history bids adieu



The chronicler of India's insurance history from ancient to modern times, Mr. Dharmendra Kumar is no more amidst us. He bid adieu on 18 May.

Mr. Dharmendra Kumar retired as Executive Director of Life Insurance Corporation of India. Also, he served stints as a faculty at the National Insurance Academy and Dean at Birla Institute of Management And Technology.

He was interested in every aspect of insurance history, and his knowledge was breathtaking. He would pepper his conversations with references to anecdotes.

I learned from him that the Biblical story of Joseph or the Islamic history of Yusuf told in the Book of Genesis is one of the most intriguing financial history stories. It was the first insurance plan in recorded history. It captures the essence of how Joseph rises from a slave to a vizier in two words: risk management. Despite being exposed to cycles in nature since time immemorial, human behavior is influenced mainly by recent experiences. A common tendency is to forget some of the more random and disruptive lessons of the distant past. Joseph came up with a solution for dealing with Egypt's perennial cycles of droughts and good rains. He also managed to discern a cyclical pattern around which he could build a lasting solution to the problem of hunger. One can trace Egypt's role as the greatest civilization of the ancient world to this single and far-reaching innovation of spreading the risk.

Mathematician Benoit Mandelbrot subsequently drew his theoretical construct from the Old Testament story of Joseph recounting the Pharaoh's dream of seven fat cows being devoured by seven lean cows. Based on the interpretation that following seven good years of crop harvesting, seven bad years would follow, he postulated that movements over time tend to be part of more significant trends and cycles, more often than random ones. He coined the terms 'Joseph Effect' and the 'Noah Effect.' They refer to the seven good years and seven bad years, respectively.

The Babylonian tablets and the codes of Hammurabi and Manu also refer to bottomry contracts and show the familiarity of merchants with insurance concepts in an era of caravan and sea trade. And the Sanskrit term "Yogakshema" in the Rigveda is about community insurance that Aryans practiced.

Kautilya understood the concept of risk and the relevance of the first two moments** of a probability distribution to decision-making when faced with risky situations. He incorporated inferential statistics into economic decision-making in antiquity much much before the Western world embraced the idea. More specifically, he understood the concepts of risk-return trade-off, risk premium, loss-aversion, diversification, and analysis of variance and applied them appropriately.

According to Kautilya, the market for high-value products was very thin at the time, and their export was quite risky. He suggested financial protection measures to be provided to the traders and their merchandise. Also, he limited the proportion of high-value products in the total consignment to reduce the probability of getting robbed. He suggested diversification to reduce the risk.

Kautilya was farsighted as well as foresighted. He understood the role of capital formation in economic prosperity. He explained, "Wealth will slip away from that childish man who constantly consults the stars. The only guiding star of Wealth is itself; what can the stars of the sky do? Man, without Wealth, does not get it even after a hundred attempts." He suggested measures to respond to an economic embargo, developed traffic codes to prevent accidents. He also harped on establishing industrial zones to prevent fires and highlighted the importance of adopting appropriate steps to prevent famines, floods, fire, and epidemics.

In the Arthashastra, Kautilya describes that the state should use its expenses judiciously and take care of less fortunate ones. And they include children, the old, destitute, childless women, and the children of destitute women and those suffering from adversity.

The Directive Principles of the Constitution of India have taken a cue from this treatise. It calls on the state "to secure a social order to promote the welfare of the people." Article 41 requires the state to provide public assistance to its citizens in case of unemployment, old age, sickness, disability, or "other cases of undeserved want."

While Kautilya in the North gave pragmatic advice to manage the destructive economic instincts of humans, Thiruvalluvar in the South assumed the natural goodness of men and warned against institutional interference. In the timeless Tamil classic Thirukkural, he advocated limiting the state's involvement to defense, social security, and public works. He also stated that life-saving medicines and life-sustaining food and resources should be made available for all.

Mr. Kumar often referred to the Charter of Freedom passed at the Karachi session of the Indian National Congress in 1931. Our freedom fighters included banking and insurance as strategic industries for mobilizing public savings in the resolution. It also made references to concepts of social insurance and universal health insurance.

One can still read about India's rich contribution to world insurance history in his magnum opus - Thresholds in Indian Insurance, published by Macmillan. He not only shared the manuscript with me but also gave me the privilege to preview and comment.

His other popular books are Tryst with Trust, the LIC Story in two volumes updated and published during LIC's Diamond Jubilee under the title LIC of India -A Saga of Trust: Story of six decades. These books capture many of the most dramatic events, including nationalization and opening up the Indian insurance industry during an extraordinary life and career.

He kindled interest in me to learn about financial history. I have found the knowledge that I have gained over time as extremely useful:

1. It prevents ad-hoc uses of history in decision making, thus preventing the ultimate analytical error.
2. It forces us to think in the longue durée, which naturally fits in the context of insurance.
3. It fosters humility and enables us not to look at historians as less sophisticated because of their lack of access to better data, more developed analytic theory, and better computational tools. It also helps us recognize the role of asymmetric information, negative externalities, and deficient regulatory apparatuses in a financial crisis.
4. It reminds us of the raw power of economic crisis to cause profound societal shifts. We should not risk ourselves getting condemned to a cycle of mistakes we can avoid.

I will always remember Mr. Dharmendra Kumar as an intellectually generous and supportive well-wisher who devoted himself to furthering the understanding of the insurance sector's tryst with trust by looking back to look ahead.

(with permission from author from his Linkedin post) ❑

Edelweiss General Insurance registers 49% growth in FY21 making it the 2nd fastest growing General Insurer

InsurTech startup, Edelweiss General Insurance (EGI), registered a robust growth of 49% in premiums in FY21 over last year, while the Private GI industry grew at an average of 5.1% in the same time period. EGI's achievement in tough and challenging times, is a true validation of its digital operating model.

EGI's growth is primarily driven by its choice of segments - Private car and Retail Health insurance. Private Car YoY growth rate for EGI stood at 46% while the industry motor segment average is at -2%. Likewise, in Retail health, EGI had a YoY growth rate of 182%, against an industry average of 29%. EGI has more than doubled its customers in just 3 years of operations. Its retail business now has 1.6 million active customers.

Commenting on the performance, Shanai Ghosh, Executive Director & CEO, Edelweiss General Insurance, said, "The year was not just about strength and resilience against adversity, it was also about some strong wins for us, thanks to the energy, enthusiasm and hardwork by my entire team."

"Our digital operating model also held us in good stead, ensuring smooth business continuity and efficiency in operations. I am confident that we will continue performing well this year too. Along with our focus to offer innovative solutions to customers and enhance their experience, we also endeavour to continuously improve operational efficiency using our digital platform and leveraging data analytics for risk selection and pricing", Shanai added.

The company has also introduced a policy change for all its employees across India. EGI's Work from anywhere (WFA) is a Hybrid work model that aims to empower and enable employees with their choice of workspace while ensuring optimum work productivity. With the introduction of this policy, employees will have the flexibility and convenience to work from anywhere in India and contribute to the organisation's growth. Employees whose physical presence is not required in office, will be able to work from anywhere permanently, even once offices begin to reopen.

Advertorial

BIMTECH
BIRLA INSTITUTE
OF MANAGEMENT TECHNOLOGY

Events and happenings at Birla Institute of Management Technology (BIMTECH)

Student Achievements

Late Shri G.D. Birla Academic Merit Scholarships

Disha Gupta and Vasu Gupta students of the 2020-2022 Batch of PGDM (Insurance Business Management) programme were the recipients of G.D. Birla Academic Merit Scholarships for bagging thefirst and second positions respectively in the Third trimester. The objective of Late Shri G.D. Birla Scholarships is to motivate students for continuous improvement in their academic performance. 14 students coming from all programmes were considered for grant of scholarship for the Third Trimester (Batch 2020-22).

Faculty Achievement

Chartered Insurance Institute, the U.K. on the occasion of becoming a Commonwealth accredited organisation came out with its publication CII Commonwealth Report.

Prof (Dr.) Abhijit K. Chattoraj, Chartered Insurer - Dean(SW&SS) & Professor and Chairperson, PGDM (Insurance Business Management) IBM, Birla Institute of Management Technology (BIMTECH) published an article titled"An insurance profession for the post-pandemic world" in the CII Commonwealth Report. In the article, he discusses the slew of initiatives taken at Birla Institute of Management Technology (BIMTECH) to tackle the challenges thrown by the pandemic and how the institute approached the challenges in a spirit of flexibility and innovation, and in the process raised the bar for student engagement, trust and participation. The Covid-19 pandemic challenged leading organisations throughout the world, causing a level of disruption never experienced before, and triggering one of the deepest recessions in living memory. However, it has also created the opportunity for unprecedented change as organisations adopt new digital and work-from-home norms. Business schools were also sucked into this whirlpool and did everything to maintain the trust of the students in the face of this tumultuous situation. Age-old high standards faced a strenuous test.

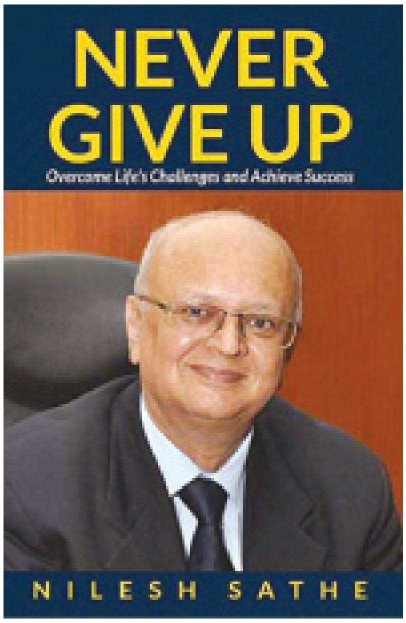
Webinar - InsureTech Leadership Talk Series

Birla Institute of Management Technology (BIMTECH) hosted Mr Mayank Gupta, COO and Co-Founder Zopper to deliver the third edition InsureTech Leadership Talk Series in association with India Insurtech Association. An essential part of the discussion was the increasing impact and use of Technology in Insurance. The intensity of its use is growing in areas like underwriting and claims management. Zopper is a technology & services provider that enables businesses to create various products & services to engage and retain their customers. Zopper works in partnership with NBFCs, Offline Retail chains, Ecommerce and B2B businesses to create the technology at the centre of customers' lives. The India InsurTech Association's goal is to facilitate the promotion of the usage of technology across the insurance value chain in India. ❑

Central Government announces family pensions, insurance benefits for dependents of Covid-19 victims

The central government announced financial assistance for families who have lost their earning members to Covid-19. The assistance includes a family pension and insurance benefits. Prime Minister NarendraModi said these measures will help the affected families mitigate financial difficulties faced by them.

In a statement, the Prime Minister's Office (PMO) said in order to help these families live a life of dignity and maintain a good standard of living, the benefit of the Employee State Insurance Corporation (ESIC) pension scheme for employment-related death cases is being extended to even those who have died due to Covid-19.



Never Give Up

Author :- Nilesh Sathe

***Book Review:* Anand Kulkarni, Ex DO LICI Mumbai DO3.**
Presently a Motivational speaker, Life & Business Coach

The title of this book "Never Give Up", is itself a motivation to pick up from the shelf and start reading the same !

Nilesh Sathe a renowned personality in the BFSI domain and specially in the Life Insurance Industry is no new face to us. His journey from a bank clerk to the Director and CEO of LIC Nomura Mutual Fund and later as Member (Life) of Insurance Regulator (IRDAI), is full of unique experiences which he narrates in this book .

It's an inspirational story of courage and conviction, a successful fight against odds. The book reflects his pursuit of fight against difficulties which he has narrated in a simple language. 'Lessons learnt' given at the end of each chapter will certainly be quotes for future.

He had a mastery in grooming and shaping the employees who worked with him and also of taking the organisation to new heights .

During my 3 decades of experience in Insurance sector, I have seen many leaders who succumbed to the pressure of bosses, peers and subordinates and changed their decisions but here is one leader, Nilesh Sathe who always stood to his conscience and who led by example. He was always ready to face adverse consequences if need arose, but he never compromised on values and ethics.

I feel myself lucky to be associated with him till date although many times he was my critic but the criticism was always meant for my progress. I still remember, he had recommended me a book , "The Argumentative Indian " which I had immediately purchased and on reading the book I realised why he had recommended me that book. The inherent nature of Indians is to get into arguments and I was no exception to it. He helped me change my perspective of how we can communicate without being offensive and without being looked as an argumentative individual.

This opened up my vision for the entirely new set of relationships.

"Never Give Up " is a true life inspirational story by Nilesh Sathe. He has narrated small instances and how he took a stand on those situations. The journey of the author was not an easy one, it had its own roller coaster rides and also innumerable challenges including Health , Financial and office Relationships, at times difficult Decision making too. His "never say die" attitude and the values that he lived by, came to his rescue and instead of pulling him back they always paved way for a better and brighter future for him.

The way he took decisions is a great learning for the young leaders of tomorrow. It will be a ready reckoner for them without reinventing the wheel to find solutions to office problems.

I appreciate the simplicity of language and while reading the book, one gets a feeling as if he is narrating his story to you by sitting in front of you. His mother had a significant role in imbibing values and shaping up his personality while his wife stood behind him like a rock at difficult times, especially during his three cancer surgeries. He has rightfully dedicated the book to both the ladies.

I recommend all those working in BFSI sector and also the managers to buy and read this book and understand how to face challenges in life and overcame them. One understands the logic behind decisions and how his principles and values have helped him to take tough and sometimes unpopular decisions largely in the interest of the organisation, LIC that he worked for !

The book has a foreword of Mr S B Mathur, former Chairman, LIC and has a testimony of M R Kumar, Chairman LIC and Sandeep Bakhshi, CMD ICICI Bank.

You can order this book on

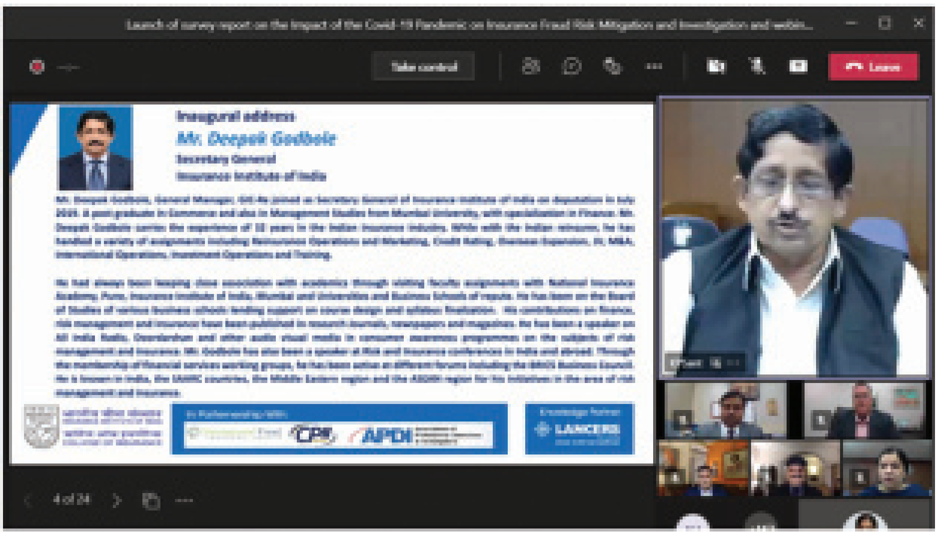
https://www.amazon.in/dp/8195088244

Insurance Institute of India Mumbai

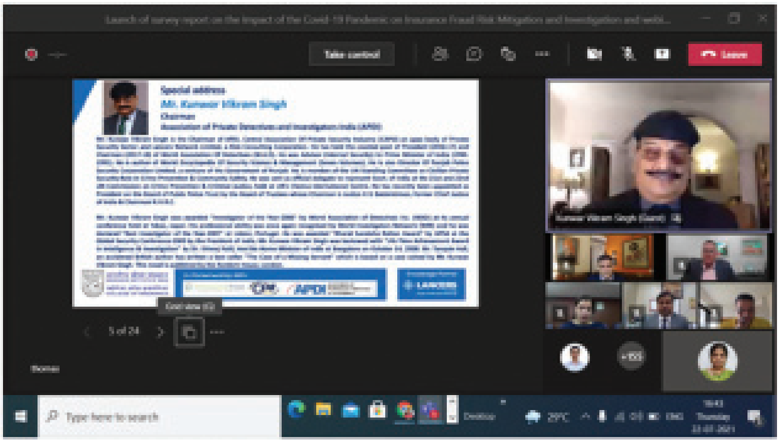
Launch of survey report on the impact of the Covid-19 Pandemic on Insurance Fraud Risk Mitigation and Investigation and webinar on Insurance Fraud and Investigation

Insurance Institute of India (III) had conducted a survey on the impact of the Covid-19 Pandemic on Insurance Fraud Risk Mitigation and Investigation. III had conducted this survey along with the Association of Private Detectives and Investigators (APDI) and the International Fraud Training Group (IFTG); and Lancers Network Ltd. as knowledge partners. The report of this survey which covered professionals from Life, Health, and General Insurance companies and investigators in India, was released by Mr. Tapan Singhel, Managing Director and CEO, Bajaj Allianz General Insurance Co. Ltd. at a webinar on 22nd July, 2021.

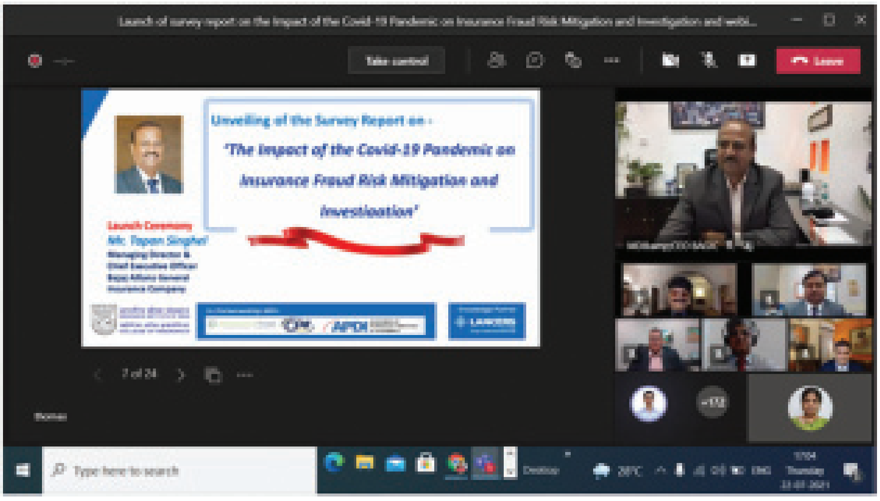
Mr. Deepak Godbole, Secretary General of III, who inaugurated the event, stated that like false claims, insurance frauds impacted the business of insurance, affecting the profitability of Insurance companies as also impacting the Insurance buyers necessitating higher premiums to compensate for the costs of fraudulent claims. Welcoming the elite audience comprising CEOs and senior managers of the insurance industry, Dr. George E Thomas, Professor, III stated that for capturing the views of experts in fraud-fighting and investigation in the insurance industry, the survey process was supplemented by structured telephonic interviews as well.



Mr. Kunwar Vikram Singh, Chairman, APDI in his special address appreciated the initiative taken and stated the need for increased profession alization of insurance investigators. He emphasized on the need for a higher level of industry collaboration for the purpose.



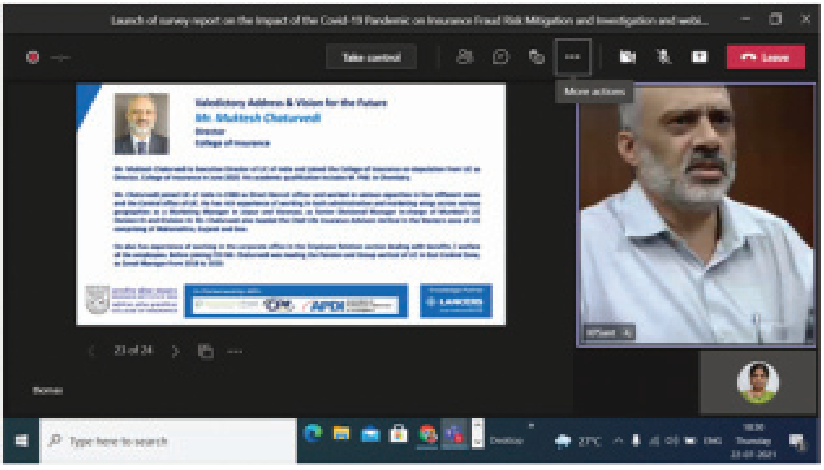
Mr. Tapan Singhel, while releasing the report, discussed the major highlights of the survey and the rising number of frauds during the Covid-19 times. 68% of the respondents revealed that their organizations have adopted digitalization for Investigation activities while 19% said that they are on different stages of planning. 27% of the respondents believe that Insurance Fraud increased during the pandemic, causing an increase in investigations. The increased use of technologies in investigation has increased the need for investigation training. 54% respondents preferred virtual classroom based training while 24% said they would go for offline training i.e. classroom training. He complemented the survey initiative and stated that it could give some deep insights on how the fraud



providing knowledge in technical matters of insurance, in contemporary advancements in technology based solutions, support by way of regulatory and legal enablement were discussed. The increased requirement of training for the Investigators was flagged as an area to be focused upon in the 'new normal' times.

Mr. Muktesh Chaturvedi in his valedictory speech thanked all the dignitaries of the Insurance Industry who attended the release ceremony and the webinar as speakers, panelists and audience. He highlighted that fraudsters would keep on finding new mechanisms to utilize the vulnerabilities of the situation to their benefit and that the insurance industry should continue their endeavors of fighting fraud even during the 'new normal'. He hoped that the survey on the Covid-19 Pandemic on Insurance Fraud Risk Mitigation and Investigation would help the Insurance Industry in finding better mechanisms to deal with the increasing frauds and empower their investigation mechanisms in a better way.

investigation industry performed during the pandemic period. He stated that the short articles published as part of the Survey Report complemented the findings and gave focused insights on many pain points of the insurance industry.



The webinar included two panel discussions. The first panel discussed **'Operational Disruptions due to the Pandemic Situation.'** The panel comprising Mr. Fred Wharton, President and Founder of International Fraud Training Group (IFTG) Mr. Nazeem Khan, Vice President - Internal Control & Loss Minimization of ICICI General Ins. Co. Ltd., Mr. Sanjiv Dwivedi, Sr. Vice President - Investigation & Loss Mitigation of Bajaj Allianz General Ins. Co. Ltd, Mr. Pradipto Sen, Senior Vice President of SBI Life Insurance Co. Ltd., Mr. Ajay Kanth, Founder of FACTPace Consultancy, and moderated by Dr. George E Thomas, enumerated the disruptions caused by the pandemic to the fraud-fighting and investigation functions, and discussed the various coping up strategies adopted by the industry to prevent and contain the new set of challenges.

The second panel on **'Digitalization and Training in the New Normal'** consisting of Mr. Fred Wharton, Mr. Vishal Dubhashi, Sr. Vice President- Risk and Loss Mitigation of HDFC Ergo General Ins. Co. Ltd., Prof. Archana Vaze, Assistant Professor of College of Insurance, Insurance Institute of India and Mr. Shivindra Pratap Singh, Managing Director of Lancers Network Limited; and moderated by Dr. George E Thomas, discussed the different approaches for upskilling and competency building of the investigators and fraud fighters working with the industry. The necessity for

Mr. Chaturvedi pointed out that the Institute already has in place the Certified Insurance Anti-Fraud Professional (CIAFP) Course for professionalizing fraud-fighters, and the Certified Professional Insurance Investigators Course (CPII) for empowering insurance investigators.

Notes to editors:

The survey was conducted prior to the onset of the second wave of Covid-19 and is reflective of operational realities pertaining to the time period, from March 2020 till February 2021. ❑

LEGAL

Legal Case Studies on Individual Mediclaim

Col. S L Narula
V/S
United India Ins. Co. Ltd.

Mr. S L Narula, the complainant has stated in his complaint that a mediclaim for treatment of his son had not been settled by the insurance company till date. The complainant stated that his son met with an accident on 24.09.2017 and was admitted in ICU of Kailash Hospital on the same day. The complainant had found a health card (corporate policy purchased by the employer of his son) in the wallet of his son and the same was handed over to the hospital for availing cashless treatment. M/s Med save, the TPA in this case, sanctioned cashless treatment up to Rs. One lakh as sum insured under the policy was Rs. One lakh only.

When, the expenses of treatment exceeded the limit of one lakh, the hospital asked the complainant to pay balance amount. At that time, when he again searched documents of his son, he came to know that his son had also purchased another policy (Individual Mediclaim Policy) with sum insured of Rs. 3 lakhs from the same insurer. Accordingly, he handed over health card of the second policy to the hospital. In order to avail cashless benefit under second policy, the hospital discharged the patient on 29.09.2017 at about 7 PM and readmitted him on the same day after two hours.

This exercise was done only in records as the patient remained admitted in the ICU during the intervening period of two hours. The Claim papers for Rs. 2, 06,188/- were submitted to the TPA who sanctioned Rs. One lakh only and disallowed balance amount of Rs. 1, 06,188/- in view of sum insured under the policy. Later, another claim of Rs. 94,800 for the hospitalization period from 29.09.2017 to 03.10.2017 was submitted to E-meditek, the TPA of second policy which was approved and paid by them. Since, the insurer was same in both the policies, the complainant approached the insurer several times requesting them to settle the claim for unpaid amount of Rs.1, 06,188/- under the second policy but failed to get any relief.

The insurer stated that the TPA of the second policy had advised the complainant to submit original /certified documents for hospitalization which were submitted by him to M/s Med save, the TPA of corporate policy, so as to enable them to process reimbursement of balance amount of Rs. 1,06,188/- but the complainant failed to submit the same, hence his claim could not be settled by the TPA of the second policy (Individual Mediclaim Policy).

The complainant stated that he was unable to understand as to why his claim had not been settled till date, when both the policies were issued by the same insurer. The insurer admitted that due to lack of coordination between the two TPAs, the claim for balance amount could not be settled. However, the insurer assured that the claim would be settled within one week from the date of receipt of required documents.

Pragati Gupta
V/S
National Insurance Co. Ltd.

The complainant stated that her husband was admitted in the Synergy Hospital Agra for the period from 16.03.2016 to 19.03.2016 for treatment of Acute Pancreatitis. She had incurred an expenditure of approximately Rs. 40,000/- and all the required documents, medical papers and reply to various queries raised by the TPA were submitted to the insurer but her claim had not been settled till date. On going through the documents submitted by the complainant, it is observed that the TPA had raised certain queries vide their letters dated 25.07.2016 and 02.08.2016 which were replied by the insured vide his letter dated 26.08.2016.

However, the insured informed vide letter dated 07.10.2016 that on receipt of complaint through this forum, the claim was reviewed and the insurer had agreed to settle the claim for Rs. 22,358/- subject to submission of consent of the complainant. Subsequently, the complainant, vide another mail dated 07.10.2017 has confirmed receipt of claim amount. The complaint, thus, stands closed and disposed off.

Mr. Rajeev Kumar
V/S
United India Insurance Co. Ltd.

Mr. Rajeev Kumar, the complainant has stated that two claims for treatment of his wife had not been settled by the insurance company till date. Aggrieved, he had requested the TPA/insurer including its GRO to reconsider the claims but failed to get any relief. The complainant stated that he had submitted two claims amounting to Rs. 299179 for treatment of his wife to the TPA on 17.01.2017 but in spite of various letters and telephonic calls, his claims had not been settled by the insurance company till date.

The complainant informed that after lodging the complaint in this forum, he had received payment of one of the claims but another claim had not been settled by the TPA/insurer till date. The representative of the insurer stated that in spite of his best efforts, status of the pending claims could not be obtained from the policy issuing office. He requested for some time so as to enable him to get details of the claims lodged by the insured. Accordingly, another personal hearing was held on 17.11.2017. The insurer informed that out of the two claims lodged by the complainant, one claim for Rs. 93881/- had been paid and the complainant had been advised to resubmit claim papers of the second claim as the same could not be traced by the TPA/Policy issuing office at Bangalore.

The complainant stated that he had already sent the claim papers of the second claim to the TPA; however, he agreed to resubmit the same. The insurer informed vide their mail dated 29.11.2017 that the complainant has resubmitted claim documents of the second claim for Rs. 1.73 lakhs to the TPA and the admissible amount of the claim would be settled shortly. It is observed that although, the complainant had alleged inordinate delay in settlement of the claims, he himself was confused and could not provide specific details of the claims. It appears that the complainant had also not followed up the claims properly with the insurer. However, now that the documents have been re-submitted, the insurer is advised to ensure prompt settlement of pending claim.

Mr. Barun Kumar Chandra
V/S
Oriental Insurance Company Limited.

The complainant had taken Oriental bank Mediclaim Policy for the period from 06/09/2016 to 05/09/2017 with sum insured of Rs 200000/ for himself and his family. The spouse of the complainant had problem of acute cholecystitis and Cholelithiasis, where laparoscopic cholecystomy was conducted on 28.02.2017. The complainant had lodged a claim with the company for re-imbursement but the same was rejected by the company . The complainant stated that the company had rejected the claim of his spouse because of break in insurance due to fault of Bank . He had regularly taken the policy from the company for the last five years.

The premium of the policy of Rs.3399/- was debited from his account on 23.08.2016 instead of 26/07/2016 hence the policy period should be effective from 23.08.2016 instead of 05.09.2016; which is less than one month and very much within grace period. The company stated that the policy, on which the claim was reported was renewed after a gap of 41 days and the previous policy was also renewed after a gap of 16 days, hence the current insurance policy was treated as a fresh policy. As per terms and conditions of the policy there is a waiting period of 2 years for the treatment of cholelithiasis (stone) disease and if continuity of the policy was not maintained then subsequent cover was to be treated as fresh policy, hence the claim of the complainant was rejected by the company under clause 4.2 of the policy, which states that the expenses on treatment of calculus disease for the period of two years is not payable if contracted and/or manifested during the currency of the policy. The insured did not appear for personal hearing. From the records, it was noticed that the premium as claimed by the complainant was debited within one month, confirming the break in insurance is within 30 days.

Hence the Insurer should settle the claim on merit as agreed by them after condoning the delay, which is less than 30 days. Once this is considered, the treatment of cholelithiasis would not fall within two years. Hence, an award was passed with the direction to the insurance company to provide all the continuity benefits of renewal under the policy to the complainant after condoning the delay. ❑

IRDAI Circular

Insurance Regulatory and Development Authority of India (Indian Insurance Companies) (Amendment) Regulations, 2021

IRDAI/ Reg/6/178 /2021

7th July, 2021

In exercise of the powers conferred by clauses (a), (db) and (zd) of sub-section 2 of section 114A read with Section 3 and 6A of the Insurance Act, 1938 (4 of 1938) and sections 14 and 26 of the Insurance Regulatory and Development Authority Act, 1999 (41 of 1999), the Authority hereby makes the following regulations, namely: -

Objective: The objective of these regulations is to harmonise the provisions of various regulations applicable to insurance companies with Insurance (Amendment) Act, 2021 read with Indian Insurance Companies (Foreign Investment) Rules, 2015 by amending the corresponding regulations which are mentioned herein.

1. Short Title and commencement:
   i. These regulations may be called the Insurance Regulatory and Development Authority of India (Indian Insurance Companies) (Amendment) Regulations, 2021.
   ii. These Regulations shall come into force on the date of their publication in the Official Gazette.

CHAPTER I

Amendment to Insurance Regulatory and Development Authority (Registration of Indian Insurance Companies) Regulations, 2000

2. After regulation 5, the following regulations shall be inserted, namely: -

"Requirement of Resident Indian citizenship for Directors, Key Management Persons, etc.

5A. In an Indian Insurance Company having foreign investment, —
   (a) a majority of its directors,
   (b) a majority of its Key Management Persons, and
   (c) at least one among the chairperson of its Board, its managing director and its Chief Executive Officer, shall be Resident Indian Citizens.

Explanation: For the purpose of this regulation, the expression "Resident Indian Citizen" shall have the same meaning as assigned to it in clause (o) of sub-rule (1) of rule 2 of Indian Insurance Companies (Foreign Investment) Rules, 2015.

Requirements for foreign investment exceeding forty-nine percent

5B. In an Indian Insurance Company having foreign investment exceeding forty-nine per cent. ,—
   (a) for a financial year for which dividend is paid on equity shares and for which at any time the solvency margin is less than 1.2 times the control level of solvency, not less than fifty percent of the net profit for the financial year shall be retained in general reserve; and
   (b) not less than fifty per cent of its directors shall be independent directors, unless the chairperson of its Board is an independent director, in which case at least one-third of its Board shall comprise of independent directors.".

3. In Regulation 10,
   a. In clause (e) of sub-regulation (2), the words "forty-nine percent" shall be substituted with words "seventy-four percent".

b. In sub-regulation (2), clauses (f) and (g) shall be omitted.

c. In sub-regulation (2), after clause (f), the following clause shall be inserted, namely: -

"(fa) In case the applicant has foreign investment, an affidavit by the managing director, chief executive officer or whole-time director and the promoters of the applicant certifying that the requirement of regulation 5A shall be complied with."

d. In sub-regulation (2), after clause (g), the following clause shall be inserted, namely:

"(ga) In case, the applicant has foreign investment exceeding forty-nine percent, an affidavit by the managing director, chief executive officer or whole-time director and the promoters of the applicant certifying that the requirement of regulation 5B shall be complied with."

4. Regulations 29, 30 and 31 shall be omitted.

5. After regulation 31, the following regulation shall be inserted, namely: -

"31A. (1) Every Indian Insurance Company having foreign investment, existing on or before the date of commencement of the Indian Insurance Companies (Foreign Investment) Amendment Rules, 2021, shall within one year from the commencement of the rules, comply with the requirements of the provisions of regulation 5A of these regulations.

(2) An undertaking confirming compliance with provisions of Regulation 5A shall be filed by the Indian Insurance Company duly signed by the Chief Executive Officer and Chief Compliance Officer within 45 days from the date of the meeting of the Board of Directors, whereat such compliance has been confirmed.

(3) Every undertaking shall be accompanied by:

(i) A certified copy of resolution passed by the Board of Directors confirming the compliance of sub-regulation (1);

(ii) Where applicable, certified copy of the agreement / Joint venture Agreement where amendments to the agreement / joint venture agreement have been carried out to give effect to the provisions of these regulations.

(4) An existing Indian Insurance Company with foreign investment exceeding 49 percent shall ensure compliance with regulation 5B of these regulations.".

CHAPTER-II

Amendment to Insurance Regulatory and Development Authority of India (Transfer of Equity Shares of Insurance Companies) Regulations, 2015

6. In Form B

a. In the row 16, the following shall be substituted:

"16. Where the Indian Insurance Company has Foreign investment, status of compliance of regulation 5A of Insurance Regulatory and Development Authority (Registration of Indian Insurance Companies) Regulations, 2000. (please attach a brief note on the same)".

b. In row 17, the following shall be substituted:

"17. Where the Foreign investment in an Indian Insurance Company exceeds or shall exceed 49 percent, status of compliance of regulation 5B of Insurance Regulatory and Development Authority (Registration of Indian Insurance Companies) Regulations, 2000. (please attach a brief note on the same)".

CHAPTER-III

Amendment to Insurance Regulatory and Development Authority of India (Issuance of Capital by Indian Insurance Companies Transacting Life Insurance Business) Regulations, 2015

7. Clause (vi) of sub-regulation (2) of regulation 5 shall be substituted with the following, namely: -
"Compliance with the Indian Insurance Companies (Foreign Investment) Rules, 2015 and any guidelines issued by the Authority in this regard;".

8. Clause (b) of regulation 7 shall be substituted with the following, namely: -
"Consequent upon the dilution of shareholding by the promoter(s) and / or Investor (s) or issue of fresh capital, the applicant company shall not be compliant to the Regulation 5A and / or 5B of Insurance Regulatory and Development Authority (Registration of Indian Insurance Companies) Regulations, 2000".

9. In form A, para 13 of the annexure to Application shall be substituted with the following, namely:-
"Confirmation of compliance with Indian Insurance Companies (Foreign Investment) Rules, 2015:

M/s ………………………. hereby confirms that it is compliant with the requirements of Section 2 (7A) (b) of the Act read with Indian Insurance Companies (Foreign Investment) Rules, 2015 and Regulations and any guideline issued by the Authority and shall continue to be compliant after the issue of capital in accordance with this application.".

CHAPTER-IV

Amendment to Insurance Regulatory and Development Authority of India (Issuance of Capital by Indian Insurance Companies Transacting other than Life Insurance Business) Regulations, 2015

10. Clause (vi) of sub-regulation (2) of regulation 5 shall be substituted with the following, namely: -
    "Compliance with the Indian Insurance Companies (Foreign Investment) Rules, 2015 and any guidelines issued by the Authority in this regard;".
11. Clause (b) of regulation 7 shall be substituted with the following, namely: -
    "Consequent upon the dilution of shareholding by the promoter(s) and / or Investor (s) or issue of fresh capital, the applicant company shall not be compliant to the Regulation 5A and / or 5B of Insurance Regulatory and Development Authority (Registration of Indian Insurance Companies) Regulations, 2000.".
12. In form A, in annexure to Application, para 13 shall be substituted with the following, namely:-
    "Confirmation of compliance with Indian Insurance Companies (Foreign Investment) Rules, 2015:

    M/s ………………………. hereby confirms that it is compliant with the requirements of Section 2 (7A) (b) of the Act read with Indian Insurance Companies (Foreign Investment) Rules, 2015 and Regulations and any guideline issued by the Authority and shall continue to be compliant after the issue of capital in accordance with this application.".

(T. L. ALAMELU)
Whole-time Member
(Non-Life Insurance)

GeM Bid for Annual Maintenance Contract (AMC) of Hardware for IRDAI (HYD, NDRO and MRO) – Award of Contract

GEM/2021/B/1134844

Date:22-07-2021

This has reference to the Bid Number: GEM/2021/B/1134844, published on 22/03/2021, on GeM Portal (https://gem.gov.in) for Annual Maintenance Contract (AMC) of Hardware for IRDAI offices (Hyderabad, New Delhi Regional office and Mumbai Regional Office).

Based on the detailed scrutiny of the proposals received from various bidders, M/s BHARAT IT SERVICES LIMITED is emerged as the lowest evaluated responsive tender (L1) and accordingly the vendor has been awarded the Contract for Rs. 18,11,218.78/- (Including All Duties and Taxes) for a period of 2 years with effective from 09th July 2021.

(A.R.Nithiyanantham)
Chief General Manager (IT)

Standards and Benchmarks for the Hospitals in the provider Network

IRDAI/HLT/REG/MISC/199/07/2021

Date:23-07-2021

1. Reference is invited to IRDAI Circular ref: IRDAI/HLT/REG/CIR/199/07/2020 dated 24th July, 2020 on the captioned subject.

2. In partial modification of the captioned guidelines, taking into consideration the prevailing COVID-19 pandemic, the timelines for complying with the standards and benchmarks specified at clause (a)(i) and (ii) of Chapter IV of the Guidelines on Standardisation in Health Insurance under Section I of Master circular ref. IRDAI/HLT/REG/CIR/193/07/2020 dated 22nd July,2020 (hereinafter referred as Chapter IV) stands extended for a further period of one year for all the existing network providers as on the date.

3. The norms specified at Clause a(iii) of Chapter IV shall continue to be applicable for all the new entrants.

4. There is no change in other norms specified therein.

5. This Circular is issued in terms of Regulation 31(e) of the IRDAI (Health Insurance) Regulations 2016.

6. This has the approval of the competent authority.

(DVS RAMESH)
General Manager (Health)

Performance Statistics - Non-Life Insurance

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

(Rs. in crores)

INSURER	For the month of June		Upto the Month of June Month of		Market Share upto the period of pre- June 2021 (%)	Growth over the corresponding vious year (%)
	2021-22	2020-21	2021-22	2020-21		
Acko General Insurance Limited	60.87	25.93	170.26	56.22	0.38	202.84
Bajaj Allianz General Ins. Co. Ltd.	823.01	767.86	2,471.67	2,266.53	5.56	9.05
Bharti AXA General Ins. Co. Ltd.	134.04	167.03	455.41	508.92	1.02	(10.51)
Cholamandalam MS General Ins.	340.00	338.32	899.72	859.77	2.02	4.65
NAVI General Insurance Limited	2.39	6.62	7.71	10.56	0.02	(26.99)
Edelweiss General Ins. Co. Ltd.	17.21	10.16	60.78	36.50	0.14	66.52
Future Generali India Ins. Co. Ltd.	222.60	192.84	699.46	672.48	1.57	4.01
Go Digit General Ins. Ltd.	281.84	181.76	788.10	406.38	1.77	93.93
HDFC Ergo General Ins. Co. Ltd.	757.98	715.40	2,386.31	1,984.39	5.37	20.25
ICICI Lombard General Ins. Co. Ltd.	1,032.61	1,026.01	3,732.96	3,302.21	8.40	13.04
IFFCO Tokio General Ins. Co. Ltd.	692.92	773.97	1,832.48	1,734.48	4.12	5.65
Kotak Mahindra General Ins. Co.	45.22	46.53	118.98	97.43	0.27	22.13
Liberty General Ins. Ltd.	94.17	98.83	336.96	319.55	0.76	5.45
Magma HDI General Ins. Co. Ltd.	128.73	102.60	296.37	213.78	0.67	38.64
National Ins. Co. Ltd.	1,225.86	897.35	3,091.26	2,686.09	6.96	15.08
Raheja QBE General Ins. Co. Ltd.	31.59	13.11	87.25	36.13	0.20	141.49
Reliance General Ins. Co. Ltd.	720.07	632.46	2,054.46	1,851.90	4.62	10.94
Royal Sundaram General Ins. Co.	206.27	194.88	619.22	584.44	1.39	5.95
SBI General Ins. Co. Ltd.	420.15	635.99	1,164.36	1,205.17	2.62	(3.39)
Shriram General Ins. Co. Ltd.	133.66	179.20	344.29	457.24	0.77	(24.70)
Tata AIG General Ins. Co. Ltd.	658.72	618.47	2,074.01	1,798.97	4.67	15.29
The New India Assurance Co. Ltd.	2,752.23	2,533.99	8,831.89	7,516.66	19.88	17.50
The Oriental Ins. Co. Ltd.	1,032.79	899.95	3,144.37	2,822.39	7.08	11.41
United India Ins. Co. Ltd.	1,085.19	1,253.73	3,641.55	3,993.09	8.20	(8.80)
Universal Sompo General Ins. Co.	141.39	122.73	500.57	418.62	1.13	19.58
General Insurers Total	**13,041.51**	**12,435.71**	**39,810.39**	**35,839.88**	**89.59**	**11.08**
Aditya Birla Health Ins. Co. Ltd.	119.84	89.27	367.52	245.60	0.83	49.64
ManipalCigna Health Ins. Co. Ltd.	67.89	55.12	211.18	143.07	0.48	47.61
Max Bupa Health Ins. Co. Ltd.	211.30	117.80	584.78	306.02	1.32	91.09
Care Health Insurance Limited	249.21	186.31	743.55	481.63	1.67	54.38
Star Health & Allied Ins. Co. Ltd.	908.65	613.43	2,315.73	1,538.67	5.21	50.50
Reliance Health Ins. Ltd.*	---	(0.00)	---	(0.01)	---	NA
Stand-alone Pvt Health Insurers	**1,556.89**	**1,061.94**	**4,222.75**	**2,714.98**	**9.50**	**55.54**
Agricultural Ins. Co. of India Ltd.	114.00	242.13	208.42	329.62	0.47	(36.77)
ECGC Limited	96.87	102.49	193.39	170.34	0.44	13.53
Specialized PSU Insurers	210.87	344.62	401.81	499.96	0.90	-19.63
GRAND TOTAL	**14,809.27**	**13,842.27**	**44,434.96**	**39,054.82**	**100.00**	**13.78**

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

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

Performance STATISTICS - LIFE INSURANCE

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

(₹ Crores)

Sl. No.	Particulars	Premium in Rs. Crore					No. of Policies / Schemes				
		Month of Jun-2021	Upto Jun-2021	Month of Jun-2020	Upto Jun-2020	YTD Variation in %	Month of Jun-2021	Upto Jun-2021	Month of Jun-2020	Upto Jun-2020	YTD Variation in %
1	**Aditya Birla Sun Life Insurance Co. Ltd.**										
	Individual Single Premium	27.48	48.62	9.73	20.89	132.80%	139	353	217	410	-13.90%
	Individual Non Single Premium	174.34	320.39	159.84	307.03	4.35%	20941	39793	26746	52034	-23.53%
	Group Single Premium	135.48	290.23	324.58	560.55	-48.22%	8	18	7	11	63.64%
	Group Non Single Premium	0.49	0.76	0.91	4.81	-84.21%	0	0	0	0	---
	Total	**340.79**	**670.41**	**504.04**	**916.48**	**-26.85%**	**21091**	**40191**	**27024**	**52579**	**-23.56%**
2	**Aegon Life Insurance Co. Ltd.**										
	Individual Single Premium	0.01	0.01	0.03	0.11	-88.73%	2	2	1	7	-71.43%
	Individual Non Single Premium	1.83	4.48	3.74	8.99	-50.14%	1426	3478	1583	3452	0.75%
	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	**2.60**	**8.69**	**4.79**	**13.12**	**-33.75%**	**1430**	**3494**	**1592**	**3475**	**0.55%**
3	**Ageas Federal Life Insurance Co. Ltd.**										
	Individual Single Premium	19.58	43.26	22.64	37.93	14.03%	377	872	864	1511	-42.29%
	Individual Non Single Premium	18.68	38.62	12.24	18.88	104.53%	2450	4818	2212	3498	37.74%
	Group Single Premium	5.91	19.74	4.64	7.07	179.15%	0	0	0	0	---
	Group Non Single Premium	0.00	0.00	0.00	0.00	-95.69%	0	0	0	1	-100.00%
	Total	**44.17**	**101.61**	**39.52**	**63.89**	**59.05%**	**2827**	**5690**	**3076**	**5010**	**13.57%**
4	**Aviva Life Insurance Co. Ltd.**										
	Individual Single Premium	0.59	1.57	1.64	2.98	-47.35%	12	-16	27	59	-127.12%
	Individual Non Single Premium	7.80	24.59	9.35	27.30	-9.90%	1284	2980	1856	4482	-33.51%
	Group Single Premium	0.57	0.66	0.02	0.42	55.24%	0	0	0	0	---
	Group Non Single Premium	0.06	0.21	0.07	0.24	-11.52%	0	0	0	0	---
	Total	**18.83**	**39.44**	**16.29**	**47.21**	**-16.46%**	**1319**	**2987**	**1900**	**4588**	**-34.90%**
5	**Bajaj Allianz Life Insurance Co. Ltd.**										
	Individual Single Premium	21.81	45.01	10.99	15.44	191.49%	270	594	95	188	215.96%
	Individual Non Single Premium	224.23	488.83	159.91	328.82	48.66%	31934	69982	47127	90173	-22.39%
	Group Single Premium	355.01	683.84	74.17	364.59	87.56%	7	12	3	10	20.00%
	Group Non Single Premium	0.00	0.00	0.00	0.00	-100.00%	0	0	0	0	---
	Total	**614.97**	**1295.93**	**251.95**	**741.62**	**74.74%**	**32216**	**70616**	**47226**	**90378**	**-21.87%**
6	**Bharti AXA Life Insurance Co. Ltd.**										
	Individual Single Premium	6.45	13.65	2.06	4.16	228.44%	17	76	25	48	58.33%
	Individual Non Single Premium	52.60	106.59	38.91	90.46	17.84%	9170	19489	9504	21420	-9.01%
	Group Single Premium	8.07	31.19	5.72	15.09	106.71%	0	3	2	6	-50.00%
	Group Non Single Premium	0.00	0.00	0.00	0.00	---	0	0	0	0	---
	Total	**67.18**	**151.70**	**46.69**	**109.70**	**38.29%**	**9187**	**19568**	**9531**	**21474**	**-8.88%**
7	**Canara HSBC OBC Life Insurance Co. Ltd.**										
	Individual Single Premium	41.31	66.58	42.10	102.94	-35.33%	471	714	350	1041	-31.41%
	Individual Non Single Premium	72.97	135.42	54.07	85.95	57.55%	11181	20532	12226	24186	-15.11%
	Group Single Premium	174.33	459.49	21.50	191.68	139.72%	0	2	1	1	100.00%
	Group Non Single Premium	0.17	0.69	0.29	0.52	34.26%	0	0	0	0	---
	Total	**383.67**	**758.26**	**217.43**	**481.29**	**57.55%**	**11658**	**21272**	**12581**	**25234**	**-15.70%**
8	**Edelweiss Tokio Life Insurance Co. Ltd.**										
	Individual Single Premium	1.27	4.78	0.51	1.80	166.06%	27	386	8	32	1106.25%
	Individual Non Single Premium	25.96	57.26	25.38	57.32	-0.10%	5343	11050	7628	17975	-38.53%
	Group Single Premium	0.63	3.09	0.68	1.76	75.01%	0	0	0	0	---
	Group Non Single Premium	0.00	0.00	0.00	0.33	-100.00%	0	0	0	0	---
	Total	**27.96**	**65.66**	**27.60**	**62.85**	**4.47%**	**5370**	**11440**	**7637**	**18015**	**-36.50%**
9	**Exide Life Insurance Co. Ltd.**										
	Individual Single Premium	11.11	34.50	8.48	19.57	76.28%	99	221	95	292	-24.32%
	Individual Non Single Premium	47.36	93.81	35.15	74.89	25.27%	9463	20501	10327	25082	-18.26%
	Group Single Premium	0.02	0.16	0.04	0.05	213.22%	0	0	0	0	---
	Group Non Single Premium	1.18	12.72	0.29	4.16	205.57%	1	5	2	10	-50.00%
	Total	**75.76**	**163.61**	**44.79**	**101.83**	**60.67%**	**9563**	**20727**	**10424**	**25384**	**-18.35%**
10	**Future Generali India Life Insurance Co. Ltd.**										
	Individual Single Premium	0.17	0.31	0.15	0.18	68.97%	6	12	5	7	71.43%
	Individual Non Single Premium	16.01	36.57	21.82	55.11	-33.63%	2658	4750	4420	11235	-57.72%
	Group Single Premium	1.60	7.71	0.51	-0.57	-1446.88%	0	0	0	0	---
	Group Non Single Premium	0.00	0.00	0.00	0.00	---	0	0	0	0	---
	Total	**38.20**	**99.02**	**32.40**	**65.66**	**50.81%**	**2668**	**4769**	**4428**	**11248**	**-57.60%**
11	**HDFC Life Insurance Co. Ltd.**										
	Individual Single Premium	275.86	663.47	303.88	558.64	18.76%	3425	7985	3602	6795	17.51%
	Individual Non Single Premium	541.67	1238.36	540.36	1015.67	21.93%	70205	162469	88867	187743	-13.46%
	Group Single Premium	843.12	1837.37	496.70	1059.17	73.47%	5	17	12	33	-48.48%
	Group Non Single Premium	0.00	0.00	0.00	0.00	---	0	0	0	0	---
	Total	**1685.66**	**3814.56**	**1346.68**	**2653.18**	**43.77%**	**73644**	**170485**	**92491**	**194600**	**-12.39%**
12	**ICICI Prudential Life Insurance Co. Ltd.**										
	Individual Single Premium	252.50	621.03	162.29	283.99	118.68%	2485	6211	1975	3543	75.30%
	Individual Non Single Premium	416.37	880.26	292.80	627.38	40.31%	47924	113055	49649	117411	-3.71%
	Group Single Premium	101.65	393.44	44.78	94.87	314.69%	4	18	5	7	157.14%
	Group Non Single Premium	0.01	0.11	0.00	0.00	---	0	0	0	0	---
	Total	**1263.19**	**2558.52**	**564.56**	**1499.48**	**70.63%**	**50545**	**119990**	**51818**	**121434**	**-1.19%**

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

(₹ Crores)

Sl. No.	Particulars	Premium in Rs. Crore					No. of Policies / Schemes				
		Month of Jun-2021	Upto Jun-2021	Month of Jun-2020	Upto Jun-2020	YTD Variation in %	Month of Jun-2021	Upto Jun-2021	Month of Jun-2020	Upto Jun-2020	YTD Variation in %
13	**IndiaFirst Life Insurance Co. Ltd.**										
	Individual Single Premium	5.31	11.75	1.17	2.26	419.07%	130	268	38	84	219.05%
	Individual Non Single Premium	77.70	149.40	41.34	71.77	108.17%	17048	31930	11574	24155	32.19%
	Group Single Premium	88.82	272.68	37.63	112.03	143.39%	37	105	14	33	218.18%
	Group Non Single Premium	0.07	0.18	0.04	0.13	42.54%	0	0	0	2	-100.00%
	Total	**171.91**	**434.02**	**80.17**	**186.20**	**133.10%**	**17215**	**32303**	**11626**	**24274**	**33.08%**
14	**Kotak Mahindra Life Insurance Co. Ltd.**										
	Individual Single Premium	80.22	172.17	77.12	133.17	29.29%	2463	4170	3384	6513	-35.97%
	Individual Non Single Premium	101.59	212.37	107.83	222.20	-4.42%	18838	37393	23411	51724	-27.71%
	Group Single Premium	50.04	229.92	24.98	84.41	172.38%	6	32	11	32	0.00%
	Group Non Single Premium	0.01	0.06	0.00	0.14	-58.61%	1	3	1	5	-40.00%
	Total	**290.88**	**715.03**	**286.76**	**565.90**	**26.35%**	**21358**	**41803**	**26871**	**58487**	**-28.53%**
15	**Max Life Insurance Co. Ltd.**										
	Individual Single Premium	148.97	303.70	133.91	265.38	14.44%	674	1289	461	778	65.68%
	Individual Non Single Premium	400.32	800.08	340.90	594.31	34.62%	51594	108983	57954	121375	-10.21%
	Group Single Premium	48.84	131.76	12.11	12.60	946.01%	0	21	0	0	---
	Group Non Single Premium	0.00	0.00	0.00	0.00	---	0	0	0	0	---
	Total	**599.46**	**1239.07**	**494.02**	**899.42**	**37.76%**	**52268**	**110298**	**58502**	**122357**	**-9.86%**
16	**PNB Metlife Life Insurance Co. Ltd.**										
	Individual Single Premium	10.41	23.65	16.20	16.99	39.19%	148	341	203	214	59.35%
	Individual Non Single Premium	94.94	205.23	89.91	184.36	11.32%	18665	41695	16674	42487	-1.86%
	Group Single Premium	23.07	64.69	15.32	27.97	131.28%	0	1	0	0	---
	Group Non Single Premium	0.17	0.47	0.04	0.13	249.53%	12	51	13	26	96.15%
	Total	**136.22**	**321.20**	**125.06**	**238.93**	**34.43%**	**18825**	**42088**	**16890**	**42727**	**-1.50%**
17	**Pramerica Life Insurance Limited.**										
	Individual Single Premium	0.21	0.38	0.07	0.28	34.79%	4	8	7	18	-55.56%
	Individual Non Single Premium	9.86	25.03	10.11	28.54	-12.31%	1867	4316	2117	4359	-0.99%
	Group Single Premium	3.22	16.51	2.48	2.55	548.19%	0	0	1	3	-100.00%
	Group Non Single Premium	0.00	0.00	0.00	0.00	---	0	0	0	0	---
	Total	**18.97**	**54.84**	**15.45**	**38.37**	**42.91%**	**1888**	**4381**	**2157**	**4438**	**-1.28%**
18	**Reliance Nippon Life Insurance Co. Ltd.**										
	Individual Single Premium	4.16	11.34	2.94	7.19	57.71%	136	373	118	269	38.66%
	Individual Non Single Premium	65.06	163.90	66.21	146.92	11.56%	12909	32924	14529	37620	-12.48%
	Group Single Premium	0.00	0.00	0.00	0.00	---	0	0	0	0	---
	Group Non Single Premium	0.66	5.53	1.49	4.26	29.81%	1	5	1	3	66.67%
	Total	**70.31**	**183.35**	**71.15**	**160.48**	**14.25%**	**13047**	**33313**	**14648**	**37897**	**-12.10%**
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 Company Limited**										
	Individual Single Premium	253.32	499.77	199.00	323.28	54.59%	8022	21180	3768	6112	246.53%
	Individual Non Single Premium	692.65	1335.37	618.08	1013.10	31.81%	118161	235502	110199	183588	28.28%
	Group Single Premium	788.02	1440.46	663.19	1649.53	-12.67%	8	15	11	16	-6.25%
	Group Non Single Premium	2.69	12.40	0.09	8.97	38.28%	0	0	1	1	-100.00%
	Total	**1767.05**	**3343.89**	**1502.44**	**3058.34**	**9.34%**	**126197**	**256727**	**114006**	**189791**	**35.27%**
21	**Shriram Life Insurance Co. Ltd.**										
	Individual Single Premium	6.33	12.94	4.20	7.01	84.54%	901	1184	153	265	346.79%
	Individual Non Single Premium	41.76	77.99	40.99	66.61	17.09%	19597	41315	19610	32271	28.03%
	Group Single Premium	4.39	23.78	1.79	6.24	281.32%	1	1	0	0	---
	Group Non Single Premium	0.00	0.00	0.00	0.00	---	0	0	0	0	---
	Total	**66.10**	**145.16**	**47.29**	**80.96**	**79.30%**	**20522**	**42556**	**19763**	**32538**	**30.79%**
22	**Star Union Dai-Ichi Life Insurance Co. Ltd.**										
	Individual Single Premium	15.09	24.30	10.84	17.59	38.12%	278	488	249	368	32.61%
	Individual Non Single Premium	69.05	104.82	33.07	52.39	100.06%	9180	14603	5211	8212	77.83%
	Group Single Premium	15.13	29.71	5.91	9.21	222.59%	0	0	0	0	---
	Group Non Single Premium	0.00	0.05	0.16	0.27	-81.35%	0	0	0	0	---
	Total	**206.37**	**299.61**	**73.80**	**105.36**	**184.37%**	**9462**	**15105**	**5461**	**8582**	**76.01%**
23	**Tata AIA Life Insurance Co. Ltd.**										
	Individual Single Premium	33.11	71.45	94.98	173.55	-58.83%	397	822	508	910	-9.67%
	Individual Non Single Premium	272.53	558.67	235.29	520.73	7.29%	37088	81235	36236	94461	-14.00%
	Group Single Premium	3.52	8.82	0.91	0.34	2462.70%	0	1	1	1	0.00%
	Group Non Single Premium	0.37	1.03	1.97	7.51	-86.26%	2	10	8	21	-52.38%
	Total	**322.94**	**660.98**	**338.96**	**715.15**	**-7.57%**	**37509**	**82123**	**36773**	**95460**	**-13.97%**
	Private										
	Individual Single Premium	1215.26	2674.25	1104.92	1995.33	34.03%	20483	47533	16153	29464	61.33%
	Individual Non Single Premium	3425.26	7058.06	2937.30	5598.72	26.07%	518926	1102793	559660	1158943	-4.84%
	Group Single Premium	2651.46	5945.22	1737.66	4199.57	41.57%	76	246	68	153	60.78%
	Group Non Single Premium	5.88	34.22	5.36	31.46	8.75%	17	74	26	69	7.25%
	Private Total	**8213.19**	**17124.58**	**6131.84**	**12805.41**	**33.73%**	**539809**	**1151926**	**576425**	**1189970**	**-3.20%**
24	**Life Insurance Corporation of India**										
	Individual Single Premium	1573.43	3355.47	2196.87	3655.24	-8.20%	60174	128242	70005	117027	9.58%
	Individual Non Single Premium	2114.01	4656.09	2020.89	4421.57	5.30%	1004260	2179271	1033022	1795584	21.37%
	Group Single Premium	17912.99	27163.94	18044.19	25887.45	4.93%	11	33	20	33	0.00%
	Group Non Single Premium	160.91	330.63	460.15	2508.89	-86.82%	591	1296	468	742	74.66%
	Total	**21796.28**	**35600.68**	**22736.84**	**36530.02**	**-2.54%**	**1066534**	**2311806**	**1104813**	**1915641**	**20.68%**
	GRAND TOTAL	**30009.48**	**52725.26**	**28868.68**	**49335.43**	**6.87%**	**1606343**	**3463732**	**1681238**	**3105611**	**11.53%**

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Can't say

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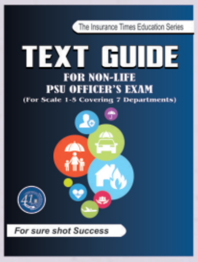

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