The First Monthly Journal on Insurance in India in Service Since 1981

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THE INSURANCE TIMES

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FOUR DECADE IN PUBLICATION
41 YEARS SINCE 1981
DEDICATED SERVICE TO THE NATION

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Vijay Shekhar Sharma
Chairman
Paytm

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Soumya Kanti Ghosh
Group Chief Economic Adviser
SBI

"as a customer-centric organisation it has been our endeavour to provide our customers with easy to-use interfaces that offer a hassle-free and seamless premium payment experience."

Ashish Rao
Chief-Customer Experience and Operations
ICICI Prudential Life Ins.

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Editor-in-Chief's Desk

Ram Gopal Agarwala
B.Com, LLB, FCA.

The year 2021 is coming to an end. The last 2 years has been turbulent for all sectors but Insurance industry after initial hiccups is recovering fast and is on growth path.

According to rating agency ICRA the total new business premium of domestic life insurance companies is likely to grow 14 per cent to Rs 3.18 lakh crore in the current financial year,

During the first seven months of fiscal 2022, the total new business (NB) premium growth for life insurance industry continued to remain subdued at four per cent or Rs 1.53 lakh crore due to the localised lockdown in the first quarter of FY2022,

The total sum assured (SA) for both the private sector and LIC had increased in FY2021 and in the seven months of FY2022 from the year-ago periods. Overall market scenario seems to be positive.

Minister of State for Finance Bhagwat K Karad said there is no proposal under consideration of the government at present for merger of public sector general insurance companies.

There is lot of buzz in the industry for LIC launching its maiden IPO next year. It is slated to be one of the biggest IPO ever. Govt is also putting no stone unturned to make the IPO successful Recently IPO of Policybazaar was very successful but at the same time IPO of Paytm got beating in market. Govt must be careful about the ideal pricing of the issue.

Insurers are experimenting with more sandbox products which is a good sign for market expanding to provide customized products with better service. However Govt has not still nominated chairman of IRDA which needs to be done immediately.

This year sudden demise of Mr K L Naik has left a void in the insurance industry. Mr Naik was a renowned authority on the Reinsurance subject not only in India but overseas too. It is a great and irreparable loss to the Insurance Times family and the whole Reinsurance Industry. The Insurance Times family had a very special bonding with him which shall be cherished ever.

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General Insurance News

Ola Financial looks to expand overseas insurance business

Ola Financial Services (OFS), a subsidiary of Ola, is looking to expand its insurance business internationally to support the company's mobility service through products designed for the UK and Australia and New Zealand (ANZ) markets, as per a regulatory filing.

"OFS successfully managed to control its risk and limit its exposure to the worsening credit environment by taking proactive steps to reduce risk," ANI Technologies said in a regulatory document filed with the Registrar of Companies (RoC).

Swiss Re to pick up 23% in Paytm Insuretech

Digital payments company Paytm announced that its associate, Paytm Insuretech Ltd (PIT), has entered into a strategic partnership with Swiss Re.

Swiss Re, a leading provider of reinsurance, insurance and other forms of insurance-based risk transfer, will invest (by way of equity shares and compulsorily convertible preference shares) approximately Rs. 920 crore to buy 23% stake in Paytm Insuretech.

"We are excited to partner with Swiss Re for our insurance foray as a key strategic investor. It is an important milestone in our financial services journey of taking general insurance products to the masses. We look forward to gaining from Swiss Re's global insurance capabilities and building innovative products to tap into the Indian market," said Paytm chairman Vijay Shekhar Sharma.

In the scheme of arrangement, Rs. 397 crore will be paid upfront, and the remaining in tranches. India's insurance market presents a significant opportunity, given the market's protection gap and under-penetration compared to the global average.

Gross written premium for non-life insurance is expected to increase from \$27 billion as of FY21 to \$50-60 billion FY26, as per RedSeer data.

Paytm, which offers payment services, commerce and cloud services, and financial services to 333 million consumers and over 21 million merchants, said "Paytm Insuretech plans to leverage Paytm's customer base and merchant ecosystem to develop innovative insurance products and offer best-in-class solutions."

"As part of Paytm's financial inclusion offering, this partnership is in furtherance of the company's mission to bring half a billion Indians into the mainstream economy," it said.

SBI General Insurance ties up with Google Pay

SBI General Insurance announced its technological collaboration with Google Pay that will enable users to buy SBI General's health insurance on the Google Pay app.

"This is in line with SBI General's vision to consistently expand its distribution of general insurance solutions through digital channels," it said in a statement, adding that the collaboration also marks Google Pay's first such alliance with an insurer in the country and will make health insurance available to customers.

Users will be able to buy both individual and family plans under Arogya Sanjeevani policy through Google Pay Spot.

"The pandemic has boosted the usage of digital platforms for various needs, and expectations from financial solutions have also matured. This collaboration is yet another endeavor to address this growing need for health insurance, thereby, bringing a larger number of people under the insurance fold," said Prakash Chandra Kandpal, Managing Director and CEO, SBI General Insurance.

More than 80% of Indians live in climate vulnerable districts

More than 80% of Indians live in climate vulnerable districts, and Assam, Andhra Pradesh, Maharashtra, Karnataka and Bihar are states most vulnerable to extreme climate events such as floods, drought and cyclones in India, said a study brought by a New Delhi based think-tank.

Overall, 27 Indian states and Union territories are vulnerable to extreme climate events, which often disrupt the local economy and displace communities, said the Climate Vulnerability Index brought out by the Council on Energy, Environment and Water (CEEW).

Dhemaji and Nagaon in Assam, Khammam in Telangana, Gajapati in Odisha, Vizianagaram in Andhra Pradesh, Sangli in Maharashtra, and Chennai in Tamil Nadu are among India's most climate vulnerable districts, it said.

Southern India is the most vulnerable to extreme climate events and their compounding impact, followed by the eastern, western, northern, north-eastern and central zones.

This will help developing countries to strengthen adaptation mechanisms against such extreme climate events and also accelerate the low-carbon transition. The existing commitments made by developed countries are insufficient and yet to be met.

In 2020 road accidents were most fatal in 5 years

In 2020, every 100 road crashes claimed, on an average, 37 lives as recorded by police across the country, the most in the last five years. Overall road deaths, however, reduced due to the pandemic induced restrictions on vehicle movement for months.

A comparative analysis of the National Crime Records Bureau (NCRB) data from 2017 to 2020 shows that the number of lives lost per 100 road crashes was 35 in 2019, 34 in 2018 and 32 in 2017. This is also defined as "severity of accidents" and an indicator of how safe or unsafe roads are.

According to the latest report on accidental deaths published by NCRB for 2020, the overall road fatalities reduced by nearly 14%, from about 1.5 lakh in 2019 to 1.3 lakh during last year, primarily on account of restrictions due to Covid-19. But indicators such as severity of crashes and increased share of two-wheeler occupants' deaths in total fatalities - from 36% in 2019 to 43.6% in 2020 - emerged as issues of concern.

"The NCRB report also shows how the number of road crashes increased as restrictions on vehicle movement were lifted during the second half of 2020. This could be due to increased number of vehicles and also signs of systemic problems such as traffic engineering and faulty road designs that we need to fix rather than simply putting all the blame on road users," said Rohit Baluja, a road safety expert and president of the College of Traffic Management.

In fact, the data shows that the number of road crashes in 2020 recorded by police departments touched the lowest ever in April at 8,350 and remained less than the figures of 2019 till October. The traffic crashes spiked in November and December. In November last year, the number of registered road crashes was 36,607 compared to 36,131 in 2019 and in December 2020, these increased to 38,128 compared to 36,394 a year back.

GIC Re sees over fourfold jump in net profit Rs. 1,010 crore in Q2

General Insurance Corporation of India Limited (GIC Re) reported four-fold jump in its net profit to Rs.1,010.55crore for the quarter ended September 30. The public sector general insurer had posted a net profit of Rs230.05cr in the same quarter of last fiscal.

The company's gross premium, however, was down to Rs.8,374.72crore in Q2FY22, compared with Rs.10,651.50 crore in Q2FY21.

Profit After Tax for H1FY22 recorded as Rs.238.82cr as compared to Loss After Tax of Rs.327.42cr for H1FY21. Total Assets are Rs.1,46,132.46crore as on September 30, 2021 as compared to Rs1,26,167.89cr as on September 30, 2020.

PSU insurers face uncertainty

The three PSU non-life insurers - National Insurance, Oriental Insurance and United India - are dealing with uncertainty on multiple fronts.

The Delhi high court order setting aside directors' appointments by the Banks Board Bureau (BBB) on the grounds of jurisdiction has thrown into question the appointment of the chief executives too.

The erosion of capital has made it difficult for them to grow business or implement an overdue wage revision for employees. Also, the government announcement of privatising some of the companies even as an earlier plan to merge them hangs fire has added to the uncertainty.

In addition to appointing general managers and directors, the BBB had recommended the names of Inderjeet Singh and Suchita Gupta for the position of chairman and MD position at United India Insurance and National Insurance respectively this year.

Earlier this month, the Delhi HC, in response to a writ petition filed by National Insurance General Manager Ravi, said that appointments made pursuant to that of directors challenged in the writ petition are liable to be set aside.

GIFT city a reinsurance hub in the making

The country is set to become a reinsurance hub with the International Financial Services Centre Authority (IFSCA), India's first single regulator for the Gujarat-based International Financial Services Centre (IFSC), announcing a new liberal regulatory regime for facilitating the formation of various international and Indian insurance businesses in the Gujarat International Finance Tec-City (GIFT City).

The regulations for setting up IFSC Insurance Offices (IIOs) and IFSC Insurance Intermediaries Offices (IIIOs) were notified by the IFSCA on October 22. The new facilities will help India to develop a global reinsurance hub in the country, competing with offshore financial centres like Singapore, Dubai and Hong Kong, which currently dominate the insurance business in Asia.

"Even non-insurance entities can incorporate public companies in IFSC and undertake insurance or reinsurance business. Similarly, Indian insurance companies can set up subsidiaries to undertake insurance or reinsurance business as IIO," said an insurance official. Foreign intermediaries will also be allowed to set up IIOs alongside IRDAI registered intermediaries like insurance brokers and corporate agents.

Although IFSC offers zero tax provision for 10 years, no foreign reinsurer has set up operations in the centre till now. Global reinsurers can procure business from the region around India by setting up an operation in the GIFT City, said an insurance analyst.

Under the new regulations, foreign insurers and reinsurers can set up branch offices as IIOs to undertake insurance or reinsurance business from IFSC either by setting up branches or subsidiaries. Even Indian insurance and reinsurance companies including foreign reinsurance branches (FRBs) registered with RDAI can also set up branch offices to undertake insurance or reinsurance business from IFSC.

Drones may be deployed to expedite crop insurance claim settlements

Agriculture Insurance Company (AIC) of India Limited, is in discussions with various commodity boards for exclusive crop-specific insurance schemes.

A senior official of the Agriculture Insurance Company said that one of the goals of the company was to speed up settlement of insurance claims by farmers and the company was exploring new technology, including deployment of drones, coupled with conventional claim assessment methods for speedy settlements.

This would also enhance the accuracy of granular level claim assessment even in calamity-like situations where human intervention may not be possible.

Though there were around 20 lakh farmers in Kerala, only about one lakh came under crop insurance cover. The massive gap in insurance coverage was mostly because Kerala had more plantation crops like coconut, rubber, cardamom, coffee and tea that were not covered under insurance. At the same time, there was a big need for insurance cover for plantation crops due to the ever-changing climatic conditions, the official added.

The official also said a scheme for cardamom would be launched shortly in association with the Spices Board. Likewise, a scheme was being devised for rubber plantations in consultation with the Rubber Board. The public sector crop insurance company was waiting for Rubber Board's confirmation for the implementation of the scheme.

General insurers log Rs 17,679 crore premium in Oct

Indian non-life insurance segment closed October 21 on a positive note with a total premium of Rs 17,679.98 crore, said Insurance Regulatory and Development Authority of India (IRDAI).

According to IRDAI, the 31-non-life insurers had earned a premium of Rs 17,679.98 crore last month up from Rs 15,906.71 crore earned in October 2020.

Government owned The New India Assurance Company Ltd led the industry earning Rs 2,705.84 crore followed by ICICI Lombard General Insurance Company Ltd with Rs 1,675.29 crore and HDFC Ergo General Insurance with Rs 1,236.10 crore.

While the industry grew overall, public sector companies United India Insurance Company Ltd, National Insurance Company Ltd, ECGC Ltd and private sector players NAVI General Insurance Ltd and Shriram General Insurance Company Ltd logged negative growth.

Within the industry, all the five standalone health insurers had a positive business growth last month and they had earned Rs 1,609.37 crore as premium.

Last month the two specialised insurers -- Agricultural Insurance Company of India Ltd and ECGC Ltd -- earned a premium of Rs 338.57 crore and Rs 80.38 crore respectively.

Crop Insurance Claims at Rs 9,570 Cr for 2020-21 Lower by Over 60% from Previous Year

There has been more than 60 per cent decline in the crop insurance claims of farmers at Rs 9,570 crore under the Pradhan Mantri Fasal Bima Yojana (PMFBY) for the 2020-21 crop year from the previous year as there were no major crop losses, according to official data.

However, much of the crop insurance claims reported for 2020-21 and 2019-20 crop years have been cleared by the government. Crop insurance claims stood at Rs 27,398 crore in the 2019-20 crop year (July-June).

PMFBY was launched in 2016-17 with many improvements over the erstwhile crop insurance schemes. The operational guidelines of the scheme were revised with effect from Rabi 2018 and kharif 2020, respectively, to ensure the benefits reached farmers adequate and timely. According to the data, about 445 lakh hectares of farm land was insured by 612 lakh farmers under the PMFBY with a total sum insured amount of Rs 1,93,767 crore during 2020-21.

However, total claims reported were of Rs 9,570 crore for 2020-21. Out of which, claims reported from the Kharif season were Rs 6,779 crore, while from Rabi season Rs 2,792 crore. "The claims at Rs 9,570 crore for 2020-21 were significantly lower as there were no major losses unlike previous year," an Agriculture Ministry official told PTI.

Maximum crop insurance claims were reported from Rajasthan at Rs 3,602 crore, followed by Maharashtra at Rs 1,232 crore and Haryana at Rs 1,112.8 crore during 2020-21. During the 2019-20 crop year, about 501 lakh hectare was insured by 613 lakh farmers under the PMFBY with a total sum of Rs 2,19,226 crore. The claims reported from Kharif season remained higher at Rs 21,496 crore, while from Rabi season at Rs 5,902 crore of the 2019-20 crop year.

Shriram General's Fire Loss of Profit insurance gets sandbox nod

Shriram General Insurance fire Loss of profit product has got sandbox nod. This product covers the loss of gross profit or income and / or the increase in working costs due to the decrease in sales / production of the business caused by the covered danger.

Under the offer, liability is held under the profit loss policy in the event of such loss due to the risks mentioned, without enforcing a material damages policy.

Traditionally in India, the policy on loss of profits from fire (FLOP) is conditioned on the policy on property damage (fire). This means that liability under FLOP will only be granted if the policy on material damage is in effect and the policy on material damage has been paid or liability for the asset has been granted.

As a result, profit loss insurance (also known as business interruption insurance or consequential loss insurance) is usually sold with fire insurance or machine failure insurance.

According to the company, "IRDAI launched a regulatory sandbox under the IRDAI (Regulatory Sandbox) regulation on July 26, 2019. Shriram General is under the second cohort. I applied for the product at. Application from September 15, 2020 to October 14, 2020."

Shriram General Insurance said in a statement that it received regulatory sandbox approval for FLOP's six-month test ground for new business models, processes, and applications. The insurance industry needs a sandbox approach to provide more convenient processes and protection for policyholders. The current approval is for 6 months from November 15th, but the extension may be based on achieving the goal.

How is insurance different from fire insurance?

Fire insurance aims to cover asset risks such as buildings, plants, machinery, furniture, fixtures, accessories and inventories in multiple locations, in some cases. This is also known as the property damage policy. FLOP policies help protect the insured from loss of income, while fixed or fixed costs can help reduce working costs in the event of a fire.

Currently, no insurance company offers FLOP covers on a stand-alone basis. Current practice is that liability under FLOP is only granted if the policy on material damage is in effect and recognizes liability for the insured's assets. The insurer said in a statement that our offer would accept liability without enforcing a material damages policy. ❑

LIC of India News

LIC IPO expected to hit market by Q4

Department of Investment and Public Asset Management Secretary Tuhin Kanta Pandey has said that the much-awaited LIC IPO is expected to hit the market by the fourth quarter of the current fiscal.

The government is seeking to raise as much as Rs 10 trillion ($133 billion) by selling up to a 10% stake. The sale of a 5% stake would make it India's largest IPO, while a 10% dilution would make it the second-biggest of an insurer globally.

Finance Minister Nirmala Sitharaman in an interview said "We are pushing to have it done. The problem is not that we don't want it or we are pussyfooting on it now, it is more a question of doing the due process." The Finance Minister had announced plans to sell shares in the insurer in February 2020, but the outbreak of COVID-19 pandemic slowed the process.

LIC switching focus to non-par policies

LIC of India, is seeking to change its product mix such that policies rewarding equity investors gain a bigger share of business while maintain its dominance in a rapidly expanding industry.

That strategy translates to creating insurance policies that are non-participating rather than participating in nature, although the calibrated switch wouldn't compromise on potential returns to policyholders, chairman M R Kumar told. At LIC, participating or 'par' products, where holders get a share of the profits, are currently dominant.

"Our strength has generally been par (participating products) and that is again a strategic call; we have to see how to create value for shareholders by selling more non-par," Kumar said. "This is something we will work on over a period of time."

LIC pulls life insurers' new biz premium down by 5%

After recording impressive growth in September, new business premiums (NBP) of 24 life insurance companies degrew 5 per cent year-on-year (YoY) in October, mainly due to Life Insurance Corporation (LIC) of India's muted performance.

In October, the industry received NBP to the tune of Rs 21,606 crore, down 5.14 per cent YoY from the year-ago period. While private insurers' NBP recorded double-digit growth of 12 per cent to Rs 8,105.46 crore, LIC's NBP degrew more than 13 per cent to Rs 13,500.78 crore due to massive decline in individual single premiums and muted growth in group single premiums.

NBP is the premium acquired from new policies in a particular year. Among large private players, HDFC Life, ICICI Prudential Life, and Max Life reported double-digit growth in NBP in October. SBI Life, onthe other hand, saw its NBP grow 6 per cent in the same period.

On an annualised premium equivalent (APE) basis, private insurers reported 19 per cent growth in total APE.

LIC gets RBI approval to hike stake in KMB to 9.9%

Life Insurance Corporation of India has received approval from the RBI to raise its stake in Kotak Mahindra Bank to up to 9.99%, the bank informed the stock exchanges on Monday. LIC held 4.96% stake in the private lender as on 30 September 2021.

“We wish to inform you that Kotak Mahindra Bank Limited ("Bank") has received an intimation from Life Insurance Corporation of India ("LIC") stating that the Reserve Bank of India had granted its approval to UC, for increasing its holding in the Bank up to 9.99% of the paid up equity share capital of Bank, subject to compliance with the provisions of the Master Direction on "Prior approval for acquisition of shares or voting rights in private sector banks dated November 19, 2015 and Master Direction on 'Ownership in private sector banks' dated May 12, 2016, provisions of the applicable regulations issued by the Securities and Exchange Board of India, provisions of the Foreign Exchange Management Act, 1999 and any other guidelines/regulations and statutes, as applicable. The approval is valid for a period of one year," said the notice.

The RBI norms mandate that every person or an entity who intends to make an acquisition in private banks of more than 5% stake, has to take prior approval from the central bank.

LIC to file draft IPO papers with Sebi next month

Country's largest insurer LIC is likely to file draft papers with Sebi by November for the largest IPO in country's history, a finance ministry official has said.

"We target to bring the IPO within this fiscal and we have set strict timelines. The DRHP would be filed by November," the official told PTI.

The government last month appointed 10 merchant bankers, including Goldman Sachs (India) Securities Pvt Ltd, Citigroup Global Markets India Pvt Ltd and Nomura Financial Advisory and Securities (India) Pvt Ltd to manage the mega initial public offering of country's largest insurer LIC.

Other selected bankers include SBI Capital Market Ltd, JM Financial Ltd, Axis Capital Ltd, BofA Securities, J P Morgan India Pvt Ltd, ICICI Securities Ltd, and Kotak Mahindra Capital Co Ltd.

Once the draft red herring prospectus (DRHP) is filed, merchant bankers will hold global and domestic road shows for investors by January, the official said.

Cyril Amarchand Mangaldas has been appointed as legal advisor for the IPO.

The government is aiming to list the insurance behemoth within the current financial year ending March.

The ministry is in the process of estimating the embedded value of the life insurer and once that is done the ministerial panel on disinvestment will decide on the government stake that will be divested through IPO, the official said.

The government has appointed actuarial firm Milliman Advisors LLP India to compute the embedded value of LIC ahead of the initial public offering.

The government is also mulling allowing foreign investors to pick up stakes in country's largest insurer LIC. As per Sebi rules, foreign portfolio investors (FPIs) are permitted to buy shares in a public offer. However, since the LIC Act has no provision for foreign investments, there is a need to align the proposed LIC IPO with Sebi norms regarding foreign investor participation.

The Cabinet Committee on Economic Affairs had in July cleared the initial public offering proposal of Life Insurance Corp of India.

The listing of LIC will be crucial for the government in meeting its disinvestment target of Rs 1.75 lakh crore for 2021-22 (April-March). ❑

India needs national disaster pool to hedge natural disaster risks: SBI

With the incidents and severity of natural calamities rising by the year, a report has called for creating a national disaster pool, as the country is amongst the most disaster-prone countries in the world. India ranks third, after the US and China in the number of natural disasters since 1900, with 756 natural disasters such as landslides, storms, earthquakes, floods, droughts etc. During 1900-2000 there were 402 disasters and 354 during 2001-21.

Since 2001, a total of 100 crore people have been impacted and nearly 83,000 lost lives due to these disasters. If the losses are adjusted with current prices, the losses come out to a staggering Rs 13 lakh crore or 6 per cent of the GDP, State Bank of India (SBI) said in a note. Between 1991 and 2021, only around 8 per cent of the total losses are covered in the country, so, there is around 92 per cent protection gap during this period.

Early intervention is needed to close the protection gap, which are in all lines of insurance and the only way out is a public-private solution by creating a national disaster pool to hedge natural disaster risks, Soumya Kanti Ghosh, the group chief economic adviser at SBI said in the note. Total economic losses from the 2020 floods were USD 7.5 billion or Rs 52,500 crore but insurance available was only 11 per cent, he said in the report, adding that if the government would have insured it, then the premium for the sum assurance of Rs 60,000 crore would have been only Rs 13,000-15,000 crore. Apart from human losses, there is huge economic loss due to natural disasters.

"Since 1900, we have suffered an economic loss of USD 144 billion (where the loss is reported) with the largest loss from floods (USD 86.8 billion) followed by storms (USD 44.7 billion). If these losses are adjusted with current prices the losses come out to be around USD 87 billion or Rs 13 lakh crore," he said.

Health Insurance News

Govt must expand health cover to the missing middle: Niti Aayog

The government can expand Ayushman Bharat Pradhan Mantri Jan Arogya Yojana (AB-PMJAY) coverage to the poorest segments of the missing middle population, and leverage the scheme's infrastructure to offer a voluntary contributory enrolment, NITI Aayog, government's policy think tank has recommended in a report released.

The report titled "Health Insurance for India's Missing Middle", brought out the gaps in the health insurance coverage across the Indian population and offers solutions to address the situation. The report highlights the need for designing a low-cost comprehensive health insurance product for the missing middle. It primarily recognizes the policy issue of low financial protection for health for the missing middle segment and highlights health insurance as a potential pathway in addressing that. In doing so, the report offers a starting point for broader discussions on solutions, and specific products, to improve insurance coverage for the missing middle.

The report noted that low government expenditure on health has constrained the capacity and quality of healthcare services in the public sector. It diverts the majority of individuals-about two-thirds-to seek treatment in the costlier private sector. However, low financial protection leads to high out-of-pocket expenditure (OOPE). India's population is vulnerable to catastrophic spending, and impoverishment from expensive trips to hospitals and other health facilities. At least 30% of the population, or 400 million individuals-called the missing middle in this report-are devoid of any financial protection for health, the report said.

Surge in non-Covid health cover claims

In a breather to non-life insurance companies, Covid-related health insurance claims have dropped with the ebbing of the second wave of the pandemic.

However, there has been a rise in non-Covid-related health claims and their average ticket size has risen significantly, said Bhargav Dasgupta, Managing Director and CEO, ICICI Lombard General Insurance. If this trend continues, it could impact health insurance premium.

According to Dasgupta, the insurer has seen a 20 per cent increase in the average ticket size of these claims over two years, from 2019-20 to now, which is about 10 per cent compounded growth.

"As Covid claims have come down, the frequency of non-Covid health claims has gone up. Some of the other infectious diseases have spiked this year such as malaria, chikungunya and dengue. Also, there was some amount of backlog of the elective surgeries that have now caught up in this quarter," he said in an interview, adding that the ticket size of claims has gone up for similar ailments.

"We'll have to see if it's a temporary increase or permanent in nature. This could perhaps be because of additional RT-PCR tests that hospitals have do or some more procedures that they're following, but hopefully that will stabilise," he said, adding that if healthcare costs continue to increase at the level they are going up it could start impacting the premium for customers.

Dasgupta said that the insurer increased pricing on its corporate health portfolio, but is on the wait-and-watch mode on retail health insurance.

Between April and September 2021, the insurer received 72,059 Covid-related health claims and 2,38,409 claims for non-Covid cases.

Niva Bupa Health Insurance new campaign

Niva Bupa Health Insurance (formerly known as Max Bupa Health Insurance), one of India's leading standalone health insurers, has just announced a campaign, titled 'Zindagi Ko Claim Kar Le'. This is the first campaign from the company since it rebranded itself as Niva Bupa in July this year.

With the campaign, Niva Bupa is trying to bring about the idea that health insurance is for freedom, and not constraints. The campaign has been created by Glue Creatives and captures real life situations. It showcases how health insurance enables people to accumulate experiences and build memories.

The campaign is made with an intent to change the way health insurance is perceived by people. The three films in the campaign have been directed by celebrated director Shlok Sharma, who has assisted Vishal Bhardwaj on movies like 'Omkara' and was the second unit director on 'Gangs of Wasseypur' franchise.

India, World Bank sign agreement to strengthen health systems in Meghalaya

The Indian government and the World Bank have signed a $40 million project to improve the quality of health services in Meghalaya and strengthen the state's capacity to handle future health emergencies, including the covid-19 pandemic.

The Meghalaya Health Systems Strengthening Project will enhance the management and governance capabilities of the state and its health facilities; expand the design and coverage of the state's health insurance program; improve the quality of health services through certification and better human resource systems; and enable efficient access to medicines and diagnostics.

"All 11 districts of the state will benefit from the project. It will also benefit health sector staff at the primary and secondary levels by strengthening their planning and management capabilities and building their clinical skills. The project will enable women to better utilize healthcare services at the community level," the finance ministry said in a statement.

The finance ministry further said strengthening and expanding health care systems is a priority for the government and the project will enhance the management and quality of health services in the state. "It will also help expand the coverage of health services and make it accessible and affordable to the poor and vulnerable in the state," it added.

Ayushman Bharat set for recast with faster reimbursement, incentives for hospitals

Ayushman Bharatthe world's largest public health insurance scheme, is set for a recast with the objective of bringing more private hospitals on board to increase its foothold.

The National Health Authority (NHA), which implements the scheme officially known as Ayushman Bharat Pradhan Mantri Jan Arogya Yojana (AB PM-JAY), has designed several incentives to attract more hospitals.

"We have to increase the empanelment of hospitals. More hospitals should come on board to create a balance from both demand and supply side," RS Sharma, Chief Executive Officer at NHA

Working on the same, the government in October revised the rates of around 400 procedures under the scheme and added a new medical package related to black fungus management, describing the move as one that "will strengthen the empanelled hospitals to provide better healthcare services".

Treatment worth Rs 25,000 crore has been provided under the scheme, which was launched on September 23, 2018.

Aiming at easing the cash flow of hospitals, Sharma said, the turnaround time in terms of reimbursing the expenditures of the hospitals will be reduced significantly. "The time for reimbursement will be reduced from 15 to 10 days as it will be attractive for hospitals to join."

Also, hospitals that have never been charged with "fraud" will be given more benefits. "We plan to disburse half of their claims as soon as they submit the request," Sharma said.

Working out an ambitious plan for a bigger rollout of the Ayushman Bharat scheme to cover more beneficiaries this year, the NHA has already issued 4 crore Ayushman Bharat cards in the last 11 months. Around 17 crore cards have been generated so far - 10.66 crore PM-JAY cards and 5.85 crore state cards.

Omicron: Centre issues advisory

Central government on directed states and union territories to increase vaccination coverage amid concerns over the potentially more contagious new Omicron variant of coronavirus detected in some countries recently. Apart from this, the Centre has also asked to enforce intensive containment, and active surveillance measures.

Centre has asked all states and union territories to conduct rigorous screening and testing of all international travellers coming from or transiting through South Africa, Hong Kong and Botswana.

In a letter to the additional chief secretary/principal secretary/secretary (Health) of all states and union territories, Union Health Secretary Rajesh Bhushan asked them to ensure that samples of travellers turning positive are sent to the designated genome sequencing laboratories promptly.

As a proactive step, the government has already placed nations, where this VoC has been found, in the category of 'at risk' countries for additional follow-up measures of international travellers coming into India from these destinations, he said in a letter dated November 27.

Meanwhile, several states have started taking up measures to clamp down the spread of the variant.

Star Health IPO: RJ-backed issue to open : Worth subscribing?

The Rs 7,249-crore IPO by Star Health & Allied Insurance Company (Star Health) is set to hit the market.

On the block is a fresh issue of Rs 2,000 crore and an offer for sale of 5.83 crore shares in the price band of Rs 870-900. At the upper end of the price band, the company is valued at nearly 5.9 times its assets under management (AUM) as on September 30. The retail quota is reserved at 10 per cent.

Star Health, which commands a market share of 15.8 per cent in the health insurance market as of FY21, stands out among other standalone health insurers in terms of size, strong growth in gross written premium and better operational performance, analysts said.

That said, the Rakesh Jhunjhunwala-backed company has been reporting losses ever since the emergence of Covid-19, led by an increase in claims across the network. The increase in claims due to the pandemic accounted for 30 per cent of total net paid claims by value in FY21 and 40.5 per cent in the six months ended September 30.

Star Health logged a loss of Rs 380.27 crore in six months to September 30, in addition to Rs 825.58 crore loss in FY21. FY20 profit stood at Rs 268 crore.

With a new coronavirus variant, Omicron, in the news, there could be concerns over further Covid claims if the situation goes out of hand. But nothing is concrete, with WHO saying the details about Omicron's severity were still not clear.

For now, analysts are recommending a subscribe rating on the issue, but "for long-term only" and are cautiously optimistic on the issue.

Angel Broking said the valuations asked by Star Health at 5.5 times FY21 market cap to gross written premium (GWP) was in-line with recent deals in the standalone health insurer space and appeared to be fair considering its positioning. It has recommended subscribing "from a long-term perspective only". The brokerage said further impact of the Covid-19 pandemic could increase claims and any increase in competition could negatively impact the company’s profitability.

At the upper price band of Rs 900, the issue is valued at a P/BV multiple of 14.2 times based on its FY21 book value per share of Rs 64.

Arihant Capital also has a subscribe with long-term view rating. "The company has a better track record than its peers in the health insurance industry — led by a higher share of retail health in its product mix against the industry, a higher focus on SMEs in the group health segment, and better agent productivity. In FY21, it had posted a loss due to one-offs and higher claim ratios on account of Covid, which is expected to normalise after FY22E," Arihant said.

Its combined ratio has been among the best in the industry at 92–94 per cent, except in FY21, which was impacted by a one-off event, it noted.

Choice Broking said peers it considered for benchmarking Star Health's valuation operated in the general insurance market as health insurance was one of their various offerings. "Star Health is demanding a mcap-to-net premium earned multiple of 10.3 times, which is at a premium to the peer average. Moreover, the demanded valuations are at elevated premium to recent capital issuance. Thus, considering the above observations, we assign a ‘subscribe with caution’ rating for the issue," it said.

Insurers settle claims worth Rs. 20,859 crore

Insurers have so far settled claims worth Rs. 20,859 crore related to Covid-19. According to the latest data available with the industry, the settlement ratio stood at 88 per cent as on October 13, for Rs. 20,859.4 crore. Of the total claims of 25,96,072, 22,84,429 have been settled by insurers.

Insurers, however, are now seeing a dip in demand for Covid-specific policies. "We find that the demand for health cover is now shifting towards non-communicable diseases (NCDs) and critical illnesses," Sanjay Datta, Head - Underwriting & Claims, ICICI Lombard General Insurance Company, told. ❑

Private Life Insurance News

Private insurers give thumbs up to PB Fintech

Private life insurers made a beeline to participate in the anchor investor segment of the IPO of PB Fintech, which operates online insurance marketplace Policybazaar and credit comparison portal Paisabazaar.

This reflects the optimism that private life insurers have in the future prospects of the online marketplace model that PB Fintech had adopted, said capital market experts. Eleven insurance companies made a demand of $40 million in the anchor round that took place, sources close to the development said.

Life insurers pay out Rs. 11000 crore in Covid-19 death claims

Life Insurers have so far shelled out Rs. 11,060.5 crore to settle Covid-related death claims, a huge chunk of which came this financial year when the second wave ravaged through the country, data compiled by Life Insurance Council - a representative body of the insurers - has revealed.

As of October 21, life insurers settled a little over 130,000 Covid-19 related death claims. About 140,000 Covid-related claims have been made so far, amounting to Rs. 12,948.98 crore of which 93.57 per cent by volume and 85.42 per cent by value were settled.

In FY21, the industry received 22,205 such claims worth Rs. 1,644.56 crore, which amounted to 0.3 per cent of total premium income of the year. Of these, 21,854 death claims amounting to Rs. 1,492.02 crore were settled.

While the death claims have not had an impact on the solvency of the insurers, it has dented their profitability.

Insurers have been keeping excess mortality reserves and the extra provisioning has resulted in muted profitability for most, especially in the April-June quarter (Q1FY22), when the second wave hit.

Bank of Baroda plans to list life arm in next fiscal

Bank of Baroda is considering an initial public offer (IPO) of its insurance arm IndiaFirst Life in the next financial year. BoB holds a 44% stake in IndiaFirst with Union Bank and Carmel Point Investment (Warburg Pincus) 30% and 25% respectively.

"Life insurance had a bit of a rough ride during Covid, but this company has continued to perform very well. In the last quarter, it was the fastest-growing life insurer and its ranking moved up from 12 to 10," said BoB MD & CEO Sanjiv Chadha. "We are very invested in the business." Chadha confirmed that an IPO was one of the routes being considered.

Shriram Group closing in on merger, insurance biz to be hived off into separate entity

Shriram Group has revived plans to restructure its various financial services businesses that includes lending and insurance by collapsing its two listed units into one and reverse merging the holding company into it, while spinning out insurance into a separate entity, said multiple people aware of the developments. The group however denied any such development, calling it speculation.

Morgan Stanley and ICICI Securities are advising Shriram Capital, the unlisted holding company of the group. The proposed reorganisation, if approved by a majority of minority shareholders and regulators, will lead to a simplified corporate structure and allow its investors- billionaire Ajay Piramal and TPG Capital -an exit from the privately held entity.

Treat insurance policies as capital assets: ICAI

The Institute of Chartered Accountants of India (ICAI) has suggested that Life Insurance Policies be treated as a capital asset. "It is suggested that Life insurance Policies be treated as a capital asset falling within the definition of "property" under section 2(14) of the (income Tax) Act. Indexation benefit (for premiums paid) will take care of inflationary impact - resulting in parity with other capital assets," ICAI said in its Pre-Budget Memorandum, 2022.

Usually, maturity proceeds under life insurance policy are tax-free under Section 10(10D) of the Income Tax Act. However, there are certain situations where this exemption is not available. For example, this exemption is not available on maturity proceeds of unit-linked insurance policies (Ulips) with an annual premium above Rs 2.5 lakh.

ICAI argues that deduction of only premium while computing the net income or loss after surrender or withdrawal of policy doesn't take care of inflation resulting in higher taxability. "A tax consolidation scheme may also be adopted in India. This would create a positive impact on business with significant reduction of compliance and litigation cost," ICAI added.

It also added that exemption should not be linked based on premium to sum assured ratio. "Currently exemption under section 10(10D) is based on premium to actual capital sum assured ratio. This results in life insurance with higher premiums due to age factor, occupational / lifestyle diseases (blood pressure, diabetes, etc.), being treated as taxable. Policyholders in absolute need of insurance cover are denied tax relief due to higher premiums in such cases," it said.

E-insurance scams on rise

Insurance loan scams are growing, thanks to the compounding effect of cybercrime. More cases have come to light since the D B Marg police in October arrested four persons for running a fake insurance call center from a rented office in a Thane mall. Conservative estimates suggest that such scams could run into over Rs 50 crore in the Mumbai region alone. Now, three back-to-back cases from Pune and Mumbai have made the police's cyber cell log in and take notice. Unsuspecting investors have been warned to be wary of emails and text messages selling purported insurance products.

In the Thane mall case, where the accused are all former employees of various call centers, investigators have found financial transactions of over Rs 5 crore in one of their nine bank accounts detected yet. Now, a second FIR has been filed in the case by Charkop police based on a complaint by a 54-year-old homemaker. The accused had allegedly called her up and assured her that she could avail of a Rs 5 lakh loan against her insurance policy. The policy had lapsed and they asked her to pay arrears to reactivate it. As processing and registration fees, they took Rs 91,000 from her, and then broke all communication.

Ritesh Bhatia, founder of V4WEB Cybersecurity, said such cases started coming to light in recent years, when gullible persons would be contacted on phone or email from purported insurance firms or agents and then defrauded. "Four years ago, a 70-year-old woman lost her life's savings to cyber fraudsters who posed as executives of an insurance company. Offering her various schemes, they cheated her of lakhs of rupees.

In August, the Pune cyber police began investigations into a racket in which fraudsters, posing as representatives of a wellknown insurance company, sold fake vehicle, fire and health schemes online to unsuspecting people. The company lodged a complaint with the police after the fraud came to light mid-July, when victims of the scam filed claim applications after loss of property.

While verifying them, company officials realised that the policy documents were fake.

Apprehending fraudsters becomes difficult as many are adept at using the internet by hiding their trail. Cyber security expert Nikhil Mahadeshwar said cybercriminals also use voice over internet protocol (VoIP) for their nefarious ends. "They use internet calls which are proxy-based and hard to trace back. These people are trained and know the communication manners of call center employees and have good convincing skills. They use a technique called war dialing. Social engineering techniques are also used," said Mahadeshwar, cofounder and CTO, Skynet Softtech.

Experts say one needs to be wary of online communication. "Cyber fraudsters have become more sophisticated and are unlocking new ways to steal money from your bank account. They will attempt to steal confidential information by pretending to update your KYC details, suggesting re-KYC, offering jobs, threatening to block your account or talking about emergencies that do not exist," said HDFC Bank's chief marketing officer Ravi Santhanam in an email warning customers.

Mahadeshwar said fraudsters do search engine optimization for getting on the top of Google's page rank system. "If the user searches a genuine insurance company's name, the SEO technique helps fraudsters get listed on the first page. Following such a link is an invitation to risk."

He said, "Install a true caller-like app to identify spam calls. If you get such calls, do not provide any personal or transactional information to fraudsters. They also send you links to install remote connection apps like Team-Viewer or AnyDesk on your phone. The RBI has suggested not to use AnyDesk. So, do not install such apps and don't give information to unknown callers."

ICICI Prudential customers to get 'clickpay' for making insurance premium payments

ICICI Prudential Life Insurance customers will now be able to make use of the 'ClickPay' facility to pay their insurance premiums. NPCI Bharat BillPay Limited - the wholly-owned subsidiary of National Payments Corporation of India announced that it tied up with ICICI Prudential Life Insurance to provide its marquee offering - ClickPay to the insurer's customers.

ICICI Prudential Life Insurance is the first insurance company to offer this facility of ClickPay to its customers to make renewal premium payments.

".... as a customer-centric organisation it has been our endeavour to provide our customers with easy to-use interfaces that offer a hassle-free and seamless premium payment experience. We strive to keep improving customer experience and have been leveraging new-age technology and digital platforms to provide our customers with an immersive experience across the policy lifecycle," said Mr. Ashish Rao, Chief - Customer Experience and Operations, ICICI Prudential Life Insurance.

To offer an automated and valuable insurance premium payment experience, ICICI Prudential Life Insurance will generate the ClickPay link and share it with customers which will redirect them to the payment page comprising payment details.

It is a secure two-step process will help customers pay bills without the hassle of putting in the premium amount, and remembering premium payment dates, according to a statement shared NPCI today.

82% of insurance buyers prefer physical copies of policy documents

The insurance penetration has seen a spike in recent times and over 80 per cent of the insurers prefer a physical copy of their insurance document, according to a recent survey. However, only less than half of the purchasers received a physical copy of their insurance from the companies, increasing uncertainty around receiving claims among the buyers, the finding of the survey said.

The survey, conducted by Bombay Master Printers Association (BMPA), stated that as an insurance policy is a contract between the insurance company and the insured individual, nearly 82 per cent of the buyers preferred a physical copy over the digital, according to the findings of the survey based on around 5,900 responses spread across age groups and regions.

The policy certificate contains critical details of the insurance cover laying out the benefits, terms and conditions, the procedure to file for a claim if needed, and the contact details of the insurer.

Close to 80 per cent of the survey participants feel that during the time of the claim or an emergency, a hard copy of the policy issued by the insurance company would be preferable.

About 56 per cent of the respondents were in the age group of 18-40 years, 28 per cent in the 41-60 years, and 14 per cent of the respondents were 60 years and above.

"With the contribution of insurance to GDP having risen sharply in the last one year, it is important to also make buyers feel safe about their investment. Most companies still ask for the original paper document while processing the claim. The insurance regulator must consider restoring section 4 and mandating issuing physical copies of the policy document at the earliest in the interest of buyers," said Mehul Desai, former President and current Managing Committee member of Bombay Master Printer's Association (BMPA).

The companies not only ask for the physical copy of the insurance policy but also other necessary documents. Over 60 per cent of the survey respondents felt that the insurance companies push for only digital copies, instead of physical copies. 67 per cent of the participants said that they take a printout of the policy from a cyber cafe printer, a printer shop, or home, to be on a safer side.

As per regulation 4 of IRDAI (issuance of e-insurance policies) Regulations, 2016, an insurer has to issue both physical and electronic insurance certificates to policyholders. However, as an interim measure in view of the COVID-19 pandemic, IRDAI had allowed insurers to issue only electronic policy documents and exempted them from the requirement of sending insurance policies in physical form till March 31, 2022, following two extensions.

About 73 per cent of the survey participants believed that it was better to have a physical copy of the document for records, especially in the case of life and health insurance. ❑

International News

Slowdown in motor insurance to drag down Malaysian general insurers growth in 2021

Malaysian general insurers' growth is expected to slow down in 2021 due to decline in vehicle sales and motor insurance due to halt in production driven by global automobile chip shortage, says GlobalData, a leading data and analytics company.

Motor insurance was the leading segment in the Malaysian general insurance industry, accounting for 48.7% share of the direct written premiums (DWP) in 2020, followed by property insurance with 25.6% share.

Swarup Kumar Sahoo, Senior Insurance Analyst at GlobalData, comments: "With major share in business coming from motor insurance, the vulnerability of leading general insurers has increased due to the lockdown restrictions during the COVID-19 pandemic."

Among the top 10 general insurers, motor insurance accounted for 81.4% of the total business of AmGeneral, followed by Zurich and Allianz General with 72.3% and 67.6%share, respectively. On an average, the top 10 general insurers generated 51% of their business from motor insurance in 2020.

Mr Sahoo explains: "The nationwide lockdown restrictions resulted in lower claims for general insurers in 2020. This had a positive impact on their profitability as loss ratio for motor insurance decreased from 71.5% in 2019 to 63.8% in 2020. However, continued lockdown restrictions due to the resurgence of the pandemic and global automobile chip shortage are expected to impact vehicle sales, which will result in slowdown in the growth of general insurers business in 2021."

According to the Malaysian Automotive Association (MAA), the sales of new vehicles declined by 7.3% during January-September 2021 as compared to the previous year. This is expected to improve in the last quarter with companies gradually resuming their operations and ramping up vehicle production.

Mr. Sahoo adds: "The declining growth has prompted insurers to look for inorganic growth which has increased M&A activity in the general insurance segment."

Malaysia's general insurance segment is concentrated with top 10 insurers accounting for 73.3% share in 2020. Allianz General was the market leader with 13.4% share in 2020, followed by AmGeneral and Lonpac.

The proposed acquisitions of AmGeneral by Liberty Mutual and RHB Insurance by Tokio Marine will further consolidate the market in 2021. The combined entity to be formed by the acquisition of AmGeneral by Liberty Mutual is expected to be the second leading general insurer in 2021. Similarly, Tokio Marine will become the fourth largest insurer after acquiring RHB Insurance.

Mr. Sahoo concludes: "Pandemic driven weak consumer demand and slower economic recovery will continue to create a challenging environment for general insurers in Malaysia in 2021."

Chile's general insurance industry to reach CLP4.6 trillion in 2025

The Chilean general insurance industry is projected to grow from CLP3.2 trillion (US$4 billion) in 2020 to CLP4.6 trillion (US$5.8 billion) in 2025, in terms of gross written premiums, according to GlobalData. The leading data and analytics company notes that Chile's general insurance industry is expected to grow at a compound annual growth rate (CAGR) of 7.6% over 2020-2025, supported by a faster economic recovery in the country post-pandemic.

Anjuli Srivastav, Insurance Analyst at GlobalData, comments: "The general insurance industry in Chile grew by 7% in 2020, driven by the growth of major insurance lines in business such as Property, Liability and Marine, Aviation and Transit. The country's economy is expected to grow by 9.5% in 2021, up from a forecast of 7.5% in 2020, which is expected to further boost the country's general insurance industry."

Property insurance is the largest segment in the Chilean general insurance industry, accounting for 52.2% of gross written premiums in 2020. The country's vulnerability to natural hazards as well as the damages suffered due to the social unrest in October 2019 supported growth of the Fire and Natural Hazards insurance sub-segment, which grew by over 25% in 2020.

Srivastav notes: "The shift to renewable energy projects is also fueling demand for Property Insurance in the country. Increased investments towards green energy projects such as the CLP740.0 billion (US$934.0 million) Huemul wind project and Andes Renovables' CLP1.4 trillion (US$1.8 billion) renewable energy platform in 2020 is expected to support the Property Insurance industry, which is forecasted to grow at a CAGR of 9.7% during 2020-2025."

Motor insurance is the second largest segment, accounting for 25.6% of the general insurance industry's gross written premiums in 2020. After witnessing a 5.2% decline in 2020 due to lockdown restrictions, the segment is expected to grow by 1.9% in 2021, driven by an increase in automobiles sales. It is expected to grow at a CAGR of 3.1% during 2020-2025.

Non-life Personal Accident & Health (PA&H) insurance accounted for 4.6% of the general insurance business in 2020. The segment declined by 17.5% in 2020 owing to the drop in compulsory personal accident premiums during the pandemic. It is expected to grow at a CAGR of 3.3% during 2020-2025.

Anjuli concludes: "Increased government spending as well as a successful vaccine rollout are expected to provide a boost to the country's economic recovery in 2021. The government's push for infrastructure expansion projects along with the country's geographic factors are expected to create new business opportunities for general insurers over the next few years."

General insurance industry in China to reach US$313.0bn in 2025

The general insurance industry in China is projected to grow from CNY1.36 trillion (US$196.8bn) in 2020 to CNY2.13 trillion (US$313.0bn) in 2025, in terms of direct written premiums (DWP), forecasts GlobalData, a leading data and analytics company.

As per the latest data from GlobalData, the general insurance industry in China is expected to grow at a compound annual growth rate (CAGR) of 9.5% over 2020-2025. However, the forecast remains shadowed by regulatory changes, the ongoing economic challenges and the resurgence of the COVID-19 pandemic.

Deblina Mitra, Senior Insurance Analyst at GlobalData, comments: "Despite being the second-largest general insurance industry globally, China's general insurance penetration at 1.3% is way below the developed markets' average of 4%. This is mainly because the general insurance industry's growth is disproportionately reliant on motor insurance, which has been negatively impacted by the regulatory restrictions, economic as well as pandemic related challenges in the recent years."

Motor insurance was the largest insurance line accounting for 60.7% share of the general insurance DWP in 2020. It recorded a flat growth of 0.7% in 2020 due to changes in regulations, which lowered mandatory motor liability premium prices by up to 50%. Decline in vehicle sales due to lockdown restrictions also impacted premium in 2020. Motor insurance is expected to record a growth of 6% in 2021 and 2022.

Personal accident and health (PA&H) and property insurance were the second and third-largest general insurance lines with a share of 12.2% and 11.3%, respectively, in 2020.

PA&H insurance provided by general insurers recorded the highest growth of 21.2% in 2020 and benefitted from the rising medical expenses and tax exemptions. This insurance line is expected to maintain double-digit growth in 2021 and 2022.

Property insurance also recorded a strong growth of 14.0% in 2020 and was majorly driven by agriculture insurance which accounted for over 50% of the property insurance DWP that year.

Government subsidies on premium prices and insurance to cover frequent Nat-cat losses supported the growth of agriculture insurance in China. New product development initiatives such as the recently proposed grain insurance are expected to enhance the coverage of agriculture insurance over the coming years.

Overall, property insurance is expected to grow by over 11% in 2021 and 2022. Along with the growing insurance demand from agriculture industry, insurance to cover large-scale ongoing projects – one-belt-one-road and renewable energy, will aid the growth.

Ms. Mitra concludes: "Growth in the general insurance industry over the coming year will be hinged on its non-motor lines of business as motor insurers' profitability will remain challenged with the stressed automobile sector battling supply chain issues, regulatory restrictions on premium pricing and new pandemic outbreak." ❑

SCALABILITY - AN ISSUE OF MAINSTREAM BLOCKCHAIN IN THE INSURANCE INDUSTRY

Executive Summary

The article is the outcome of a study the authors undertook to find out answers to the scalability issue faced in adoption of Blockchain technology in the insurance industry and on the prevalent concerns of experts in deploying this technology on large scale.

In this article, we have captured the experience of industry experts by speaking to them and focused on how Blockchain becomes a concern in the insurance industry when peer's network reaches close to their maximum capacity.

The main findings of the study are that the insurance penetration in India which is about 3.76 percent at present and is growing in size with time is increasing the level of users. The magnitude of increase in users and transactions poses challenges in Blockchain technology adoption. To streamline the process each node must be operating on a network where there is sync in processing power from all the parties. If a network exceeds its maximum capacity than the average amount of transaction decreases and affects the business.

The recommendations which emerge are that Blockchain cannot be scaled alone by increasing the block size or decreasing the block time by reducing the hash complexity as is practiced by many organizations now.

Peer groups are dependent on each other for capacity limits and they must plan to evolve the infrastructure of the deprived peer by either investing in them or by providing leveled infrastructure.

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1.1 Introduction

In the Insurance industry, communication needs to flow between the parties mainly constituted of Insurance companies, brokers, and banks. Earlier every party used to have their database from where they could share information. The database for each of them was centralized. The communication space between these databases was where the inefficiencies lay. Blockchain technology allowed parties to get linked with a shared, secured, and permissioned network, collaborating in ways that reduced inefficiency and streamlined the entire process.

Blockchain is a shared ledger technology where everyone in the network (broker, insurer, and banks) can see the status and history of the transactions. It helps businesses work together more efficiently.

It is about transparency. All the bodies can see the status of the quotes, confirmation, and payments in real-time. In times of calamities, the Blockchain can process transactions rapidly with community governance.

Some of the major use cases of Blockchainin the insurance industry are: fraud prevention, policy creation, claims processing, streamlining routine interactions, risk prevention, on-demand insurance, P2P insurance, reinsurance, and smart contracts.

Emergence of Blockchain

Insurance industry started giving attention to Blockchain from the beginning of this decade in 2011. It is a breakthrough technology that is now largely being adopted in almost all the sectors in India, Insurance companies are now under pressure to make the hard decision of adopting the Blockchain model while letting go of the already established traditional models.

A study published by Tata Communications in 2018 showed that 44% of organizations are adopting Blockchain but at the same time face several universal problems that arise in deploying such new technologies.

Blockchain has two basic functional components:

I. Validation of transactions

II. Writing to the Blockchain

Writing operations consume much more energy as compared to reading operations which create stress on the peer network and as a result, the volume of transactions that can be stored per block reduces. The network can handle a certain amount of simple transactions per second (lesser in the case of complex transactions). This means if a network that is operating at close to its maximum capacity, it will be unable to process excess transactions.

Key Highlights of the technology

Decentralized validation: New data is encapsulated in a block that only gets appended to the main Blockchain once consensus has been received upon the action's validity. This helps in providing trust among the peers involved in the transaction that is occurring even when there is no central administrator. The process of validation requires high power of computation, which is transmitted by the processors in the systems of the peers that are part of the Blockchain. Consequently, it becomes difficult for hackers and lessens chances of fraud done to alter the transactions and related processes.

Redundancy: The unique part about Blockchain is that as soon as any transaction occurs, it is continuously replicated on all the required peers in the network that are a part of the network. Due to this, at one single point of time, data is registered on several nodes with no chance of failure and delay.

Immutable storage: Each block that has data is in sync with the previous block in the line. Since the data is altered in all the required nodes, it is next to impossible for any hacker to alter the data in all the nodes that were replicated with data regarding the transaction plus the succeeding node too.

Encryption: Digital signatures put the peer nodes that are participating in a transaction in a position to authorize which participant initiated the transaction or got themselves registered in the process. With this, Blockchain can be cast as a record keeper of static and dynamic data.

Blockchain Transaction Methodology

Transaction definition

It follows an S-T-R concept where S is Sender, T is Transaction and R is Receiver. In this step, the sender initiates a transaction which is then transmitted to the network.

Transaction authentication

The nodes in the network, which can either be a computer system or a user, will receive the message from the network and authenticate its validity.

Block creation

The transactions that are yet to be completed are put together in the block, which is an updated version of the ledger by one of the nodes in the network.

Block Validation

The validator nodes of that network receive the block on which they work to validate through a repetitive process.

Block chaining

When all the transactions are authenticated, the new block is then attached to the existing Blockchain.

Blockchain Evolution of Models over time

Initially, Blockchain started with Blockchain model 1.0, which focused on the currency. Cryptocurrency's deployment in cash-related applications such as digital payment systems, remittances, etc. was introduced under this model.

When Blockchain model 2.0 came into being, only then was it adapted by Insurance Industry. This model focused on smart contracts. It was realized that economic markets and financial applications are more than simple cash transactions.

Blockchain 3.0 has brought significant changes in its model. Its application has gone beyond finance and market and is workable in the areas of government policies, health, literacy, science, etc.

1.2 Application areas in Insurance

Fraud Prevention

All insurers are committing sufficient time and resources to fight fraud. Around 95% of insurers employ anti-fraud technology and out of which 71% say that detecting fraud is the foremost aim of such technology. Insurance frauds are made likely by the lack of shared data across the insurance industry.

Claims Processing

Apart from fraud detection, an industry-wide information database could serve several purposes in the insurance and as a resource through which claims can be processed, paid out, or denied with more speed. For policy creation and claims processing, a record of all the databases that must contain all the information about the claimant like his medical history and procedures and all other required information in one place would make the claims process efficient.

Routine Interactions (Streamlined)

Insurers envision is to create a world where to access information of an insured can be possible in seconds i.e., to store them on a database with a unique identity number. They aim to create prompt and more reliable systems so that routine insurance interaction can become more trustless and pain-free to lessen the countless frauds that happen daily as well as headaches.

Risk Prevention

Insurers have the duty of employing the most inflexible risk prevention and fraud detection tools and the Blockchain is at the frontier of cutting-edge fraud prevention in insurance. The advanced technology can be utilized as a way to make the experience seamless and secure by sharing fraud intelligence among decentralized institutions, and may also minimize counterfeiting, double booking, and document or contract modifications by instituting clear, timeless records of asset ownership. E.g.: IBM is using Blockchain for their insurance platform to increase transparency.

Insurance On Demand

With the employment of smart contracts in insurance, policies are activated and terminated based on predetermined criteria. Through this, there is the quicker establishment of policies based upon a database of required information for on-demand creation of policy and hassle-free claims processing.

Property and Casualty Insurance

It covers risks related to losses or damage caused to property. Collecting data on assets was quite time-consuming and caused many inefficiencies too.

With the coming of Blockchain, tracking the whole lifecycle of the asset has become possible. With the help of smart contracts, physical or paper contracts could be digitized. An algorithm could be set for the process of claims following which liabilities could be calculated based upon the standardized criteria. Additionally, the records can be updated in real-time by insurers and policyholders as and when the status changed.

Go2 Solutiona a firm in claim investigations is trying to simplify auto insurance using Blockchain. Allianz Insurance has partnered with EY for coming with Blockchain-based insurance models.

Reinsurance

The introduction of Blockchain in reinsurance would remove 15-25% of expenses, delivering savings of about $10 billion. This can be achieved only when a Blockchain ledger is adopted. A single policy is divided among numerous insurers, need for streamlining the records would become feasible.

Micro Insurance

It is being adopted globally with around 135 million risks on a global level. The potential market is estimated to boom as Blockchain can help include those who look for specified and affordable types of insurance policies. This would provide a transparent mode of transactions, bypassing corruption, while making it a simple and effective mode.

Parametric Insurance

It is also referred to as Index based insurance. It pays the predetermined amount as and when a specific criterion is met. Blockchain makes it possible for a smart contract to take the place resulting in saving heavy administration costs. Since it requires only certain criteria to be met for a claim to get triggered, a subjective situation does not exist, avoiding any kind of human intervention to process claims.

How Internet of things (IoT) and Blockchain form a ecosystem

Internet of things (IoT) connects a lot of devices, the amount of knowledge generated from every one of the devices can increase considerably. For example, there have been 26.66 billion active IoT devices in 2019 and nearly 127 IoT devices hook up with the web each second.

This information is extraordinarily vital for insurers to develop correct figure models and usage-based insurance models.

2.1 Objectives and Methodology of the Study:

Objectives

The study tried to find out scalability issues in the adoption of Blockchain technology within the insurance industry. The study sought to get insights on how serious the scalability issue was and to find out ways to resolve and find solutions to the issue of scalability.

Further, we tried to find out changes in the insurance industry with the adoption of various Blockchain applications as we foresee major players using the technology in the coming

future. The opportunities for the insurance companies available to insurers were also studied.

Methods

The study conducted is based on the combination of primary data and secondary data using qualitative research methods. We approached 12 industry experts for conducting in-depth interviews with the mand five experts out of them responded to be a part of the interview process. The experts chosen were those who were conversant and had experience in the usage of Blockchain technology We administered a questionnaire to these industry experts and collected their responses to enhance our understanding of real life applicability of Blockchain technology. A total of 20 questions were asked, in addition to basic information on the company's use of Blockchain technology, opinions on the scalability challenge in Blockchain, and various solutions to the problem formed part of questionnaire for in-depth interviews. Table 1 of this article contains the important questions asked in the questionnaire.

The responses of the interviews were compiled and some responses have been summarized using descriptive statistics. These are depicted in Figures 1 and 2 of the paper. We did not approach end users as respondents due to little awareness about the subject among them. Since the number of experts were only five we have not applied any inferential statistical methods on data. For secondary data we collected data and perspectives through available research papers in journals, websites, and published reports of technology and consulting companies.

3.1 Results and Discussion

The above discussion in detail gave us a broad overview of the potential applications of Blockchain technology in the insurance sector. The strengths of Blockchain technology are mainly related to its technological aspects while these aspects have certain limitations that can easily disrupt its functionality.

Based on our exploratory research, below mentioned components can get triggered to handicap the process partially or completely.

We looked at the following two components during the study.

(1) Severity aspect in terms of Technological design

(2) Severity aspect in terms of scalability, energy consumption and performance triggering elements

Responses of Industry experts

The questions posed to were centered on finding out answers to the following questions as shown in table 1 below

Table 1: Questions put to industry experts

- Usage of Blockchain technology in the organization
- Process for which usage was done?
- Recognition of block in a Blockchain approach.
- Restrictions in keeping any particular type of records in a Blockchain.
- Scalability as an issue in Blockchain.
- Issues faced by the organization in scalability.
- Solutions to the problem of scalability
- Steps has your company taken to check the same
- Challenges faced in Blockchain adoption in the organization.
- Limitations in technological design and impact on the overall industry.
- Rating on a scale of 1 to 5, the severity of both the above factors
- The impact of these setbacks on the insurance industry.
- Core requirements for a business Blockchain.
- Network-specific conditions for using Blockchain technology in the organization?
- Cost efficiency of using Blockchain on large scale.

Blockchain has huge reliability on the technological design which is directly determined by the coding that is done and the programming language is used for the same. Any coding flaw can puncture the functionality which further can create a security threat.

Scalability, Energy Consumption, and Performance

Unlike the traditional systems at present, the number of transactions that could be handled per second is extremely low as compared to traditional systems. The computational power required to validate a new block is high.

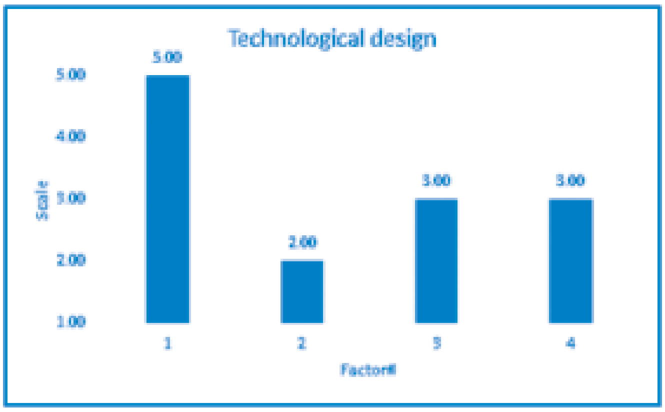
On average it can take from a few seconds to several minutes for a transaction to complete depending on the capacity of the network. Since the data is replicated in this process on each network node, every node must have a leveled capacity. These nodes consume a high amount of energy and require such powerful hardware that is extremely expensive. See Table 2 below for trigger outcomes.

Table 2: Outcomes of triggers causing possible disruption

Factors	Technological Design	Scalability, Energy Consumption, and Performance
1	Weak coding invites hackers. They can intercept the communication channels of the Blockchain.	Every node in the network has a separate limit to storage capacity. Blockchain requires a large amount of data to be stored. Sync between the peers is not possible without them leveling up.
2	Bugs in the protocols can hamper the functioning. Protocols in Blockchain are complex programs.	Every transaction when first carried out is first broadcasted to all nodes. This process consumes a slot of network resource which as a result increases the propagation delay
3	Bugs in Smart Contract similar to bugs in protocols can result in compromising of data.	Blockchain is a power-hungry model. It requires nodes to be able to support networks with powerful systems.
4	Flawed code from developers can result in unprotected consensus algorithms.	If a single party owns more nodes they can attempt to disrupt the network.

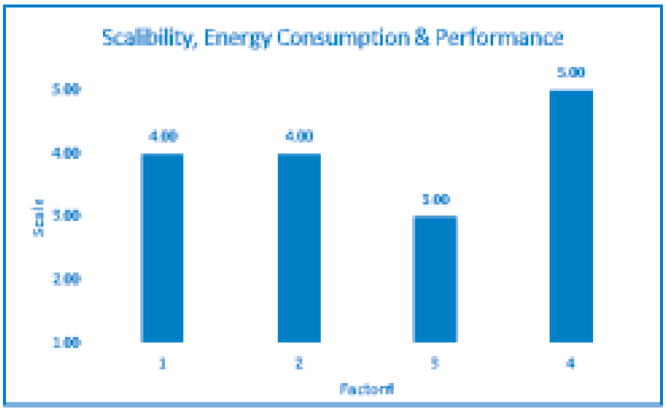
Severity assigned based on data received from industry experts who were respondents on 5 pointer scale (For business delivery in Insurance sector). See figure 1 and figure 2 below:

Fig 1: Severity aspect in terms of technology design



Source: Responses received from Industry experts

Fig 2: Severity aspect in terms of Scalability, Energy Consumption and Performance



Source: Responses received from Industry experts

Severely Impacting Elements (Impacting Insurance Industry)

It was observed that both of these triggers can puncture the whole functionality of Blockchain. Any coding flaw will change the structure of the Blockchain and the inability to scale with the capacity of nodes in the network will also handicap the whole system.

Determining which of the two triggers is more severely impacting is important especially in the insurance industry wherein the times of calamities, the Blockchain can complete processes rapidly with community governance.

Impact of Scalability, Energy Consumption, and Performance on Insurance business

In the insurance industry contractual relations involve to and fro of many sensitive data that customer and insurer both wants to protect this data at any cost. Also apart from this, insurers these days always have pressure to deliver services successfully in lesser time than competitors. For this, they need to make sure that the business process is flawless.

Smart Contracts

Nodes in the network verify every transaction, this then puts a limit on how many smart contracts actually can be processed in each block, and then this determines how large can be a smart contract application that directly affects the overall performance of the network at different levels.

Claims Processing

Claims processing in the Insurance industry is generally scheduled with Smart Contract protocols.

When a network operates at maximum capacity, the quantum of transactions that can be processed gets limited. Even if the gas limit for transactions per second is increased, the existing limit lowers the figure significantly.

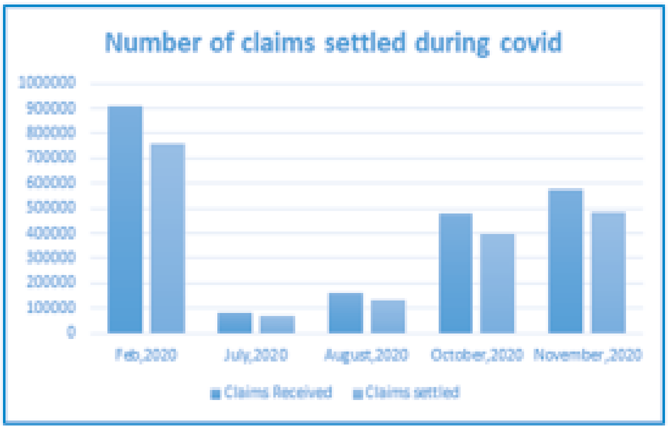
3.2 Issue of scalability and surge in claims during COVID 19

Scalability issue is not an everyday issue. It generally comes with a wave of a sudden surge in the quantum of transactions. The outbreak of COVID-19 stemmed from an impulsive rush in the applications for claims processing. This resulted in putting pressure on those nodes that have lower capacity as a result, processing time was severely disturbed as mentioned by GIC in a report.

According to a news report by Business Standard on Health insurance claims during covid pandemic insurers saw a surge in claims amidst COVID-19. Although the growth rate slowed down during the phase of July-December, the number of claims that arose during the outbreak is comparatively high.

During February 2020, health insurers received 908,849 claims that were related to Covid. These claims summed up to Rs. 13,752.41 crores. They settled 761,676 claims which summed to Rs. 7,141.33 crores. This accounts for 15% of the total premiums that were accumulated till January. See Figure 3 below which shows claims surge due to Covid 19 in various months of year 2020.

Fig 3: Claims settled during Covid 19 pandemic



Source: Business Standard (2021) "Health insurance companies get over 900K Covid-19 claims, settle 84%"

By July 2020, around 81000 cases were reported for claims. This count doubled and reached 160,000 in August. The slope became steep and the count crossed 475,000 by October and by November, it reached beyond 576,000. By the end of the year, it was 664,488 numbers of claims per month which summed to Rs. 9,989.89 crores.

On average, Covid related claims that were received throughout the year were around Rs. 1.51 lakhs, while the average claims that were settled were Rs. 93,758.17 crores.

Conclusion

In this study, it was seen how rapidly the Blockchain as a technology has got the attention of the insurers and the race in adopting this technology first in different levels of applications by them.

The challenges arise when insurers decide to embrace Blockchain technology without reflecting upon the fact whether or not they are mature enough for its adoption for everyday processing. Present infrastructure in India amongst companies is still uneven and adoption of Blockchain technology demands having a peer-to-peer network. Every party to the network has nodes connected to these networks and these nodes are running on systems of different capacities. To streamline the process each node must be operating on a network where there is sync in processing power from all the parties. If a network exceeds its maximum capacity, then the average amount of transaction decreases and affects the business.

There are temporary solutions available for the companies where they can add buffer capacity either by increasing the block size or reducing the block time thereby reducing hash complexity. But Insurance companies cannot rely only on this solution in the long run. The permanent solution to this is that all the parties to the peer network must plan collectively to evolve the infrastructure of the deprived parties by either investing in them or by providing leveled infrastructure.

For greater capacity, Blockchain takes a lot of power. This necessitates a higher level of investment in current infrastructure. The question we need to answer if Blockchain is employed on a wide scale, will it be

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Bajaj Allianz General Insurance partners with TropoGo for drone insurance

Bajaj Allianz General Insurance on Thursday announced its partnership with deep-tech startup TropoGo for the distribution of a drone Insurance product. “The drone insurance product will cover damage to the Drone and Payload it carries, Third Party Liability along with additional covers for BVLOS (Beyond Visual Line of Sight) Endorsement and Night Flying Endorsement,” it said in a statement.

Drone owners and drone manufacturing companies can avail an annual third-party and comprehensive coverage for accidental damage, theft, and disappearance, it said, adding that users can opt for additional endorsements for night flying, BVLOS, payload and data loss liability. Companies can also avail customised insurance coverage for fleet requirements.

4th Prize Winner : Technical Paper Writing Contest 2020

PRODUCT INNOVATION IN INSURANCE : THE DIGITAL DIVIDEND

Introduction:

"There is one thing stronger than all the armies in the world, and that is an idea whose time has come."

Victor Hugo's words resonate well with the roadmap of products and their launches in the Insurance landscape today. The volatile and uncertain world within which companies operate today is ridden with challenges. In order to stay relevant, competitive, and defend market share, companies today have to ride the turbulent waves of fickle customer loyalty, disruptions in traditional operating models, and ever-changing technology trends in the rough seas of business.

Companies therefore have to continuously redefine their business models and innovate. While the dictionary meaning of innovation is simple - process of finding and implementing a new method, product, or idea - the act of innovating is rather complicated. If the new idea or product fails to enhance the competitive advantage or the effectiveness of the company, it only serves as a hole in the ship of the business which can sink the enterprise.

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The new service or product also needs to meet the regulatory norms of the industry and ensure that it does not expose the company to unnecessary risks. For its own incubation the new product needs a supportive environment, management of inherent risk of failure, and an ecosystem that is willing to take risks and persevere. This makes the journey of an idea, from conception to fulfilment, a cycle that is not only lengthy but also complex. This is precisely why most companies continue to follow traditional methods that are heavily documented and protected fiercely like a stone walled fortress.

Innovation infuses fresh air into organizations helping them realise gains beyond imagination. This changes companies from a brick and mortar fortress into a living and breathing structure that is continually evolving. Only when organizations exude such a structure do they really begin to progress and maintain their competitive edge.

Insurance Product Innovation Background:

Innovation in product development is not an alien concept for insurance companies. From its origin somewhere in 1750 BC when the first maritime loss limitation loan was documented in the Code of Hammurabi to the modern day, insurance has indeed come a long way. Over the centuries and decades, the concept of insurance has evolved to encompass broader geographic coverage areas, newer verticals and products within these as the need and consumer preference surfaced.

The most documented peril, the Great Fire of 1666 that devastated central London, brought forth a new product - the world's first property insurance. Fire Insurance for houses became available and standardized only after Benjamin Franklin set up his company to provide fire coverage. This was in response to the Fire of 1730 which ravaged much of the Fishbourn's Wharf in Philadelphia (USA). Franklin was hailed as the "Father of American Insurance" but the ease of providing insurance was a complex process. Houses needed to conform to certain design standards before they were accepted for insurance and this process entailed many man-hours where surveyors actually visited those houses.

Similarly, the need to divvy up money among the heirs of a deceased brought forth the first life insurance policy. Edmund Halley produced the first "life table" in 1693 but it was much later that statistics, mortality tables and actuarial science was used to establish the method for modern day life insurance. Accident insurance too was a product introduced in 1848 to respond to a need for insurance by the fledgling railway system where fatalities were on a rising trend.

All the above examples and product introductions highlight the backdrop against which new product innovation took place in insurance in the past. Need and not efficiency spurred the introduction of a product. Demand and not creation of an undiscovered market drove all insurance activity.

Insurance Product Innovation in India - The Current Scenario:

The Insurance landscape in India can be divided into two eras. The pre-2014 era had particularly low insurance penetration in India and products were sold through traditional brokers. As a field, the common man understood very little of insurance. The primary uptake for insurance products was limited to Life Insurance which was taken up as an annual tax saving instrument or Motor Insurance because it was mandated by law. All other products were taken up only if the dire need for them arose.

Post-2014, upon the further raising of FDI limits from 26% to 49%, the insurance landscape has seen a slew of measures that are all designed to improve the pace of product innovation. In this new phase specific innovative products have been developed and become available in the insurance market.

Today, insurance exists in all verticals viz. Motor, Health, Travel, Accident, Life, General, and many more. Innovation in Product Development is present in most verticals although the pace of innovation varies in each of them. There has been a tectonic shift in the way insurance now operates in the market. Distribution channels have multiplied, customer touch points have radically moved beyond just policy issuance and settlement to interim handholding by the insurer, and legacy systems are being replaced. Consumers are slowly changing their perception of Insurance and the uptake of products is slowly but surely increasing. Insurance is now not just a safety net perceived by consumers as the fall back option for hazards and perils, but also now as a partner to achieving financial independence and peace of mind.

On their part, the once slow to change insurance industry is also now becoming nimble and swift to respond to external changes. For example in India, the Real Estate Regulation and Development Act (RERA) passed in 2016 mandated the purchase of title insurance for all development projects. This led to insurers launching the Title Insurance Policy. The more recent Covid-19 contagion has also led to a spate of launches to provide cover to this disease.

The current ecosystem shift has also led to many insurers jumping onto the Platform bandwagon. The digital world has meant that there is a proliferation of tools, cloud, data and networks which can be leveraged to quickly achieve scale. Whilst earlier scaling up or ramping up a successful product innovation could take many years, now insurers are accessing various data tools and technologies quickly through Application Program Interfaces (APIs). Access to these insurance platforms built by technology providers is allowing insurer's to accelerate product innovations at a relatively low cost.

In fact, this is also changing the way insurance is now sold. Earlier only tie-ups, brokers, agents, the insurer website were chief selling points where consumers could reach out for a purchase. Today insurers are partnering with digital giants that have built platforms and also investing in their own platform which then serves as a point of sale place. For example, a successful start-up in North America provides Property and Casualty insurance for homeowners and renters. It set up shop just a few years back using digital technologies and this is how it changed the P&C insurance world into a simple, easy to understand product loved by millennials. After its launch it introduced its own API to other websites allowing real estate developers, e-commerce and other sites to sell its insurance as a cover for their own products as well. This greatly accelerated the pace of product innovation for this company.

Thus, the entire insurance industry today is now poised for innovation and growth with the help of new age technologies.

The Innovation Matrix and Innovator's Dilemma:

Strategic Management has been a long told story about meeting company goals through a well thought thorough strategy. However, goals may be set but cannot be cast in stone in the face of a changing reality. This is where emergent strategy comes into play. Henry Mintzberg, the well-known Canadian author and management strategist, postulates that on the continuum of time, an emergent strategy that is always adjusting and evolving as per the changes in the environment works best. For companies that innovate, keeping abreast with such changes while they introduce new products and explore new markets is important to ensure that the risk-reward ratio is maximized.

The Ansoff matrix postulated by the famous mathematician Igor Ansoff, maps Markets (existing and new) against Products (existing and new). This matrix is often used to develop strategies around market penetration and product development. In the digital world that we inhabit today, product innovation is primarily of four types across a matrix that maps markets against technology. Most of the innovation in this digital world is incremental where it occurs within existing markets using the existing products. In this case, improvements are made to these products over time. However this is not the most rewarding innovation since any 'Black Swan' or high impact but sudden events can overturn the benefits that may accrue making all these products redundant.

Using new technology but still operating in existing markets, the disruptive innovation is born. This type of innovation brings new products that may build a niche in the beginning within an existing market. Often lead players in an industry may neglect certain segments of the market in their quest for bettering their own bouquet of products. Slowly, the disruptive innovation can even steal away a major chunk of the market share from the bigger and more established company since it can deliver a newer product that serves a better purpose. This is the Innovator's Dilemma detailed in the book by Harvard Business School Professor Clayton Christensen (Book Title - The Innovator's Dilemma: When New Technologies Cause Great Firms to Fail). Insurance companies using technology to disrupt the market are InsurTech companies that are slowly gaining a foothold and expanding their market share.

Architectural Innovation (using existing technology in new markets) and Radical innovation (using new technology in new markets) are other types of innovation. A January 2019 report titled 'The Future of Insurance, Vision: The Digital Insurance Strategy Playbook', by Forrester Research suggests that the aim of insurance companies in the digital world should be to increase efficiency and reduce costs in order to drive business growth and defend market share.

However, in the current technological shift where consumer demographics are changing, channels of distribution are increasing, and the consumer interaction touch point multiplicity abound, Adjacent Innovation is perhaps the best way forward for insurance companies. Adjacent Innovation focuses on leveraging expertise in one area and applying that knowledge in another area to create a breakthrough and winning outcome or product. This type of innovation is often easier to implement and skewed in the favor of success since it carries a lower risk of failure.

The Need for Faster Product innovation in Insurance today:

Today the Insurance landscape has changed. The Fourth Industrial Age is upon us and New technologies like Robotics, Artificial Intelligence, Machine Learning, Internet of Things, 3D Printing, Biotechnology and the like are fusing together to create a New World. This has changed the face of the customer from being just a Policy Number residing in the Insurance portfolio of insurers to a living, demanding and dynamic consumer of products. This consumer enjoys the luxury of high end technologies and the power of information just with a right swipe of his or her smartphone. This has naturally led to a more informed and conscious consumer who will most easily travel into the books of another competitor to save money, get better or faster service, and often also to find a better product that is bespoke rather than mass marketed.

A faster pace of Innovation and New Product Development &Introduction is therefore a strategy and the new normal any company that needs to protect its portfolio book. Innovation today is not just the result of a direct market need but also the desire to provide higher levels of service efficiency while also tapping the customer's hidden and indirect requirement for personalized attention. As an example car insurance recently saw a new product innovation. Pay-as-you-go car insurance created a market in a vacuum where people who used cars sparingly and would often not insure them due to their very short and infrequent car usage.

The winning combination of technology innovation using telematics coupled with a tailor made insurance product brought forth a need that can now be serviced while also resulting in higher compliance to the law of the land. Similarly, car insurance for those who are planning a new vehicle or those who have multiple cars but drive only one car at a time also are areas where companies are creating products for markets that did not even exist.

Many will argue that insurance, being a highly regulated sector requiring large balance sheets and investment, often works within a framework that is conservative. Since the buyer of the insurance (insured) is typically risk averse and in many countries dependant on brokers, insurance as an industry is slow to change. Products have been introduced only when they have cleared the dual hurdle of regulatory approval and acceptance from the insured. This naturally has taken time. However, in the VUCA world (volatile, uncertain, complex, and ambiguous) that we live in today, traditional insurance can no more operate with arcane models, unwanted products and legacy data. The need of the hour for all modern day Insurance Companies is a faster pace of introduction of innovative and transformative products. This pace is dictated by changing customer preferences, changing economic microcosm, the availability of cutting edge technology and the digital tailwind in the wings of every insurer.

Risks and Challenges of Insurance Innovation:

Macroeconomic headwinds often stall the efforts of a company in its endeavours to go global with new product innovation. In the recent past, many economic crises have threatened to derail business operations of insurers. Challenges emanating from the 2008 economic downturn with the accompanying credit crunch caused the insurance industry to contract as sub-normal growth rates in the economy dogged the world. The industry already reeling under losses faced the additional whiplash of natural catastrophes with 2011 becoming the costliest year in terms of catastrophe related losses. In the year 2011 alone, the Nat-Cat losses were pegged at $ 386 billion. What made this year a study in itself was the fact that almost 70% of this loss was concentrated in the Asia region (floods in Thailand, earthquakes in Japan and New Zealand, and tsunami in Japan). In the US region, the insured losses were at a much higher number than before - $ 35 billion - stemming from Hurricane Irene, Tropical Storm Lee, and a damaging wildfire in Texas.

Cyber threats and sensitive insurer data breaches, trade wars, geopolitical risks and more can wreck damage on the insurance industry accounting books. A Swiss Re report titled 'Global Economic and Insurance Market Outlook 2020/2021' published on November 13th 2019 on uninspiring prognosis. With a likelihood of recession in US for 2020 at 35%, and weak leading indicators like PMI, the report forecast a flat combined ratio for the global insurance industry with outlook parameter marked at "Cautious". The report further predicted that for 2020/21 the number one risk for the insurance industry was trade war risk. However no clairvoyant or crystal ball gazer could have forecast that the real risk for the insurance industry in 2020/21 was the outbreak of the Covid-19 pandemic.

A natural corollary of such an outbreak such as the highly contagious Covid-19 is the onset of a declining interest rate regime. A cut in interest rates usually happens in periods of ensuing economic downturns because the governments try to deter people from hoarding cash and try to incentivise purchases and loans. Therefore interest rates are cut. However negative or low interest rates pose a problem to insurers, especially life insurers who offer endowment or fixed interest rate policies. Due to mismatch or imperfect pairing of asset-liabilities, such insurers suffer a long duration gap. In Germany, insurers today face a duration gap exceeding ten years. In a declining interest rate environment the value of assets goes down while the liabilities stay same. This causes a mismatch and threatens to cause serious solvency issues for the company. In such scenarios, in the downturn, innovation from insurance companies suffers.

Insurance policies that are typically long tailed liability businesses such as Occupational disease claims (asbestos factory workers, environmental pollution exposed staff), medical malpractice claims, discrimination claims and the like are particularly sensitive to long term risks. These are areas where claims can come in many years after the policy has lapsed. In such areas innovation is often absent or negligible. In fact, these areas are the ones that especially need product innovation.

All innovation that happens in a company needs sponsorship and a champion. The internal champions are responsible in not only providing a supportive atmosphere but also in bridging the divide in the organization. Insurance companies have been reticent and fallen behind in the adoption of new disruptive technologies in the past. The primary roadblock cited has been the lack of interest in many parts of the insurance organization to embrace new technology. The fact that innovation budgets are constrained with allocation of scarce resources skewed towards existing products, and legacy systems that are complex, innovation is the likely sufferer in most companies.

However, with the consumers themselves now being cheerleaders and adopters of technology, insurers are left with little choice if they are to stay profitable. Of late, the insurance landscape has seen the mushrooming of InsurTechs that have adeptly married the benefits of Digital and the deep expertise in certain areas to create winning new product propositions for the consumer.

Data privacy has also been a much cited risk due to which many insurers fall behind in the race to innovation despite the falling costs of cutting edge technology. Data being the new oil, with proper usage and analytical modelling, has the potential to reduce insurance costs and create efficiencies in markets. However, the moot question at stake is whether the data is being harnessed intelligently. Public debate around how this private and individual policyholder data is being leveraged has been growing. That the personalization and customization of many policies translates into the intrusive and unfair use of data is something that many data protection groups are lobbying against.

A paper titled 'Big Data and Insurance: Implications for Innovation, Competition and Privacy' released by The Geneva Association (a leading international insurance think tank) in March 2018 highlighted some of these risks. The paper delved into the trade-offs of ushering in an era of Insurance using the digital technologies versus the risks that these technologies brought forth. Personalization of policies may bring to the fore unfair and discriminatory practices when dealing with the profiling of consumers and treating them differently if their risk is greater than the average. The granular assessment of premiums based on individual scoring as opposed to group scoring could bring a non-inclusiveness because the high risk individuals may not have the ability to pay the higher premium. Many of the cited risks due to use of digital and the roadblocks including regulatory oversee may stymie many of the innovations in pipeline. However, it must be argued that with innovation comes the freedom for the end consumer to choose a better product, and for the organization an opportunity to reduce frauds, increase channel efficiencies and reduce premiums for low risk groups or the good consumers.

Adjudging Market Readiness for New Product Innovation:

Innovation in Product Development is primarily done to defend market share and help a company meet its revenue targets over time. If there was no monetary gain from the new product, the need to innovate would hardly be there. It is therefore important to continually disrupt the business model and keep innovating. Fail fast is a term oft used for a new trial and error experiment. This applies to innovation also. If there is an idea that is feasible and achievable, following through with the idea is worthwhile.

However, it is imperative to judge and calculate the market size of the opportunity that the product innovation brings. This by itself is no easy task. Just a couple of years back, a leading global reinsurance company was trying to underwrite a new kind of insurance - epidemic insurance. This cover was to indemnify the losses a company faced due to an epidemic. While so far traditional insurance had a cover available for business interruption due to damage, a non-damage business interruption due to an epidemic was something no one had envisaged.

This was an innovative approach and product however there was no significant market for it, until of course Covid-19 happened. Similarly, many data companies were developing pandemic models or infectious disease models which could be used by insurers to provide cover against financial losses stemming from a contagion. These were innovative products but not needed because no one felt such a dire emergency would ever occur. However, the situation did occur. This pandemic is testimony to the fact that insurance innovation is required but the product does have a risk of a not so successful launch if the market is not judged or is not ready for the product.

Benefits of Innovation and the Digital Dividend:

New Digital technologies have brought analytics, cloud, smart wearables, artificial intelligence, Internet of Things, Telematics, and more to spur Innovation in Insurance. The Digital Dividend is a tailwind that has the propensity to lift the Insurance Innovation vehicle and transport it to a more profitable destination in a similar way as a tailwind works in aviation.

A study of European Insurers' digital maturity by DXC technology conducted with IDC in July 2018 showed that only 36% of the surveyed insurers had implemented a digital strategy and only 22% were part of an ecosystem so that they could provide additional services to their consumers. In India, that statistic is even lower. This clearly shows that the adoption of digital technologies has been slow and needs to accelerate.

Wearables, AI enabled wearables, Robotic Adjusters, RPA (Robotic Process Automation), Drones, Block chain, IoT (Internet of Things), Advanced Analytical Algorithms and more are all digital technologies that are poised to power up innovation in insurance product development. Whereas earlier insurers were available only for limited times to the customer, today chatbots and NLP (Natural Language Processing) have brought insurers to the smartphones of customers. Queries can be answered round the clock and claim logging with pictures of the damage has become easy with the aid of technology enabled insurer platforms.

Geospatial and location tracking through telematics has enabled insurers to roll out innovative products in car insurance. Block chain supports greater transparency and allows for faster claim settlement and policy surrender for instance in travel insurance where automated disintermediated claims processing is now possible. IoT enabled wearables have made tracking of customer habits easy helping reduce the cost of health insurance premiums.

Through the use of data from other "non-traditional" third party sources as well as the legacy system data combining the unstructured data with the structured data, insurers are better poised for the construct of advanced analytical algorithms that help in a myriad of consumer lifecycle elements. Faster underwriting, policy pricing, to seamless claims settlement, insurers are now able to tackle consumer requirements more effectively. Using social scoring, insurance companies are now gathering consumer data from forums like LinkedIn, Facebook, Instagram, and Twitter combining it with online transaction history to create winning propositions for customers who are giving their consent to share data.

An example of adjacent innovation in India is the use of Artificial Intelligence (AI) and image analytics to create a better customer experience. In India, automated claims settlement, AI is being used for image processing of damaged vehicles in auto insurance. The damage assessment, cost assessment, and claim settlement process now just takes minutes enhancing the customer experience. Similarly, annuity payment for older members by several insurers earlier required submission of Life Certificate in a branch. The use of AI to process photographs sent online to decide if the policyholder is alive has now obviated the need for such a branch visit thereby enhancing customer experience.

InsurTech is creating a number of innovative products leveraging the new-age technologies and analytics. The simplification of insurance products, creation of bite sized sachet insurance covers for the consumers who cannot afford large premiums, and consumer segmentation to ensure that good customers do not subsidize the insurance for bad or high risk customers lends to innovation at the intersection of technology and the need of the hour. With the proliferation of smartphones, protecting them is a cover that is not offered by many companies. Insurance start-ups have innovative covers for smartphones that not only covers the damage but also in many cases offers pickup and drop service for the phone repair at a nominal premium. This innovation is especially useful for millennials or Gen Y generation for whom a smartphone is an imperative must-have.

Insurance start-ups are also partnering with other service providers to provide cover for areas that lead providers often do not have coverage for. From bags, delayed flights, cyber fraud, malaria, dengue, cycle theft, gym injury, pet insurance to even the innovative home content only insurance, the new age insurers are covering all consumer needs big and small. The premiums charged are often very small. For example a leading taxicab company has partnered with an InsurTech on intra-city transfers for covering a missed flight due to traffic delays when consumers use the app-based taxi-cab service. In many cases the start-up insurer sells the insurance through its many partnership networks but eventually the insurance is underwritten by large players.

The bite-sized insurance premiums are nothing to be scoffed at. Many InsurTech companies have impressive Gross Written Premium (GWP) with a large number of customers on-board within just a few years of operation. The reason many of the innovative covers provided by these start-ups is succeeding is because these new age companies have leveraged technology to push products. Transparency, trust, simplified insurance, easy claim processing are some of the professed hallmarks of the new age companies which have helped change the perception of insurance among millennials. The perception that insurance was complicated and involved a lot of tedious paperwork is fast being replaced by the easy access and processes of these app-enabled InsurTech companies.

Insurance Product Innovation - the India example with IRDAI as a Partner

In India, the insurance market is likely to reach the 280 billion USD thresholds by 2020 as per the Indian Brand Equity Foundation (IBEF). Insurance Innovation is thriving due to IRDAI (Insurance Regulatory and Development authority of India) partnering with the industry as a champion of Innovation. Significant measures taken by IRDAI recently that have hastened innovation are:

- The Regulatory Sandbox: In order to increase the pace of innovation in companies, on 26th July 2019, IRDAI issued a regulatory sandbox approach. The motive for this approach was to create a conducive and safe environment within the framework of which insurance companies could introduce innovative products. IRDAI also published guidelines for the innovative products that could be brought forth within the regulatory sandbox approach. About 173 proposals for innovative products encompassing different areas of insurance were received by IRDAI and some of these were approved for introduction and testing. Significant innovative products are V-Pay Motor Insurance, Parametric Insurance among many others.
- Allowing Life Insurance companies that have completed 10 years to launch Initial Public Offerings to raise capital which again brings in innovation due to availability of funds.
- Insurance products are also covered under the exempt exempt exempt (EEE) method of taxation making them attractive. This is likely to foster a climate of innovation in insurance as newer products can be introduced and qualify for tax exempt status.
- Helping to increase FDI (foreign direct investment) to 100% for insurance intermediaries like brokers, insurance companies etc. This liberalized FDI is expected to increase best practice sharing and investments in digital leading to a faster pace of innovation.

Launching of the Insurance Repository (2013) that allowed policyholders to buy and keep insurance policies in a dematerialized (electronic) form is another step that fosters innovation. This translates into all policies to be stored together in an electronic account (aka eIA). This allows policyholders a comprehensive oversee of their holding which in turn is hypothesized will lead to more product innovation since policy management for the holder is now seamless and easy. Policyholders are therefore more likely to take up newer products based their need.

Conclusion:

Innovation is crucial to all organizations in order to survive the multitude challenges of operating in a volatile and uncertain world. While roadblocks and risks are present in innovation, the pace of innovation needs to be accelerated in Insurance if it is to meet the needs of the consumer and be future-ready. At the centre of all innovation should be the quest to satisfy each consumer and improve consumer experience.

Today, insurance stands at the crossroads of the Fourth Industrial Revolution and can reap the digital dividend if insurers implement a digital strategy. Leveraging Insurance Platforms, Ecosystems and partner networks can bring a scale to all product innovation. Ensuring consumers by having many interaction touch points that bring not only the product but also increase the ways in which consumers can participate through telematics or connected apps to reduce their premiums is the need of the hour. InsurTech companies are using technology to disrupt the traditional approaches and this is encouraging innovation. Innovation flourishes when a conducive and safe environment that allows for experimentation is available. A strong champion like the regulator, IRDAI, is also fostering an ecosystem making innovation the byword for all insurers today.

Despite the macro headwinds of trade wars, falling interest rate regime, and now the COVID-19 contagion, insurers are moving ahead to stay responsive, nimble and agile in bringing new offerings and innovative products that can bring policyholders the peace of mind and financial independence they desire. Arguably, the most important part of innovation is the ability to foresee the future, create and imagine what could bring the most value and then have the grit to implement the new change. The cycle of innovation usually brings all companies to the same place they started from,in the realization that at the core of their transformative journey is their customer - a satisfied policyholder. Improving customer experience is something that will, despite all future innovation and product development by insurers, always remain as the most important metric.

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MAKING SENSE OF THE MANIA BEHIND INSURANCE IPOS

The insurance industry in India has visibly progressed since the time when businesses were tightly regulated and concentrated in the hands of a few public sector insurers. A well-developed and evolved insurance sector is a boon for economic development as it provides long-term funds for infrastructure development and concurrently strengthens the risk-taking ability of the country.

Currently the Finance Minister of India wants that the strategic disinvestment of BPCL, Air India, Shipping Corporation of India, Container Corporation of India, IDBI Bank, BEML, Pawan Hans, Neelachal Ispat Nigam Ltd, among others, and IPO of LIC would be completed in 2021-22. The IPO of Life Insurance Corporation of India (LIC) is the most awaited as it will be the largest in India's corporate history. The company will be raising Rs.70,000 crore.

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However, they are yet to file the prospectus with SEBI. There are more than 65 companies that filed prospectus with SEBI this year. So far in 2021, more than 65 companies have filed their draft red herring prospectus (DRHP) with India's market regulator Securities and Exchange Board of India (SEBI). DRHP is a document that outlines the business of the company, its financial position, and the reasons for which the company is raising money and how it will use it.

Meanwhile, 41 initial public offerings (IPO) have already been listed on the BSE in 2021. From these -- Tatva Chintan Pharma Chem, Clean Science and Technology, G R Infraprojects and Indigo Paints were some of the hits of 2021 as the IPOs of these companies got listed at about 75-105% premium over its issue price. The insurance business is a relatively defensive industry that typically remains stable during fluctuations in the overall economy. Insurance companies make money selling policies, but they also profit by investing the money they take in.

Amid global challenges, India has continued to develop as an emerging economy with a financial system that has matured, deepened and achieved scale. The needs of this emerging India are in many ways different, adding the insurance sector, over the two decades since the introduction of competition and regulation, has matured with 69 insurers today as against only eight in 2000. Fertile ground for cultivating innovative approaches to assess and manage such risks is already available in the form of ever-growing volumes and variety of data, coupled with the enhanced ability to connect secondary and tertiary data points across activities almost on real time basis.

Actuaries can help raise a bountiful crop of new solutions by actively engaging with businesses and technologies to identify new opportunities, and address emerging challenges. Even within traditional areas like insurance and pension, actuaries can enrich risk management if based on inclination and aptitude, individual trained actuaries consider joining other departments like finance, marketing and underwriting. Perceptions of risk have heightened on account of the once-in-a-century pandemic. Other global risks are also looming, large climate change concerns and rising incidence of catastrophic events have sharply raised awareness of environmental risks.

Further, with the increased pace of technological change and innovation, new ways of carrying on businesses and engaging in individual pursuits are constantly emerging. 2017 was technically the birth of major life insurance private players in the eyes of investors with a frenzy of IPOs hitting D-Street. Since then insurance has mostly been one of the niche sectors in the market. Insurance companies have a strong balance sheet, are well capitalised, have healthy operating metrics, and are well placed to ride over challenges. Now three companies from the insurance sector are on their way to boom into the primary market with IPOs worth Rs 10,000 crore.

The Insurers listed in India as at 30 November 2017 are:

Company	IPO launch date	Public listing date
ICICI Lombard Life	Sep. 2016	Sep. 2016
ICICI Lombard General Insurance	Sep. 2017	Sep. 2017
SBI Life	Sep. 2017	Oct. 2017
GIC Re	Oct. 2017	Oct. 2017
New India Asssurance	Nov. 2017	Nov. 2017
HDFC Standard Life	Nov. 2017	Nov. 2017

Investing in Insurance Companies

Insurers are businesses first, meaning the same indicators that would apply to any company, apply here - like margins and revenues. Successful traders often follow an insurer's results and news releases closely, and tread carefully if concerns arise around regulatory breaches or negative publicity. Some other factors to note:

- **Assets under management (AUM):** more AUM means a larger client base and an increased potential for good returns. In some cases, it also means less uncertainty for the trader, as insurers with higher AUM tend to be older, well established institutions. These are often preferable for beginner traders as they are likely very stable
- **Earnings per share (EPS):** increasing EPS means that the insurer's profits are higher relative to the price of its shares. The higher the EPS, the more the insurer tends to return to shareholders or use for projects - such as growing their global footprint, which creates a positive cycle for EPS
- **Percentage of valid claims paid:** choosing to trade the stocks of an insurer with most if not all of its valid claims paid out can be a prudent move , as these insurers are stable and far less susceptible to stock price-tumbling bad publicity
- **Combined ratio:** two ratios are important to understanding insurers' operations - loss ratio and expense ratio. Despite its name, the loss ratio isn't bad - it's just the number of payouts (valid claims paid out) each year. The expense ratio is how much it takes to run the company, collected from premiums charged. Put together, this gives the 'combined ratio', which shows an insurance company's income versus expenditure

The insurance industry is at a critical inflection point. Key trends are reshaping the industry, including the rise of competition from an array of insurance and noninsurance digital players, rapidly changing customer expectations, the increasing importance of growth in valuations, and-in many markets-financial and interest-rate pressures.

Given the potential for improvement and the prospect of attractive returns in insurance, private-equity and principal investors have been targeting attractive talent pools and deploying capital with the goal of rapidly driving and scaling the creation of new businesses.

Summary Table of Best Insurance Stocks in India

Company Name	BSE Scrip Code	NSE Symbol	CMP (Rs.) June21	Rating (Stars)	Industry
HDFC Life Insurance	540777	HDFCLIFE	692	2	Life Insurance
SBI Life Insurance	540719	SBILIFE	992	3	Life Insurance
ICICI Prudential Life Insurance	540133	ICICIPRULI	578	1	Life Insurance
Max Financial Services	500271	MFSL	1022	0.5	Life Insurance
New India Assurance	540769	NIACL	174	1	General Insurance
ICICI Lombard General Insurance	540716	ICICIGI	1516	3	General Insurance
General Insurance Corporation of India	540755	GICRE	201	0.5	Reinsurance

The Listing of LIC of India

The listing of LIC will be crucial for the government to meet its disinvestment target. Inviting bids from merchant bankers, the Finance Ministry had said the potential size of the IPO is expected to be far larger than any previous issue. The Budget Estimate for disinvestment in 2021-22 has been set at Rs 1.75 lakh crore. So far this fiscal, Rs 7,645.70 crore has been realized as disinvestment receipts. Several disinvestment transactions are expected to be completed during the year. The Cabinet Committee on Economic Affairs (CCEA) had in July given its in-principle approval for the listing of insurance behemoth Life Insurance Corporation of India (LIC).

The IPO of the state-owned life insurer is part of the government's efforts to raise Rs 1.75 lakh crore through disinvestment in the current financial year. The IPO of the state-owned life insurer is part of the government's efforts to raise Rs 1.75 lakh crore through disinvestment in the current financial year. A majority of these have crossed their initial breakeven phase. Once the proposed listing of LIC happens, about 60 per cent of the insurance industry business would be with listed entities. The sector as a whole has been growing at a pace significantly higher than that of the overall economy. In LIC's size and reach, market participants see great potential for future growth.

As the largest life insurer in the country with a total first-year premium of over Rs 1.84 lakh crore in the year ended March 2021, LIC commands a market share of over 66%. It has 2.9 lakh employees, and a network of 22.78 lakh agents. As of March 31, 2020 it had total assets of Rs 37.75 lakh crore and equity AUM of Rs 6.63 lakh crore.

The LIC (Amendment) Rules, 2021 say that any reservation made by the Corporation in favour of its policyholders on a competitive basis in a public issue under Clause (a) of sub-section (9) of Section 5 should be made in a manner similar to that applicable to a reservation on a competitive basis for employees in a public issue under any regulation made and circular issued by the Securities and Exchange Board of India. The allotment of equity shares to life insurance policyholders against any reservation made in their favour should be made in consultation with the stock exchanges concerned. The government has amended the LIC Act of 1956 for the proposed IPO. The LIC has appointed Arijit Basu, former MD of State Bank of India and former MD & CEO of SBI Life, who had led the move to get LIC listed on stock exchanges, as a consultant to help launch the IPO.

LIC vs Listed Insurers

All data in Rs/crore

	LIC Life	HDFC Life	ICICI Pru-dential Life	SBI Life
Total Net Premium	3,37,185	32,223	32,878	40,324
Income from Investments	2,22,758	(-)2,873	12,517	2,996.70
Total Income	5,60,784	29,613	20,843	43,720
Assest under management	29,84,331	1,27,226	1,52,968	1,60,360
GWP	3,37,505	10,614,	10,647	11937
APE	29,056	2058.7	1901.9	2650.5
VNB margin (In %)	NA	25.9	23.8	17.4
Net Profit	2,688.50	311.7	179.5	530.7

After the amendment, like any other listed company, the corporation, now governed by the Companies Act and SEBI Act (post-IPO), has to prepare its quarterly balance sheet with profit or loss figures and make public key developments. Budget amendments to the LIC Act have been notified and the actuarial firm will work out the embedded value of the insurer very soon. A listing could value LIC at as much as $261 billion, based on its assets under management and using private sector insurers as a benchmark. That would make it bigger than Reliance Industries Ltd., currently India's largest listed company with a market value of about $199 billion. The mega-IPO of the country's biggest insurer is expected to happen soon.

The government, which owns 100% in LIC, will next determine the embedded value of the company to determine the stake sale details, including the amount and price band. The LIC IPO is expected to meet the shortfall in that target. For LIC, the challenge lies in bringing efficiency across the large agent network and also in maintaining its market share. Mega IPO of India's biggest Insurer India approved the sale of shares in state-run insurer Life Insurance Corp. of India, a key step in moving ahead with the mega-listing. The administration plans to raise $24 billion by selling assets including Air India Ltd. and Bharat Petroleum Corp. as it attempts to revive an economy that's been battered by the corona virus pandemic.

Three new entrants

The needs of this emerging India are in many ways different. The insurance sector, over the two decades since the introduction of competition and regulation, has matured with 69 insurers today as against only eight in 2000. A majority of these have crossed their initial breakeven phase. Once the proposed listing of LIC happens, about 60 per cent of the insurance industry business would be with listed entities. The sector as a whole has been growing at a pace significantly higher than that of the overall economy.

Currently, there are four listed life insurers, and two in the non-life segment. Three insurance sector companies are entering the primary market with initial public offerings in coming months to mop up over Rs 10,000 crore. These companies are third-party administrator Medi Assist Healthcare Service, PB Fintech, which runs the insurance brokerage Policybazaar; and standalone health insurer Star Health & Allied Insurance Company. They have already filed their draft prospectus with markets regulator SEBI. These are:

1. Medi Assist Healthcare

Medi Assist IPO will be the first primary market sale by an insurance third-party administrator in India; it will be an offer of sale of up to 28,028,168 equity shares by the promoters and existing shareholders. Medi Assist Healthcare Services has filed preliminary papers with capital markets regulator Securities and Exchange Board of India (SEBI) for an initial public offering (IPO).

Medi Assist IPO will be the first primary market sale by an insurance third-party administrator (TPA) in India. The IPO will be an offer of sale of up to 28,028,168 equity shares by the promoters and existing shareholders, including Medimatter Health Management, Bessemer India Capital Holdings II, Bessemer Health Capital LLC and Investcorp Private Equity Fund I. TPAs are appointed by insurance companies for settlement of health policy claims.

TPAs manage documentation and processing of claims for the insurer to make the final settlement. The Bengaluru-based Medi Assist is the largest health benefits administrator in India, in terms of revenue and premium services. Bessemer Ventures and Dr Vikram Jit Singh Chhatwal are the promoters of Medi Assist, with a stake of 45.51 per cent and 31.63 per cent respectively. Investcorp holds a 21.65 per cent stake in the company. Medi Assist is the country's largest third-party insurance administrator in terms of revenue and premium serviced.

It operates a pan-India network comprising over 11,000 hospitals across 722 cities and towns. Medi Assist has been the most popular third-party administrator (TPA) for most large hospital chains such as Apollo Hospitals, Manipal Hospital, Fortis Healthcare, Narayana Hrudayalaya and Max Healthcare, among others. It's services are used by over 11,000 hospitals across 722 cities and towns. Medi Assist's IPO will be made up of only OFS of 2,539,092 shares.

Medi Assist's Financials

(Rs. Crore	FY18	FY19	FY20	CAGR/ Average	9M FY21
Revenue	232	277	319	17.3	242
Net Pforit	40	26	35	-7.5	33
EBITDA	76	82	82	3.5	64
EBITDA Margin (%)	32.9	29.8	25.7	29.4	26.4
Premium Under Management	5,457	6,686	7,830	19.7	8,288

2. Star Health & Allied Insurance

Star Health, the largest standalone private health insurer, is planning to raise Rs 3,000 crore; while Medi Assist, which is the largest third-party administrator, is lining up a Rs 840-1,000 crore issue, according to their draft red herring prospectus (DRHP) filed with the market watchdog. Star Health, backed by billionaire Rakesh Jhunjhunwala and Westbridge Capital, is the largest standalone private health insurer with a market share of 15.8 per cent in the health insurance market in the financial year 2021. Its public offering will consist of a fresh issue of shares aggregating Rs 2,000 crore and an offer-for-sale (OFS) of 60.1 million shares by shareholders. The Chennai-based standalone health insurance company's IPO comprises equity shares of face value of Rs 10 each comprising a fresh issue aggregating up to Rs 2,000 crore and an offer for sale of up to 6.01 crore equity shares. The net proceeds from the fresh issue are proposed to be utilised for augmentation of the company's capital base. Star Health and Allied Insurance Co (SHAICL), owned by a consortium of investorshas filed a draft red herring prospectus (DRHP) with the Securities and Exchange Board of India to raise funds via an initial public offering (IPO).

Star Health was founded by V Jagannathan, who earlier headed United India Insurance in 2006 and provides health insurance, overseas mediclaim and personal accident policies. A consortium led by Rakesh Jhunjhunwala and Westbridge Capital had acquired over 90% stake in the company in 2019. The Chennai-based standalone health insurance company's IPO comprises equity shares of face value of Rs 10 each comprising a fresh issue aggregating up to Rs 2,000 crore and an offer for sale of up to 6.01 crore equity shares, including up to 3.06 crore equity shares by Safecrop Investments India LLP (promoter selling shareholder), up to 1.37 lakh equity shares by Konark Trust, up to 9,518 equity shares by MMPL Trust (promoter group selling shareholders) and up to 76.80 lakh equity shares by Apis Growth 6. The largest standalone private health insurer holds a market share of 15.8% in the health insurance market in 2021. Its IPO will consist of fresh issue of shares worth Rs 2,000 crore and OFS worth 60.1 million shares by shareholders.

Policybazaar Web Aggregator

PB Fintech, the parent company of online insurance distributor Policybazaar, is looking to raise Rs 6,017 crore, which will make it the second-biggest issue so far this year after the Rs 9,375-crore Zomato issue last month. PB Fintech is backed by Tiger Global and Tencent Holdings. PB Fintech has filed the DRHP. PB Fintech addresses the large and highly underpenetrated online insurance and lending markets in the country through its Policybazaar and online lending platform Paisabazaar, the largest digital insurance marketplace with a 93.4 per cent market share based on the number of policies sold. In the financial year 2020, 65.3 per cent of all digital insurance sales by volume was transacted through the Policybazaar platform. Its Rs 6,017.5-crore public issue comprises a fresh issue of Rs 3,750 crore and an offer-for-sale of Rs 2,267.5 crore by existing selling shareholders. The OFS consists of sale by investor SVF Python II (Cayman) for Rs 1,875 crore, and Rs 392.5 crore worth of shares by other shareholders. PolicyBazaar is one among a slew of tech IPOs to hit the Indian exchanges this year. It is also one of the country's top fintech startups ?- the other one being Paytm ?- going for a public issue. 95% of PolicyBazaar's revenue comes from commissions from insurance companies for selling policies.

Policybazaar, also backed by Tiger Global Management and Tencent Holdings Ltd., was founded in 2008 to tap the large population of under-insured in a country of 1.3 billion people. It joins an Indian tech funding boom that accelerated after Zomato Ltd.'s July debut received a rousing response from investors, who have since sent its stock soaring roughly 80 per cent. Policybazaar, based in Gurgaon outside of Delhi, allows users to compare prices and features of life, health, auto, travel and property insurance policies from dozens of providers. Customers side-step conventional agents or middlemen, who typically tout policies based on incentives. Policybazaar is in a competitive field. Paisabazaar holds 93.4% of the market share of the digital insurance marketplace, based upon the number of policies sold. In FY2020, Policybazaar alone accounted for 65.3% of all digital insurance sales by volume. Paytm has also made a regulatory filing for its own stock market debut, expected later this year.

Insurers with targeted IT investments

In fact, insurers that invest more in technology outpace competitors that don't pursue targeted investments in business measures such as gross written premium (GWP) growth, return to shareholders, and expense and loss ratio. As an example, in life insurance, companies that invested more in IT saw a greater reduction in expense ratios (by 2.0 percentage points) and higher returns on technical reserves2 (1.7 percentage points) when compared with insurers with lower IT investments. Insurers achieved these outcomes within three to five years of making their investments. Marketing technology solutions can increase sales and processing efficiency, improve the quality of core customer-facing processes such as policy inquiries and policy applications, and improve customers' overall experiences. Investors are keen to know the embedded value of LIC and the value of its new business.

Fixing the Price band

Fixing the price band is vital here as past experiences have not been very good. In 2017, two general insurance companies, General Insurance Corporation of India and New India Assurance got listed. New India Assurance shares were offered in the range Rs. 770-800 while General Insurance Corporation shares were offered at Rs. 912. Both have fallen significantly since then. New India Assurance shares trade at Rs. 161 (after today's 19% gain), while General Insurance at Rs. 140. Both companies issued one bonus share for every share held between June and July 2018 but even after that bonus, investors would suffer a loss of over 60% from their investment in the IPO.

The government has given LIC policyholders a reason to cheer as 10% of the issue size would be reserved for them. What's more, there could be a discount on the floor price

too. At present, LIC policyholders have bought 289 m policies. According to IPO norms, an issuer company can offer the shares to employees at a discount of a maximum 10% on the floor price at which the shares are offered to other categories. LIC is the largest life insurer in India with a total first-year premium of over Rs. 1.84 lakh crore in the year ended March 2021. It commands a market share of over 66%. LIC is the biggest institutional investor in India and has a huge investment portfolio. It's employee reach is huge with 2.9 lakh employees, and a network of 22.78 lakh agents.

LIC is the biggest institutional investor in India and has a huge investment portfolio. Even if the 22 lakh agents sell one additional policy in a year, it will add huge volume. With its Rs. 31 lakh crore balance sheet, LIC is India's second-largest financial services institution, next only to SBI with Rs. 39.5 lakh crore assets. The insurer still has over 70% share of all life insurance policies sold in the country. And its assets under management stood at Rs. 31 trillion in 2020. These facts alone make the IPO very enticing apart from its potential size.

60% of insurance business to be with listed entities

The Union Cabinet recently approved the disinvestment of equity in LIC and the process is on to appoint merchant bankers to launch the IPO. For LIC's IPO, the centre amended the LIC Act of 1956. After the amendment, like any other listed company, the corporation, now governed by the Companies Act and markets regulator Act (post-IPO), has to prepare its quarterly balance sheet with profit or loss figures and make public key developments. The markets regulator has also amended the rules to allow a company with a valuation of more than Rs.1 lakh crore to go for IPO equivalent to 5% of the total value.

The insurance sector as a whole has been growing at a pace significantly higher than that of the overall economy. After the initial public offering (IPO) of LIC, about 60 per cent of the insurance business will be with listed companies. The fintech firm, of late, has been focused on increasing its reach in the market and working on top-line numbers. The company recently launched a slew of products and services aimed at helping seasoned, as well as new-to-investment users. It aims to achieve over 10 million users and 75 million yearly transactions for Paytm Money, its stocks and mutual fund investment platform, in the financial year 2021-2022, with the majority of users from small cities and towns.

THE TOP FIVE

Indian IPOs

Announced on	Issuer	Issue size (₹ cr)
May 5, 2010	Coal India	15,475
Jan 1, 2008	Reliance Power	11,700
Aug 8, 2017	General Insurance Corporation of India	11,373
Feb 20, 2020	SBI Cards & Payment Services	10,355
Aug 9, 2017	New India Assurance Company	9,600

In the development of new solutions needed by this emerging India and its maturing insurance sector, the actuarial profession have a key role to play. Perceptions of risk have heightened on account of the once-in-a-century .Other global risks are also looming, large climate change concerns and rising incidence of catastrophic events have sharply raised awareness of environmental risks. Further, with the increased pace of technological change and innovation, new ways of carrying on businesses and engaging in individual pursuits are constantly emerging.

According to IPO norms, an issuer company can offer the shares to employees at a discount of a maximum 10% on the floor price at which the shares are offered to other categories. The listing will be crucial for the government to meet its disinvestment target, especially when its plans to privatise two public sector banks and one insurance firm have not taken off yet. The government aims to mop up Rs 1.75 lakh crore in the current fiscal from minority stake sale and privatisation. Of this, Rs 1 lakh crore was to come from selling its stake in public sector banks and financial institutions, and Rs 75,000 crore as CPSE disinvestment receipts.

The IRDAI is allowing Indian insurance companies to invest in fund of funds (FoFs), a move seen as giving a boost to the private equity sector. The central government will maintain a bare minimum presence in strategically important sectors. Banks, financial institutions, and insurance are identified as strategic sectors, which mean the government's minimum presence will be there in insurance. The government would look to amalgamate or disinvest in financial institutions, after ensuring that it had a minimum presence. Over and above a bare minimum presence, if there is a need for me to identify those (entities), which are there but are probably not necessary for my bare minimum presence,

I will think in terms of amalgamating, or disinvesting in them. The government, which has already listed the state-run GIC Re and The New India Assurance, plans to float the shares of state-owned life insurance giant LIC and other government-owned general insurers. The Indian insurance business sector has matured over the two decades since the introduction of competition and regulations. The sector as a whole has been growing at a pace significantly higher than that of the overall economy.

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EXCELLENT OPPORTUNITY TO UPGRADE YOUR PROFESSIONAL CAREER IN REINSURANCE !!

Keeping pace with the global challenges and emerging opportunities for Professionals post-Covid, RMAI in association with SmartonlineCourse.org has introduced ONLINE Certificate Course on Reinsurance. Risk Management Association of India is a Global body dedicated to Education, Research, and Development on Risk Management. SmartonlineCourse.org is an Online training platform for professional certification.

The Insurance sector has been growing rapidly over the years. Reinsurance plays a critical role in the expansion of the Insurance Industry. The Insurance Business is all about capacity. The market must have enough capacity to handle risk. Individual markets may not provide adequate capacity to handle risks beyond a level. Here Reinsurance plays a pivotal role by multiplying the capacity of the Individual Insurers by underwriting risk across the world from different geographies and balancing the spread of risk. The insurance business would not survive unless it has support from reinsurers.

As the portfolio of Reinsurance is evolving, the demand for technical expertise in Reinsurance is also growing. The reinsurance industry is already witnessing new developments such as automation in placement, automation of complex processes, automated contracts through blockchain. Going forward technology is going to play a major role in the value chain of reinsurance.

However, people working in the reinsurance department must have a thorough knowledge of practical aspects of reinsurance working. As we say reinsurance is more by practice. But to gain practical knowledge one must apply knowledge coupled with practice to understand the nitty-gritty of this niche area. The reinsurance business is usually in large volumes and even a small mistake can cost fortunes.

This course has been specially designed for people who want to know about the dynamics of Reinsurance for career advancement as well as people who are working in the Reinsurance department to gain a complete overview of Reinsurance principles and practice. This course will provide structured learning through the whole Reinsurance process and help to demystify the subject.

Realizing the imminent need for industry/organizations to have more employees who possess Reinsurance expertise, RMAI is committed to providing the right foundation of Reinsurance knowledge and market insights with global best practices.

This Certificate Course is a Joint Certification program of Risk Management Association of India and Smartonlinecourse.org

Who should attend this Course?

- Reinsurance company employees
- Reinsurance brokers
- Insurance professionals
- People exploring new career opportunities in Insurance/ Reinsurance
- Technology Company Employees and developers.
- Direct Insurance Company Employees handling Reinsurance Department
- Financial Professionals

Why this Course?

- Curated by Industry Experts
- Self Paced learning Opportunity for professionals
- View the course at your convenient time
- Recorded sessions from Industry Experts
- Free Student Membership of Risk Management Association for 1 year
- Online Remote Examination

Benefits of Certification

- Improves career opportunities-promotion, pay increase, job portability
- It enhances professional credibility
- Extends knowledge and skills, prepares you for more job responsibilities
- Enriches self-confidence in managing work efficiently
- Encourages life-long learning and professional development

Highlights of the Course

Course Duration	30 Hours
Eligibility	Graduate
Target Participants	* Insurance/Reinsurance Employees, Professionals and Consultants * Insurance Brokers/ Intermediaries * MBA students looking for new Opportunity in Insurance/Reinsurance Industry * Any other person looking for Opportunity in Reinsurance domain
Mode of Class	Recorded Classes on each module with recorded/live sessions from industry experts. You can view the session anytime 24×7.
Mock Test	Mock Test after each lecture
Project	You will need to submit a Project for the course based on specified topics.
Final Exam	Online by Remote Invigilation
Sample Course Video	Below

Course Modules:

Module 1 : Introduction to Reinsurance of Non-Life and Life Insurance Companies

Module 2 : Methods and types of Reinsurance

Module 3 : Reinsurance Programme

Module 4 : Reinsurance Underwriting

Module 5 : Reinsurance Accounting

Module 6 : Reinsurance Claims Management

Module 7 : Current trends in Reinsurance Management

Module 8 : Additional Lectures on Reinsurance

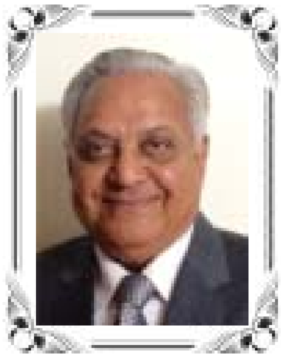
Liberty General Insurance partners with PhonePe to offer Motor Insurance

Liberty General Insurance Ltd, one of the leading general insurance companies in India, strengthened its partnership with PhonePe to offer motor insurance digitally. Through PhonePe, Liberty General Insurance's motor insurance policy provides easy accessibility to the motor insurance cover, especially to the digitally savvy generation. In 2020, PhonePe ventured into distribution of insurance and has become one of India's fastest growing digital distributors with sale of over 5 lakh policies in 5 months.

Speaking on the development, Mr. Roopam Asthana, CEO & Whole Time Director, Liberty General Insurance said, "With this partnership, Liberty General Insurance strengthens its tie-up with PhonePe to empower their customers with the best protection cover in today's digital era. Liberty General Insurance has a comprehensive bouquet of insurance products that distinguishes itself from the existing gamut of motor insurance products in the market.

Speaking on the partnership, Gunjan Ghai, VP & Head of Insurance, PhonePe said, "We are delighted to partner with Liberty General Insurance to provide motor insurance products to our 32+ crore users. PhonePe users can choose from multiple motor insurance products on our platform and purchase seamlessly in a few clicks. We are committed to build PhonePe as a one-stop destination for all insurance needs and this partnership is another step in that direction."

Obituary



Kishore Kumar L Naik
1939 -2021

With profound grief we would like to inform that Mr Kishore Kumar L Naik, Board Member of Risk Management Association of India and advisor and family member of The Insurance Times Group left for his heavenly abode on 12th November 2021. It is a great and irreparable loss to the RMAI and the Insurance Times family and the whole Reinsurance Industry.

He was a veteran in the Reinsurance field and was regarded as authority on Reinsurance. He had experience of more than 57 years in the industry and was quite popular in the industry. He started his career in the year 1964 having held various positions in India Re, National Insurance, J B Boda, Xperitus Insurance Brokers. In July 2018 he launched his own company Naik Consultancy and Advisory.

He was core academician and loved to share his knowledge as lecturer at various platforms as Guest faculty around the world.

Learning from living luminaries, studying classical literature on reinsurance reading articles of experts and becoming self-corrective in concepts, he passionately contributed to the (Re)Insurance Industry in India and abroad by sharing his experience and authored around 6 books on Reinsurance published by The Insurance Times/Sashi Publications Group which were quite popular around the globe. Recently he also developed an Online Course on Reinsurance.

He had innumerable qualities, was always smiling, being witty, prolific speaker, Good human being. The list is unending.

Besides expertise on reinsurance he was spiritual person too. He was fond of discussion in religious literatures particularly Gita. Recently he authored a commentary on Gita in Gujarati language.

He has the unique ability of simplifying the most complicated issues. With his lucid expressions full of practical examples and his KNOW-WHO and KNOW-HOW, he illustrated ability to provide solutions to problematic situations with precision of a scientist, intuition of an artist and sight of a businessman. Yet he is equally known for being a "down to earth individual.

Mr Naik was a dynamic personality and even at this age he was quite active and happily hopping around the globe enjoying and strengthening his reinsurance skills.

The void created by his sudden demise will be very difficult to be filled up. We pray the almighty to give courage to the family to bear this loss.

The Insurance Times family had a very special bonding with him. His presence will be missed but his memories will be cherished and treasured forever.

R. G. Agarwala
Editor
The Insurance Times

ENHANCING INSURANCE WITH ADD-ONS

Term insurance has a simple premise amongst various insurance products — providing life cover against death with sum insured (SI) in return for yearly premiums. Premiums for ?1 crore SI are relatively low at ?10,000-12,000 annually for a non-smoking male of 30 years. The basic cover of term insurance can be enhanced with 7-8 different add-ons, significantly enhancing its utility for everyone. Add-ons grouped into familyrelated ones, the ones supplementing basic health insurance and insuring against unforeseen events, can be considered on a case-by-case basis.

Family related add-ons

Securing a cover for your spouse and creating an additional cover for your child's needs are beyond the scope of SI and can be achieved with add-ons. Term insurance for one's spouse need not be a separate policy. For an additional premium which ranges from 50-75 per cent of the original premium, a similar cover for one's spouse can be created.

Bajaj Allianz's term plan has a Joint Life Rider add-on which adds 75 per cent to the primary premium and provides term insurance to the spouse. A similar add-on from PNB Metlife costs less than 50 per cent of the primary premium. The latter also waives off all future premiums on death/disability or critical illness to the primary life insured, compared to the former that waives premiums only on death.

On the other hand, Edelweiss Tokio provides an extra 50 per cent cover for the spouse starting at just ?58 for the add-on. For child benefit option, these three insurers and another one, Canara HSBC OBC, provide a child support benefit (CSB) add-on. Upon termination of the policy on death of the primary life insured, an additional CSB-related SI will be paid alongside the basic SI. The add-on costs 25 per cent more with term insurance from Canara HSBC, 5 per cent with PNB Metlife, 10 per cent with Bajaj Allianz and 6 per cent with Edelweiss Tokio.

The SI in this segment is different from that for the life insured and is dependent on each individual policy, and hence the different pricing.

Critical illness covers

Term insurance is largely not triggered upon diagnosis of a critical illness (CI). This is seen as one of its shortcomings compared to health insurance. Most insurance providers have hence added a CI rider which provides an amount on diagnosis of an illness which falls under their CI definition.

For instance, HDFC Life provides ?5 lakh on the policyholder being diagnosed with any one of 19 critical illness with an add-on which costs 15 per cent more, while term insurance from Max Life costs 25 per cent more to cover 64 illnesses and providing the same amount.

Edelweiss Tokio, on the other hand, provides ?10 lakh to cover against 36 CIs with its rider which costs 62 per cent more than the basic premium. PNB Metlife has the most comprehensive package in this regard. An accelerated payout add-on which costs 75 per cent more,, provides 25 per cent of the SI upon diagnosis of any of the covered 50 CIs.

Few other insurers including Max Life, Tata AIA and Aditya Birla Sun Life provide early payout of SI on diagnosis of a terminal illness (different from critical illness) as a no cost option.

An existing health insurance makes this add-on an incremental cover for critical illness, but the need for a comprehensive health insurance cannot be served by term insurance even with this add-on.

Accident disability, death

In case of permanent disability, term insurance premium can be waived off either as a no cost feature (ICICI Prudential) or as an add-on which costs in the range of ?500-800 for most other providers. Some providers also tag critical illness condition with the waiver of premium add-on, considering a policyholder's inability to meet yearly premiums in both cases.

Meeting hospital expenses in case of an accidental death or even disability can place significant financial burden on one's family, essentially negating the benefit of term insurance payout (in case of death).

Extra payout, in case of accidental death, is a popular add-on featured by most insurance providers. For an additional sum of Rs. 500-1,000 most providers ensure additional Rs. 10 lakh in case of accidental death. HDFC Life's term plan provides an additional Rs. 1 crore payout in case of accidental death but the add-on would increase premium by 35 per cent. A similar addon to cover for accidental disability is also available with costs in the range of Rs. 200-500 to provide an additional sum insured of around Rs. 10 lakh.

Based on one's needs and circumstances, the utility of term insurance can be enhanced by purchasing the right add-on to complement the basic life cover. *(Source : Business Line)*

Digit wins Digital Insurer of the Year award at 25th Asia Insurance Industry Awards 2021

Digit Insurance, a unicorn general insurance company offering health, car, bike, travel, home and shop insurance, announced it has been conferred with the 'Digital Insurer of the Year' award at the 25thedition of the prestigious Asia Insurance Industry Awards 2021 (AIIA) held virtually on 15 November 2021.

Digit, the only Indian insurer to win this year, bagged this award for its efforts in showing how technology-backed solutions can be scaled and sustained to make insurance simple for customers. Digit is also the youngest insurance company globally to win this year and had won the 'General Insurance Company of the Year' award at AIIA back-to-back in 2019 and 2020.

Digital transformation was also the overall key focus for the jury this year. "The year 2020 was entirely focused on how the industry could deliver the best experience to its customers by adopting digital - and most of the entries for the 25th AIIA awards this year focused on that," AIIA said in a statement. The Singapore-based Asia Insurance Industry Awards, which is conducted by Asia Insurance Review, saw over 320 nominations across Asia for different categories and shortlisted around 50 insurers, brokers, risk managers, service providers and industry leaders as finalists.

The nominations went through a rigorous screening process and were judged by eminent global leaders of top companies like HSBC Life (International), KPMG, AIG Japan, AIA Group, Swiss Re Asia, PwC, among others from countries like China, Japan, Singapore, Hong Kong and India.

On receiving the award, Mr VivekChaturvedi, Chief Marketing Officer, Digit Insurance said, "We are humbled and delighted that our efforts have been recognised at the Asia Insurance Industry Awards by our global peers for third year in a row. Our innovative tech-enabled solutions are at the centre of our growth story, and it has helped us expand our customer base and partner ecosystem in a short span of time."

Key highlights:

- One of the youngest companies to win three awards at Asia Insurance Industry Awards in three consecutive years within 4 years of operation
- Digit the only Indian insurer to win Asia Insurance Industry Awards this year
- Asia Insurance Industry Awards one of the most prestigious awards in the insurance industry running from the last 25 years
- The nominations were judged by a panel of 26 distinguished judges and independently audited by KPMG.

HEALTHCARE'S DIGITAL TRANSFORMATION WILL DEMOCRATISE IT

India is becoming the global leader on digital transformation across sectors. In less than a decade, extraordinary initiatives like Aadhaar, UPI, DigiLocker, CoWIN, Account Aggregator etc have established a playbook for transformation that involves creating sector-specific building blocks and establishing them as "digital public goods". These goods have helped unlock private sector innovation and capital flow while focussing on the end goal – bringing high quality services to everyone.

What's the Digital Health Mission about?

The national launch of Ayushman Bharat Digital Mission by PM Narendra Modi takes a leaf out of this playbook. It introduces several digital public goods for the healthcare sector. The vision is vast and will redefine how each of us experience healthcare delivery with our doctors and hospitals. Imagine this: Just a QR code scan will register the patient and they can control what information they share from their personal health record (PHR) with the hospital. And post consultation, the PHR gets updated seamlessly. The Mission adopts the Data Empowerment and Protection Architecture (DEPA) which ensures that patients control what they share with whom and for how long, and the purposes the shared data can be used for.

The Unified Health Interface (UHI) proposed by the Mission should help India leapfrog into a new realm of digital health services. Today, you simply use any UPI app to pay anyone without worrying about what app or bank they use. Similarly, the vision is to use any UHI app to connect with any doctor, book an appointment, make a payment, share health records and get the prescription added to health records. Doctors will also have the choice to use the best UHI app that helps them manage their patients' interactions digitally. Interoperability will accelerate digital adoption. This will be a boon to Bharat as a lot of our healthcare talent is still in the cities.

How is Bharat the real thrust area?

Many elements of the Mission show it is designed for Bharat. It leverages Aadhaar authentication to help people without phones obtain a health ID, collect health records and provide consent for access. It is good to see that patients are being put in control and policies are clear that patients must voluntarily participate. In order to be successful, the Mission will require identifying strong incentives and use cases for all its stakeholders to join hands in this journey.

The emphasis on establishing strong privacy and security standards for health data is in the right direction. The approach of using a federated architecture and not creating any central data store is commendable. Pending India's Personal Data Protection Bill, the National Health Authority must ensure it plays the role of a strong regulator and protects citizens from misuse or data leaks as the policy on data privacy evolves.

We must apply the principle of data minimalism and add only what would be useful for treatment into the PHR. While the building blocks of this Mission have a host of technical standards and specifications, it is up to the healthtech ecosystem to deal with the complexities and evolve simple solutions that are easy to use for doctors and healthcare providers.

How will it benefit the health insurance ecosystem?

The Mission has announced it will set the digital standards for health claims processing. This is key to India's journey in achieving universal health coverage. As health insurance moves from covering just in-patient incidents to comprehensive outpatient care, India requires a new health claims exchange that can bring greater transparency and new auto adjudication technology. Only this approach can bring the cost of processing down from the current Rs 600 plus per claim to levels that support an OPD claim that may be just a few hundred rupees.

Everything in the Mission is designed for high-volume, low-cost, small transaction size, and to be universally and easily accessible. It will work for people with smartphones, feature phones and without phones. The ability to either use self-service or assisted service methods ensures it will work for Bharat.

The digital public goods approach requires both time and strong ecosystem adoption for success. UPI was launched in 2016 but it took off in 2019. The Digital Health Mission has ticked off all the right boxes on approach and architecture. *(Source: Times of India)*

TIME TO STEP UP COVER FOR NATURAL CALAMITIES

One of the major findings of the recently released All-India Debt and Investment Survey (NSS 77th Round) by the National Statistical Office is the pronounced inequality in the distribution of assets, both in rural and urban areas, as at June-end 2018. In rural areas, the top 10 per cent of the households owned over 50 per cent of assets, whereas the bottom 50 per cent owned just 10 per cent.

In urban areas, the inequality was more visible than that in rural areas with the top 10 per cent owning 56 per cent of assets and bottom 50 per cent owning merely 6 per cent. The Gini coefficient at 0.678 for urban areas exceeded that for rural areas at 0.615.

Frequent natural catastrophes constitute one of the main reasons for exacerbation of inequality in asset distribution in India. This is evident from the median Gini value, which, for the coastal States, was higher than that for noncoastal States, implying higher inequality in assets distribution in the former (which is relatively more susceptible to rains, floods and cyclones) than the latter, and this was true for rural as well as urban areas.

In short, natural calamities, sans adequate insurance protection, hit the poor harder in terms of loss of assets and income than the rich.

India is vulnerable to almost all types of natural catastrophes: floods, tropical cyclones, earthquakes, tsunamis, droughts, landslides and hail. The government, private agencies (including NGOs) and global agencies help mitigate the after-effects of natural calamities. However, during such crises, no resource can be said as adequate. Therefore, households also have to do their bit, and one of the productive means is to protect their lives and assets from damages via insurance cover.

Mature economies are quite advanced in this regard. As a World Bank paper on climate insurance (2017) observes, “Insurance solutions can help bolster early action in the face of a disaster, and speed up recovery to restore livelihoods and rebuild critical infrastructure so that people, communities and economies can rebound.”

The World Bank, the Global Facility for Disaster Reduction and Recovery (GFDRR), along with partners, are developing insurance solutions and providing finance to help vulnerable countries proactively manage disaster risks through a portfolio of financial instruments. The World Bank Group’s Global Index Insurance Facility provides catastrophic risk transfer solutions and index-based insurance to small farmers, micro-entrepreneurs and microfinance institutions in developing countries. The International Finance Corporation is also active in this space. Accelerating this global effort, Germany, the UK, the World Bank and GFDRR, over 30 NGOs and private sector partners have launched a new Global Partnership called InsuResilience aimed at upscaling climate risk finance and insurance solutions in developing countries.

In India, most of the insurers offer cover for natural calamities under different policies which are meant for specific objects of insurance. By and large, the standard Policy for Fire and Natural Perils issued under Fire Insurance cover natural calamities and specifies their nature. There are policies derived from these basic wordings such as Industrial All Risk Cover. In many other policies, natural calamities are mentioned as specific perils covered.

Cannot be ignored

Against India's disaster history, its geophysical position and the vigorously changing climatic conditions across the globe, the country cannot afford to take natural disasters lightly. Sustainable development must consider investing in disaster risk reductions, ex ante as well as ex post, in a cost-effective manner.

Low insurance penetration in India must be addressed primarily by motivating people not to become fatalistic and increasing their insurance awareness and literacy. Insurers must be prodded by IRDAI to market specific disaster insurance products for rural areas, which are always the worst-hit, and settle the claims lodged swiftly and appropriately. Increasing per capita income would incentivise people to consider risk-transfer mechanism as a major solution. With modern telecom, computation and technological facilities, adequately designed insurance products providing cover for the core economic property (both individual use and public utility) can help the government develop a resilient response mechanism. This in turn can accelerate the Environmental, Social and Governance (ESG) issues playing a crucial role in disaster financing mechanism.

All these would necessitate concerted efforts by all stakeholders including, principally, IRDAI and insurers. IRDAI and insurers should formulate a framework with weather module-based and parametric insurance solutions to bring adequate financial relief to endusers. Finally, the government may consider instituting a guarantee fund for insurers incurring 'catastrophic' losses due to payment of claims on account of natural disasters. *(Source : Business Line)*

Man uses cobra to stage death for insurance payout

Using a cobra as a "murder weapon", a 54-year-old man in Maharashtra's Ahmednagar district staged his own death by killing a destitute man in order to claim a $5 million (Rs 37.5 crore) life insurance policy with a US-based insurance firm. However, the plot unraveled when the insurance firm sent an investigator to make inquiries, and over the last week, police arrested the accused and four of his accomplices.

According to police, Prabhakar Bhimaji Waghchaure had been living in the US for 20 years, and after returning to India in January, he started living at Rajur village in Ahmednagar district.

On April 22, officials at Rajur police station in Ahmednagar received a report from the local government hospital about Waghchaure's death.

When a police constable went to the hospital, a man who identified himself as Waghchaure's nephew, Praveen, identified the body. Another person, identified as Rajur resident Harshad Lahamge, too identified the body as that of Waghchaure.

However, the plot began to unravel when officials from the insurance firm investigating Waghchaure's life insurance claim contacted Ahmednagar authorities seeking more information on his death.

As police were unable to trace any relative of the deceased, they started looking at Waghchaure's call records, which revealed that not only was he alive, he had posed as Praveen at the hospital. Soon afterwards, Waghchaure was placed under detention.

Ahmednagar SP Manoj Patil on Monday said, "The insurance claims investigator had started digging deep into the claim on Waghchaure's death because he had fraudulently claimed the death of his wife for a life insurance claim in 2017. His wife is alive... Waghchaure and other conspirators hatched an elaborate plan. Probe has revealed that they procured a cobra from a snake rescuer. They found a destitute person, with similar looks as that of Waghchaure, and had killed him with the bite of the cobra. Waghchaure himself posed as his nephew Praveen and reported the snakebite death."

Police have now identified the deceased as Navnath Yashwant Aanap (50), who had been living in the same area. On April 22, the accused forcefully took Aanap to a secluded location where a snake handler identified as Harish Kulal induced the cobra to bite Aanap.

Later, Waghchaure, posing as Praveen, identified the body in the hospital, and the last rites were performed with only the suspects in case in presence. Days later, after receiving the death certificate, Waghchaure moved the US-based firm for the life insurance claims. *(Source : The Indian Express)*

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

Activity in Club INMOS ((Insurance Movers & Shakers)

Club INMOS (Insurance Movers & Shakers) is a club of BIMTECH run by students of PGDM - Insurance Business Management programme. Club INMOS regularly invites prominent personalities from insurance industry to share their industry knowledge with its members. On November 20th,2021the club had the honour to hear Mr Vinay Sah, Insurance Ombudsman, Maharashtra who gave his valuable his insights on the theme "Customer Grievance Redressal in Insurance".

The discussion opened with Ms.Sunidhi a student member of the club sharing the overview of the status of the grievances as per IRDAI's annual report. Subsequently Prof Manoj K Pandey, Faculty member engaged Mr. Sah in the discussion the topic in a Q & A mode.

In his submission Mr. Sah talked about the regulatory provisions in place for insurance companies to have an in-house grievance redressal mechanism. Mr. Sah was of the opinion that every aggrieved customer should first try the options available at company level first & then only look for the other option. He also talked about the IGMS system of IRDAI, consumer courts / forum & then about the institution of the Insurance Ombudsman.

Mr. Sah shared that majority of the complaints in life insurance domain are of mis-selling while in general insurance it is rejection / short payment of claims. Mr. Sah also shared that the digital intervention & the new possibility of having case hearings online has improved the work flow and the ombudsman's office is able to handle and dispose more cases than in past today.

Participation in International Conference

We at BIMTECH are happy to share Dr Abhijit K. Chattoraj - Chartered Insurer, Dean (SW &SS) and Chairperson - Insurance Business Management Programme has been invited to speak as an eminent speaker at the Conference on Leadership Development for the New Normal at Kathmandu ' being organized by Banking, Finance and Insurance Institute of Nepal (BFIN) at Kathmandu, Nepal.

Banking, Finance and Insurance Institute of Nepal is promoted by 16 national level institutions represented by commercial banks, development banks, finance companies, micro credit institutions, capital market institutions in Nepal and the Emerging Nepal Limited.

Hon. Governor Mr. Maha Prasad Adhikari, Nepal Rastra Bank is Chief Guest for the Opening Ceremony of the conference.

Many prominent International speakers from India, Bangladesh, and Sri Lanka will present their insightful thoughts in the conference along with the prominent speakers from the Nepalese Banking and Financial Sector as well.

This conference is seeing participation from the prominent international speakers/personalities from Nepal, India, Bangladesh and Sri Lanka.

This conference is being attended by board of directors, chief executives and top executives of banks and financial institutions, insurance companies, senior government officials, leaders of public and private industries and other distinguished delegates/professionals engaged in the public and private sector. ❑

LEGAL

'Pay and recover' can't be applied in cases of lapsed insurance policies: HC

The "pay and recover" principle requiring insurance firms to pay accident claims and then recovering them from vehicle owners cannot be applied in cases where the policies have lapsed, the Bombay high court has said.

The court said the principle can be resorted to when the contract of insurance and the insurer is exonerated from the liability on account of some breach of conditions of insurance or causes like nature. It added it cannot be in cases where no such contract exists.

The court made the observations while hearing an appeal filed by Oriental Insurance Company against a 2014 order of Nashik's Motor Accident Claims Tribunal holding the insurer jointly liable to pay compensation of ?6.68 lakh to family members of Milind Gaikwad, 27, who had died in a road accident in 2009. Gaikwad was riding a motorcycle when another motorcyclist Uday Pathak collided with him.

Gaikwad's family staked an accident claim before the tribunal, which held the accident occurred due to Pathak's rash and negligent driving. The tribunal added Pathak and his insurer Oriental Insurance Company were jointly liable to pay the compensation.

Insurance claim to be rejected if premium not paid: Supreme Court

An insurance claim can be rejected if the policy has lapsed on account of non-payment of premium, said the Supreme Court which stressed that the terms of an insurance policy have to be strictly interpreted.

The apex court observation came while setting aside an order of the National Consumer Disputes Redressal Commission (NCDRC) that ordered additional compensation in a road accident case.

A bench of Justices Sanjiv Khanna and Bela M Trivedi said it is a well-settled legal position that in a contract of insurance there is a requirement of Uberrima fides i.e. good faith on the part of the insured.

"It is clear that the terms of insurance policy have to be strictly construed, and it is not permissible to rewrite the contract while interpreting the terms of the policy," the bench said.

The top court was hearing an appeal filed by the Life Insurance Corporation (LIC) against the judgment of the NCDRC that had set aside the order passed by the State Commission.

In the case, the woman's husband had taken a life insurance policy under the Jeevan Suraksha Yojana from the Life Insurance Corporation under which a sum of Rs. 3.75 lakh was assured by LIC.

Besides this amount, in case of death by accident an additional sum of Rs. 3.75 lakh was also assured.The insurance premium of the said policy was to be paid six-monthly, however, there was a default in payment.

On March 6, 2012, the husband of the complainant met with an accident and succumbed to the injuries on March 21, 2012.

The complainant after the death of her husband filed a claim before LIC and was paid a sum of Rs. 3.75 lakh to her. However, the additional sum of Rs. 3.75 lakh towards the Accident claim benefit was denied.

The complainant, therefore, approached the District Forum by filing a complaint seeking the said amount towards the Accident claim benefit. The District Forum allowed the appeal of the woman and directed the payment of an additional sum of Rs. 3.75 lakh towards the Accident claim benefit.

The State Consumer Disputes Redressal Commission set aside the order which was further challenged in the National Consumer Disputes Redressal Commission.

The NCDRC set aside the order passed by the State Commission.

The apex court said in the instant case, condition no. 11 of the policy stipulated that the policy has to be in force when the accident takes place.

"In the instant case, the policy had lapsed on October 14, 2011, and was not in force on the date of accident i.e. on March 6, 2012. It was sought to be revived on March 9, 2012, after the accident in question, and that too without disclosing the fact of the accident which had taken place on March 6, 2012," the apex court said in its October 29 order.

The top court said apart from the fact that the complainant had not come with clean hands to claim the add on/ extra Accident benefit of the policy, the policy in question was not in force on the date of the accident as per condition no. 11 of the policy, the claim for extra Accident benefit was rightly rejected by the Corporation.

"Since clause 3 of the said terms and conditions of the policy permitted the renewal of the discontinued policy, the appellant-Corporation had revived the policy of complainant by accepting the payment of premium after the due date and paid Rs 3,75,000 as assured under the policy, nonetheless for the Accident benefit, the policy had to be in force for the full sum assured on the date of accident as per the said condition no. 11," the bench said.

The apex court said the accident benefit could have been claimed and availed of only if the accident had taken place after the renewal of the policy.

"The Court, therefore, is of the opinion that the impugned order passed by the NCDRC setting aside the order passed by the Commission and reviving the order passed by the District Forum was highly erroneous and liable to be set aside," the bench said. ❑

General insurance industry in Singapore to reach $4.2bn in 2025

The general insurance industry in Singapore is expected to grow at a compound annual growth rate (CAGR) of 5.0% from SGDb4.4bn ($3.2bn) in 2020 to SGD5.6bn ($4.2bn) in 2025, in terms of gross written premium (GWP), forecasts GlobalData, a leading data, and analytics company.

According to GlobalData, resumption of economic activities, successful COVID-19 vaccination rollout programs, and relaxation on travel restrictions are expected to support the general insurance industry in Singapore.

Manogna Vangari, Insurance Analyst at GlobalData, comments: “The Singaporean economy is expected to pose a strong recovery in 2021 and grow by 7% following 5.4% decline in 2020. The general insurance industry is also expected to return to stable growth in 2021, after a flat growth of 0.2% in 2020, in line with the economic recovery.”

An analysis of GlobalData’s Global Insurance Database reveals that motor insurance was the largest general insurance line in Singapore with a GWP share of 25.8% in 2020. It is expected to grow by 1.2% in 2021 after stagnating at 0.9% in 2020 due to restrictive traffic movements, and lower vehicle sales, that resulted in lower premium collection in 2020. Electric vehicles sales grew by over 80% during September 2020–2021, supporting the demand for motor insurance.

Personal accident and health (PA&H) and property insurance were the second and third-largest general insurance segments with a share of 19.0%, and 18.4%, respectively, in 2020.

PA&H insurance provided by general insurers is expected to grow by 3.4% in 2021, and 3.8% in 2022 supported by demand for popular hospitalization insurance plan – Integrated Shield Plan (IP).

IP plans cover additional hospitalization expenses, and benefits such as costs of private hospitals, and wider choice of specialist doctors, that are not covered in the universal government scheme known as MediShield Life. Currently, around 67% of the population has an IP insurance plan, which is offered by seven insurance companies.

Property insurance is expected to grow by 7.0% in 2021 supported by a recovery in construction output, which is expected to reach SGD28.0bn ($20.3bn) in 2021.

Vangari concludes: “Economic recovery and gradual opening of international travel are expected to revive the demand for general insurance in 2021. The industry’s growth momentum will consistently pick up over the next five years aided by product innovation, digitalization, and infrastructure development projects.”

IRDAI Circular

Maintenance of Current Accounts in multiple banks by Insurers

IRDAI/F&A/CIR/MISC/262/10/2021

Date:06-10-2021

1. Insurers maintain separate current accounts with banks at different operational levels, i.e., Branch offices, Controlling offices, Corporate office, etc., for the purpose of premium collection, management expenses, policy payments, investment operations, etc. Maintenance of current accounts at different operational levels for specific purposes helps the insurers in managing funds, reconciliation of transactions and servicing claims of policyholders efficiently.
2. RBI, vide its circular ref: RBI/2020-21/20 DOR.No.BP.BC/7/21.04.048/2020-21 dt. 6th Aug. 2020 on "Opening of Current Accounts by Banks – Need for Discipline", has instructed banks not to open current accounts for customers who have availed credit facilities in the form of cash credit (CC) / overdraft (OD) from the banking system. On a review, vide its circular ref: RBI/2020-21/79 DOR.No.BP.BC.30/21.04.048/2020-21 dt. 14th December 2020, RBI has permitted banks to open specific accounts which are stipulated under various statutes and instructions of other regulators/regulatory departments, without any restrictions placed in terms of the above mentioned circular.
3. Based on the requests received by the Authority, to avoid hardships, if any, faced by the insurers in maintaining current accounts with banks, it is clarified that the respective insurers may maintain current accounts in appropriate number of banks for the purpose of premium collection, management expenses, policy payments, investment operations, etc., for the convenience of the policyholders and for the ease of doing business.
4. The Audit Committee of the Insurers shall review annually the need for having multiple current accounts and rationalization, if any, as may be required.
5. This circular is issued in exercise of the powers conferred under Section 14 (2) (e) of the IRDA Act, 1999.

S N Rajeswari
Member- F&A (In-charge)

Public Disclosures by Insurers

IRDAI/F&A/CIR/MISC/256/09/2021

Date:30-09-2021

1. The Authority (IRDAI) had issued circulars ref: IRDA/F&I/CIR/F&A/012/01/2010 dt. 28.01.2010 and IRDA/F&I/CIR/PBDIS/105/05/2011 dt. 27.5.2011 on "Public Disclosures by Insurers". Guidelines on Periodic Disclosures were also issued by the Authority on 9.4.2010 and vide circular ref: IRDA/CAD/CIR/245/11/2012 dt. 20.11.2012.
2. The revised instructions on Public Disclosures by Insurers placed at Annexure A will supersede the provisions of circular ref. IRDA/F&I/CIR/F&A/012/01/2010 dt. 28.01.2010, Guidelines on Periodic Disclosures dt. 9.4.2010, circular ref: IRDA/F&I/CIR/PBDIS/105/05/2011 dt. 27.05.2011 and circular ref: IRDA/CAD/CPR/245/11/2012 dt. 20.11.2012 issued by the Authority on Public/Periodic Disclosures by Insurers.

3. Insurers may note that the revised instructions shall come into effect from the financial year 2021-22 and the uploading of disclosures on website shall be on quarterly basis from the period ending 30th September, 2021 whereas publishing in Newspapers will be on half yearly basis from the period ending 30th September, 2021. The insurers may also make the quarterly disclosures in the revised formats for the period ending 30th June, 2021 on voluntary basis on their websites.
4. The insurers are hereby, directed under Section 14 (2) (e) of the IRDA Act, 1999 to take necessary action to ensure compliance with the public disclosures requirements as indicated in Annexure A, from the FY 2021-22.

S N Rajeswari
Member- F&A (In-charge)

Insurers can maintain current accounts in appropriate number of banks: Irdai

Insurance regulator Irdai on Wednesday said insurers can maintain current accounts in an appropriate number of banks for premium collection and policy payments for the convenience of policyholders and ease of doing business. Insurance Regulatory and Development Authority of India (Irdai) has issued the clarification in the backdrop of the RBI's circular on "Opening of Current Accounts by Banks - Need for Discipline".

In the August 2020 circular, the RBI had instructed banks not to open current accounts for customers who have availed of credit facilities in the form of cash credit (CC) / overdraft (OD) from the banking system.

On a review, the central bank in December last year permitted banks to open specific accounts that are stipulated under various statutes and instructions of other regulators/ regulatory departments, without any restrictions placed in terms of the August 2020 circular.

"Based on the requests received by the Authority, to avoid hardships, if any, faced by the insurers in maintaining current accounts with banks, it is clarified that the respective insurers may maintain current accounts in an appropriate number of banks for the purpose of premium collection, management expenses, policy payments, investment operations, etc., for the convenience of the policyholders and for the ease of doing business," Irdai said.

Insurers maintain separate current accounts with banks at different operational levels (Branch offices, Controlling offices, Corporate office) for different purposes, including, premium collection, management expenses, policy payments, investment operations.

Maintenance of current accounts at different operational levels for specific purposes helps the insurers in managing funds, reconciliation of transactions and servicing claims of policyholders efficiently, Irdai said.

The regulator also said the audit committee of the insurers shall review annually the need for having multiple current accounts and rationalisation, if any, as may be required. ❑

Max Life Insurance Enhances 'Buy Now, Pay at Approval' Feature for Term Insurance Purchase, Ensuring Hassle-free Digital Customer Journeys

Strengthening its commitment towards superior customer servicing, Max Life Insurance Company Ltd. (“Max Life” / “Company”) has enhanced the ‘Buy Now – Pay at Approval’ feature available on term insurance purchase for customers. Launched last year for policies bought online, the feature allows customers to apply for a policy through a digital payment method. This helps ensure that the premium amount is not deducted until the proposal evaluation by the insurer. While the feature was only available on credit card payments last year, with the increase in digital transactions and diversification of payment options, the facility now applies to transactions made through Credit Cards, Debit Cards, and UPI platforms.

Manu Lavanya, Director and Chief Operations Officer, Max Life said, “At Max Life, we are committed to creating robust customer journeys in the digital value chain. The 'Buy Now – Pay at Approval' feature attempts to simplify policy buying through a digital payment instrument while avoiding the risk of money being withheld in the event of a delay in policy issuance.”

“By extending the facility to wider modes of online transactions, we look forward to delivering hassle-free customer experience and mitigating any negative impact likely to occur due to cancellations/underwriting concerns. Since the introduction of this feature last year, we have seen an uplift in customer experience, with a reduction in grievance and refund-related issues, that we aim to continue with the newer augmentations,” he added.

Performance Statistics - Non-Life Insurance

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

(Rs. in crores)

INSURER	For the month of October		Upto the Month of October		Market Share upto the Month of Oct. 2021 (%)	Growth over the corresponding period of previous year (%)
	2021-22	2020-21	2021-22	2020-21		
Acko General Insurance Limited	103.22	46.20	517.88	195.80	0.41	164.50
Bajaj Allianz General Ins. Co. Ltd.	987.64	946.69	8,470.76	7,355.63	6.70	15.16
Bharti AXA General Ins. Co. Ltd.#	-	396.71	-	1,952.67	(0.00)	NA
Cholamandalam MS General Ins.	465.05	404.15	2,587.22	2,355.10	2.05	9.86
NAVI General Insurance Limited	8.21	12.78	44.82	51.51	0.04	(12.99)
Edelweiss General Ins. Co. Ltd.	41.72	23.19	195.70	117.21	0.15	66.97
Future Generali India Ins. Co. Ltd.	587.13	387.14	2,404.75	1,984.53	1.90	21.17
Go Digit General Ins. Ltd.	495.82	254.02	2,275.93	1,227.06	1.80	85.48
HDFC Ergo General Ins. Co. Ltd.	1,236.10	1,057.93	7,761.29	6,974.63	6.14	11.28
ICICI Lombard General Ins. Co. Ltd.	1,675.29	1,502.84	10,287.92	7,994.30	8.14	28.69
IFFCO Tokio General Ins. Co. Ltd.	664.79	795.66	5,029.99	5,023.61	3.98	0.13
Kotak Mahindra General Ins. Co.	72.13	49.71	349.80	283.30	0.28	23.48
Liberty General Ins. Co. Ltd.	149.50	155.76	839.06	806.48	0.66	4.04
Magma HDI General Ins. Co. Ltd.	175.62	133.07	865.35	646.64	0.68	33.82
National Ins. Co. Ltd.	901.95	966.85	7,790.51	7,987.85	6.16	(2.47)
Raheja QBE General Ins. Co. Ltd.	29.27	21.76	215.22	112.14	0.17	91.92
Reliance General Ins. Co. Ltd.	740.08	643.42	5,812.60	5,143.98	4.60	13.00
Royal Sundaram General Ins. Co.	251.94	282.17	1,604.74	1,502.05	1.27	6.84
SBI General Ins. Co. Ltd.	655.94	519.63	4,784.90	4,139.30	3.79	15.60
Shriram General Ins. Co. Ltd.	179.34	198.68	959.97	1,207.62	0.76	(20.51)
Tata AIG General Ins. Co. Ltd.	918.98	799.58	5,285.53	4,580.56	4.18	15.39
The New India Assurance Co. Ltd.	2,705.84	2,002.36	19,593.65	16,102.36	15.50	21.68
The Oriental Ins. Co. Ltd.	1,133.06	1,059.04	8,255.51	7,320.39	6.53	12.77
United India Ins. Co. Ltd.	1,166.29	1,347.20	8,792.82	9,613.37	6.96	8.54)
Universal Sompo General Ins. Co.	306.75	266.21	1,876.77	1,619.88	1.48	15.86
General Insurers Total	**15,651.67**	**14,272.75**	**106,602.66**	**96,297.96**	**84.35**	**10.70**
Aditya Birla Health Ins. Co. Ltd.	144.34	105.46	908.00	655.48	0.72	38.53
ManipalCigna Health Ins. Co. Ltd.	85.32	63.73	526.93	392.90	0.42	34.11
Niva Bupa Health Ins. Co. Ltd.	205.98	131.41	1,454.94	850.68	1.15	71.03
Care Health Insurance Limited	316.86	218.72	1,994.84	1,358.90	1.58	46.80
Star Health & Allied Ins. Co. Ltd.	856.87	714.00	6,056.67	4,669.88	4.79	29.70
Reliance Health Ins. Ltd.*	---	---	(0.02)	(0.01)	(0.00)	NA
Stand-alone Pvt Health Insurers	**1,609.37**	**1,233.32**	**10,941.37**	**7,927.83**	**8.66**	**38.01**
Agricultural Ins. Co. of India Ltd.	338.57	311.46	8,299.91	7,531.00	6.57	10.21
ECGC Limited	80.38	89.17	541.43	540.95	0.43	0.09
Specialized PSU Insurers	**418.95**	**400.63**	**8,841.34**	**8,071.95**	**7.00**	**9.53**
GRAND TOTAL	**17,679.98**	**15,906.71**	**126,385.37**	**112,297.74**	**100.00**	**12.54**

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*

#BhartiAXA General Insurance Co.Ltd has been merged with ICICI Lombard General Insurance Co.Ltd w.e.f 08.09.2021 - Hence ICICI Lombard General Insurance Co.Ltd upto the month figure for Current FY is merged figure.

Performance STATISTICS - LIFE INSURANCE

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

(₹ Crores)

Sl. No.	Particulars	Premium in Rs. Crores					No. of Policies / Schemes				
		Month of Oct-2021	Upto Oct-2021	Month of Oct-2020	Upto Oct-2020	YTD Variation in %	Month of Oct-2021	Upto Oct-2021	Month of Oct-2020	Upto Oct-2020	YTD Variation in %
1	**Aditya Birla Sun Life Insurance Co. Ltd.**										
	Individual Single Premium	14.65	127.61	11.15	64.26	98.58%	207	1276	139	1053	21.18%
	Individual Non Single Premium	142.20	1009.56	135.70	874.32	15.47%	15006	110464	20411	133612	-17.32%
	Group Single Premium	231.66	1502.57	149.20	1303.25	15.29%	5	40	4	31	29.03%
	Group Non Single Premium	0.60	4.04	1.92	11.55	-65.03%	0	2	0	1	100.00%
	Total	**394.90**	**2718.67**	**302.06**	**2302.51**	**18.07%**	**15229**	**111845**	**20590**	**135014**	**-17.16%**
2	**Aegon Life Insurance Co. Ltd.**										
	Individual Single Premium	0.03	0.14	0.09	0.40	-65.19%	1	507	1	16	3068.75%
	Individual Non Single Premium	0.59	7.84	4.61	26.07	-69.93%	349	5483	1735	10431	-47.44%
	Group Single Premium	0.00	0.00	5.23	5.23	-100.00%	0	0	0	0	---
	Group Non Single Premium	0.00	0.00	0.00	0.00	---	0	0	0	0	---
	Total	**0.90**	**13.43**	**11.19**	**40.79**	**-67.08%**	**350**	**6007**	**1739**	**10492**	**-42.75%**
3	**Ageas Federal Life Insurance Co. Ltd.**										
	Individual Single Premium	25.28	142.23	20.42	131.85	7.87%	484	2735	402	3722	-26.52%
	Individual Non Single Premium	30.30	163.52	20.18	102.49	59.54%	3335	18747	2763	15129	23.91%
	Group Single Premium	13.10	68.11	5.40	33.00	106.36%	0	0	0	0	---
	Group Non Single Premium	0.00	0.00	0.00	0.00	-54.87%	0	0	0	1	-100.00%
	Total	**68.68**	**373.85**	**46.00**	**267.35**	**39.84%**	**3819**	**21482**	**3165**	**18852**	**13.95%**
4	**Aviva Life Insurance Co. Ltd.**										
	Individual Single Premium	1.22	6.20	0.86	8.64	-28.22%	23	49	19	219	-77.63%
	Individual Non Single Premium	15.70	82.18	13.81	71.98	14.17%	1821	10471	2107	11567	-9.48%
	Group Single Premium	0.56	2.60	0.00	0.77	237.07%	0	1	0	0	---
	Group Non Single Premium	0.10	0.59	0.15	0.96	-38.66%	0	0	0	0	---
	Total	**21.66**	**139.76**	**18.90**	**117.61**	**18.83%**	**1846**	**10587**	**2140**	**11878**	**-10.87%**
5	**Bajaj Allianz Life Insurance Co. Ltd.**										
	Individual Single Premium	17.89	140.03	1.97	25.68	445.23%	263	1929	46	476	305.25%
	Individual Non Single Premium	273.04	1566.62	170.16	1033.11	51.64%	33525	217938	31022	219279	-0.61%
	Group Single Premium	189.10	2144.19	461.12	1614.49	32.81%	4	48	4	37	29.73%
	Group Non Single Premium	0.00	0.00	0.00	0.00	-100.00%	0	0	0	0	---
	Total	**509.18**	**4031.56**	**645.73**	**2759.73**	**46.09%**	**33799**	**219967**	**31107**	**219854**	**0.05%**
6	**Bharti AXA Life Insurance Co. Ltd.**										
	Individual Single Premium	3.90	34.19	1.80	68.47	-50.07%	38	258	85	2615	-90.13%
	Individual Non Single Premium	50.15	324.58	38.27	240.31	35.07%	8790	58873	8336	53897	9.23%
	Group Single Premium	13.76	87.21	10.19	57.80	50.89%	3	8	0	7	14.29%
	Group Non Single Premium	0.00	0.00	0.00	0.00	---	0	0	0	0	---
	Total	**68.36**	**447.31**	**50.50**	**368.50**	**21.39%**	**8831**	**59141**	**8421**	**56522**	**4.63%**
7	**Canara HSBC OBC Life Insurance Co. Ltd.**										
	Individual Single Premium	30.17	212.89	47.47	263.62	-19.24%	243	1947	347	2354	-17.29%
	Individual Non Single Premium	76.76	532.28	67.88	355.80	49.60%	10414	76192	14368	82568	-7.72%
	Group Single Premium	66.15	657.49	31.11	368.91	78.22%	0	3	1	4	-25.00%
	Group Non Single Premium	0.11	1.21	0.29	1.86	-35.05%	0	0	0	0	---
	Total	**175.44**	**1508.97**	**148.10**	**1119.22**	**34.82%**	**10659**	**78188**	**14724**	**84967**	**-7.98%**
8	**Edelweiss Tokio Life Insurance Co. Ltd.**										
	Individual Single Premium	2.33	13.55	0.42	3.21	321.97%	34	508	7	66	669.70%
	Individual Non Single Premium	28.64	183.12	23.43	173.74	5.40%	4058	29295	4498	40325	-27.35%
	Group Single Premium	2.68	15.22	1.11	5.31	186.61%	0	0	0	0	---
	Group Non Single Premium	0.00	0.00	0.00	0.85	-100.00%	0	0	0	0	---
	Total	**33.75**	**212.79**	**25.09**	**185.46**	**14.74%**	**4092**	**29807**	**4505**	**40406**	**-26.23%**
9	**Exide Life Insurance Co. Ltd.**										
	Individual Single Premium	12.58	92.67	4.61	41.90	121.18%	113	721	80	675	6.81%
	Individual Non Single Premium	54.71	326.88	43.57	248.65	31.46%	9634	63841	11610	74259	-14.03%
	Group Single Premium	0.02	0.39	0.07	0.30	29.17%	0	0	0	0	---
	Group Non Single Premium	2.01	28.79	0.66	8.84	225.73%	0	10	0	14	-28.57%
	Total	**72.53**	**508.13**	**54.74**	**322.81**	**57.41%**	**9747**	**64572**	**11690**	**74948**	**-13.84%**
10	**Future Generali India Life Insurance Co. Ltd.**										
	Individual Single Premium	0.32	2.22	0.38	1.26	76.06%	15	78	17	57	36.84%
	Individual Non Single Premium	20.70	120.93	17.39	132.77	-8.92%	2925	16946	2846	26146	-35.19%
	Group Single Premium	1.86	15.05	8.94	18.12	-16.90%	0	0	1	5	-100.00%
	Group Non Single Premium	0.00	0.00	0.00	0.00	---	0	0	0	0	---
	Total	**30.62**	**215.81**	**30.73**	**180.09**	**19.84%**	**2940**	**17038**	**2865**	**26224**	**-35.03%**
11	**HDFC Life Insurance Co. Ltd.**										
	Individual Single Premium	282.80	2094.93	255.62	1833.79	14.24%	3446	24319	3198	21981	10.64%
	Individual Non Single Premium	633.76	3871.26	520.40	3173.57	21.98%	65338	453557	74474	499878	-9.27%
	Group Single Premium	897.85	6119.44	862.53	5119.81	19.52%	18	57	15	96	-40.63%
	Group Non Single Premium	0.00	0.00	0.00	0.00	---	0	0	0	0	---
	Total	**1844.64**	**12286.03**	**1658.79**	**10220.43**	**20.21%**	**68804**	**477965**	**77687**	**522016**	**-8.44%**
12	**ICICI Prudential Life Insurance Co. Ltd.**										
	Individual Single Premium	273.82	1792.97	188.40	1051.82	70.46%	2800	18181	2111	12212	48.88%
	Individual Non Single Premium	506.25	2942.11	414.37	2212.52	32.98%	49425	320322	48951	315566	1.51%
	Group Single Premium	298.80	1407.68	186.66	806.96	74.44%	15	71	6	33	115.15%
	Group Non Single Premium	0.02	0.20	0.00	0.00	---	0	0	0	0	---
	Total	**1154.33**	**7614.94**	**990.22**	**5446.55**	**39.81%**	**52255**	**339378**	**51260**	**329345**	**3.05%**

Performance STATISTICS - LIFE INSURANCE

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

(₹ Crores)

Sl. No.	Particulars	Premium in Rs. Crores					No. of Policies / Schemes				
		Month of Oct-2021	Upto Oct-2021	Month of Oct-2020	Upto Oct-2020	YTD Variation in %	Month of Oct-2021	Upto Oct-2021	Month of Oct-2020	Upto Oct-2020	YTD Variation in %
13	**IndiaFirst Life Insurance Co. Ltd.**										
	Individual Single Premium	9.09	40.08	3.10	12.13	230.55%	186	957	85	444	115.54%
	Individual Non Single Premium	108.73	601.02	73.70	352.45	70.53%	22816	123968	16532	89334	38.77%
	Group Single Premium	86.56	656.92	83.20	628.14	4.58%	15	193	9	103	87.38%
	Group Non Single Premium	0.03	0.40	0.03	0.31	27.40%	0	0	0	2	-100.00%
	Total	**204.41**	**1298.42**	**160.03**	**993.03**	**30.75%**	**23017**	**125118**	**16626**	**89883**	**39.20%**
14	**Kotak Mahindra Life Insurance Co. Ltd.**										
	Individual Single Premium	89.05	532.27	67.87	456.87	16.51%	4990	15711	2223	21189	-25.85%
	Individual Non Single Premium	131.86	757.94	89.87	648.86	16.81%	18520	123466	18074	137314	-10.08%
	Group Single Premium	141.05	713.13	81.76	344.03	107.29%	6	56	16	109	-48.62%
	Group Non Single Premium	0.34	0.45	0.03	0.26	72.76%	2	7	1	11	-36.36%
	Total	**521.49**	**2685.65**	**309.16**	**1964.43**	**36.71%**	**23555**	**139605**	**20361**	**159040**	**-12.22%**
15	**Max Life Insurance Co. Ltd.**										
	Individual Single Premium	132.34	885.36	111.70	755.44	17.20%	589	3903	533	2974	31.24%
	Individual Non Single Premium	328.77	2340.50	329.98	2023.41	15.67%	39722	295167	42944	323694	-8.81%
	Group Single Premium	67.40	392.15	42.55	144.94	170.55%	2	25	3	9	177.78%
	Group Non Single Premium	0.00	0.00	0.00	0.00	---	0	0	0	0	---
	Total	**541.11**	**3649.84**	**488.92**	**2983.68**	**22.33%**	**40325**	**299114**	**43515**	**327052**	**-8.54%**
16	**PNB Metlife Life Insurance Co. Ltd.**										
	Individual Single Premium	10.27	74.03	7.79	45.47	62.81%	180	1083	119	645	67.91%
	Individual Non Single Premium	121.49	690.63	100.00	599.46	15.21%	19856	123717	19836	119490	3.54%
	Group Single Premium	39.14	211.82	29.98	122.92	72.32%	0	1	0	0	---
	Group Non Single Premium	0.04	0.76	0.05	0.34	122.50%	5	76	21	93	-18.28%
	Total	**187.27**	**1053.97**	**142.71**	**794.19**	**32.71%**	**20041**	**124877**	**19976**	**120228**	**3.87%**
17	**Pramerica Life Insurance Limited.**										
	Individual Single Premium	0.14	3.07	0.49	1.28	139.95%	4	56	225	1898	-97.05%
	Individual Non Single Premium	8.76	63.03	8.79	65.92	-4.38%	2415	14546	2522	13648	6.58%
	Group Single Premium	9.79	59.28	10.74	27.37	116.57%	4	6	1	9	-33.33%
	Group Non Single Premium	0.00	0.00	0.00	0.00	---	0	0	0	0	---
	Total	**21.20**	**148.86**	**20.52**	**114.47**	**30.04%**	**2427**	**14690**	**2759**	**15698**	**-6.42%**
18	**Reliance Nippon Life Insurance Co. Ltd.**										
	Individual Single Premium	3.04	26.05	5.56	24.56	6.09%	99	866	165	840	3.10%
	Individual Non Single Premium	66.92	432.03	65.41	416.53	3.72%	11804	84188	15273	98119	-14.20%
	Group Single Premium	0.00	0.00	0.00	0.00	---	0	0	0	0	---
	Group Non Single Premium	6.21	85.64	4.49	15.99	435.75%	1	22	1	11	100.00%
	Total	**76.73**	**553.36**	**77.67**	**462.33**	**19.69%**	**11907**	**85106**	**15442**	**98991**	**-14.03%**
19	**Sahara India Life Insurance Co. Ltd.**										
	Individual Single Premium	0.00	0.00	0.00	0.00	---	0	0	0	0	---
	Individual Non Single Premium	0.00	0.00	0.00	0.00	---	0	0	0	0	---
	Group Single Premium	0.00	0.00	0.00	0.00	---	0	0	0	0	---
	Group Non Single Premium	0.00	0.00	0.00	0.00	---	0	0	0	0	---
	Total	**0.00**	**0.00**	**0.00**	**0.00**	**---**	**0**	**0**	**0**	**0**	**---**
20	**SBI Life Insurance Co. Ltd.**										
	Individual Single Premium	341.89	1988.09	213.41	1195.07	66.36%	6448	50938	4131	23030	121.18%
	Individual Non Single Premium	1014.21	5841.91	765.97	3991.46	46.36%	137526	862566	138358	718073	20.12%
	Group Single Premium	290.89	3918.75	586.78	5202.12	-24.67%	35	88	15	75	17.33%
	Group Non Single Premium	0.99	14.13	0.41	10.20	38.52%	0	0	0	2	-100.00%
	Total	**1687.54**	**11974.90**	**1591.00**	**10590.01**	**13.08%**	**144023**	**913658**	**142518**	**741372**	**23.24%**
21	**Shriram Life Insurance Co. Ltd.**										
	Individual Single Premium	5.55	38.41	6.78	25.69	49.51%	838	4567	124	795	474.47%
	Individual Non Single Premium	32.29	238.07	34.15	219.75	8.34%	18306	122889	22542	121333	1.28%
	Group Single Premium	25.11	109.82	10.92	50.14	119.03%	1	2	0	1	100.00%
	Group Non Single Premium	0.00	0.00	0.00	0.00	---	0	0	0	0	---
	Total	**69.56**	**446.56**	**84.81**	**333.39**	**33.95%**	**19145**	**127524**	**22685**	**122156**	**4.39%**
22	**Star Union Dai-Ichi Life Insurance Co. Ltd.**										
	Individual Single Premium	9.96	81.36	16.16	80.41	1.18%	231	1594	264	1607	-0.81%
	Individual Non Single Premium	69.12	452.21	39.50	254.28	77.84%	9042	59798	6092	37960	57.53%
	Group Single Premium	18.75	105.13	10.53	51.95	102.37%	3	3	0	2	50.00%
	Group Non Single Premium	0.00	0.06	0.02	0.84	-92.95%	0	0	0	0	---
	Total	**114.63**	**907.59**	**71.23**	**455.17**	**99.40%**	**9279**	**61429**	**6357**	**39576**	**55.22%**
23	**Tata AIA Life Insurance Co. Ltd.**										
	Individual Single Premium	44.96	263.20	44.49	364.36	-27.76%	164	2487	312	2240	11.03%
	Individual Non Single Premium	237.67	1808.55	230.60	1478.14	22.35%	29468	228137	32054	229617	-0.64%
	Group Single Premium	6.46	38.67	2.64	8.87	335.76%	0	2	0	1	100.00%
	Group Non Single Premium	0.41	2.45	20.96	38.89	-93.69%	0	12	4	38	-68.42%
	Total	**306.54**	**2184.36**	**299.86**	**1915.84**	**14.02%**	**29650**	**230765**	**32384**	**232036**	**-0.55%**
	Private										
	Individual Single Premium	1311.30	8591.55	1010.52	6456.19	33.07%	21396	134670	14633	101108	33.19%
	Individual Non Single Premium	3952.63	24356.78	3207.74	18695.58	30.28%	514095	3420571	537348	3371239	1.46%
	Group Single Premium	2400.69	18225.62	2580.69	15914.45	14.52%	111	604	75	522	15.71%
	Group Non Single Premium	10.85	138.71	29.03	90.89	52.62%	8	129	27	173	-25.43%
	Private Total	**8105.46**	**54974.76**	**7227.96**	**43937.59**	**25.12%**	**535740**	**3557863**	**552516**	**3476550**	**2.34%**
24	**Life Insurance Corporation of India**										
	Individual Single Premium	2372.93	12473.51	4712.70	19761.05	-36.88%	84989	479043	113191	531192	-9.82%
	Individual Non Single Premium	2166.72	13971.98	1979.92	12837.31	8.84%	1452851	8420207	1418392	7150946	17.75%
	Group Single Premium	8529.97	70271.31	8358.86	66328.01	5.95%	22	115	37	143	-19.58%
	Group Non Single Premium	324.89	1130.31	477.79	4341.06	-73.96%	549	3834	756	3395	12.93%
	Total	**13500.78**	**98613.38**	**15548.06**	**103566.08**	**-4.78%**	**1540941**	**8915066**	**1534473**	**7696049**	**15.84%**
	GRAND TOTAL	**21606.25**	**153588.14**	**22776.03**	**147503.67**	**4.12%**	**2076681**	**12472929**	**2086989**	**11172599**	**11.64%**

Glossary

Major Medical
A hospital/surgical/medical expense contract that provides comprehensive benefits as defined in the state in which the contract will be delivered.

Malpractice
Alleged misconduct or negligence in a professional act resulting in loss or injury.

Managed Care
System of health care delivery that attempts to influence the utilization, quality, and cost of services provided.

Mandated benefits
Insurance required by state or federal law.

Manufacturers Output Policies
Provides broad form coverage of personal property of an insured manufacturer including raw material, goods in process, finished goods and goods shipped to customers.

Poll

Do you think a climate change risk pool should be created?

Yes

No

Can't say

Results of Poll in our November 2021 Issue

Do you think margers will help industry to consolidate?

Yes	90
No	10
Can't say	00

You may send your views to :

Poll Contest, **The Insurance Times**
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Phone : 2269 6035, 2218 4184, 4007 8428
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आपत्काले रक्षिष्यामि

GIC Re

The glorious 50 years of our journey

Showcase landmark events in the history of GIC

1 **1972:** The general insurance business was nationalised through an Ordinance promulgatedon May 13, 1971. GIC was incorporated as a holding company on November 22, 1972.

2 **1973:** With effect from January 1, 1973, GIC functioned as an apex body for supervising and guiding all general insurers and holding all the shares of all the nationalised insurance companies merged with one of the following four:
• Oriental Fire & General Insurance Co. Ltd., Delhi • New India Assurance Co. Ltd., Bombay • National Insurance Co. Ltd., Calcutta • United India Fire & General Insurance Co. Ltd., Madras.

3 **1991:** GIC starts writing foreign inward reinsurance and the Single Window International Facultative & Treaty (SWIFT) division was created.

4 **2000:** General Insurance Corporation of India reborn as a pure reinsurance company in November 2000.

5 **2002:** GIC Re appointed as manager to the Indian Market Terrorism Risk Insurance Pool.

6 **2014:** GIC Re acquires a composite Reinsurer and establishes its wholly owned subsidiary in the South Africa region - GIC Re South Africa Ltd.

7 **2015:** India Nuclear Insurance Pool launched.

8 **2017:** GIC Re inaugurates its International Financial Services Centre (IFSC) Insurance office in Gujarat International Finance Tec-City (GIFT), Gandhinagar on April 21, 2017. GIC Re shares are listed on NSE and BSE on October 25, 2017.

9 **2018:** A Lloyd's Syndicate - 'GIC Syndicate 1947' was set up for transacting business at the world's most significant reinsurance market.

10 **2020:** GIC Re started its full-fledged subsidiary, GIC Perestrakhovanie LLC., in Russia

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GIC Re

1972-2021

General Insurance Corporation of India

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