The First Monthly Journal on Insurance in India in service since 1981

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# THE INSURANCE TIMES

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## *In this issue*

- Cyber Insurance - A Risk Transfer Measure
- Drone Insurance : The Next Game Changer
- Life Insurance A pleasant gift to mankind

**Govt to increase FDI from 49% to 74% in insurance**



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

*"Life Insurance business in India is expected to grow 12% to 15% in coming years and will be a major job-creator."*

**M R Kumar**
Chairman
LIC

*"We wish to work with IRDIA to ensure every policy designed fills the gap between the actual insured loss & the claim payment ."*

**Sumit Bohra**
President
Insurance Brokers
Association of India

*"Risk Management, a great tool for reduction in perceived risks"*

**Dr. Subhash Chandra Khuntia**
Chairman
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# The Insurance Times

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## *Editor-in-Chief's Desk*

**Ram Gopal Agarwala**
B.Com, LLB, FCA.

Finance Minister Mrs. Nirmala Sitharaman announced hiking of FDI limit in insurance sector from 49% to 74%. She also announced some amendments in the taxation of ULIP policies and proposed privatization of One Public Sector Insurance Company.

The hike in the FDI limit to 74% was cheered by the Industry and was termed as a bold move by the government. Though a hike in the FDI limit was expected but many did not expect it to be announced in this budget only. This will result in an inflow of more FDI in the Insurance sector and help in the expansion of the insurance industry and increase employment opportunities. The Indian partners in many insurance companies are cash-starved and this move will help to infuse more capital and help in increasing penetration in the country.

The Govt has not disclosed the name of the PSU company which will be privatized and it is still under suspense. This move will certainly invite the wrath of Employees Unions.

IRDAI is giving more thrust for Standardisation of policies issued by both life or non-life insurers so that policyholders are not misled while purchasing the policies. The year 2021 will witness the launch of many new standardized products.

On the sidelines of the 17th Annual Insurance Brokers' Summit, Insurance Regulatory and Development Authority of India (IRDAI) Chairman Dr. Subhash Chandra Khuntia stressed the need of developing Risk Management culture, standardization of policies, need for the digital revolution in the insurance industry, and increasing penetration in tier 2/3/4 cities. He also said the usage of mobile will be extremely useful in increasing insurance penetration and help in customer engagement. He stressed the need for creating a digital environment to facilitate the growth of the Insurance sector.

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# General Insurance News

## Crop insurance to cover damage by wild animals

Farmers facing damage to their crops due to attack by wild animals can now file for claim under the central flagship crop insurance scheme. The participating states will have to notify add-on coverage under the Pradhan Mantri Fasal Bima Yojana (PMFBY) for such crop loss which can be assessed at individual farm level in a village or panchayat.

The National Board of Wildlife (NBWL) - apex body which takes a call on development projects in and around conservation areas including national parks and sanctuaries -had in its standing committee meeting on January 5 approved an advisory for management of human-wildlife conflict (HWC) in the country, providing for states to utilise "add-on coverage under the PMFBY for crop compensation against crop damage due to HWC".

Though the agriculture ministry has given this choice to the states to consider providing add-on coverage under PMFBY, all vulnerable states did not opt for the provision. This even as at least 10 of them invariably report crop damage due to atack by wild animals.

## IRDAI keeps obligatory cession at 5% to GIC Re

IRDAI has maintained the obligatory cession of each general insurance policy that is to be reinsured with an Indian firm at 5 per cent for FY21.

"The percentage cession of the sum insured on each general insurance policy to be reinsured with the Indian reinsurer(s) shall be 5 per cent in respect of insurance attaching during the financial year starting April 1, 2021, till March 31, 2022, except the terrorism premium and premium ceded to Nuclear Pool, wherein it would be made 'NIL'," IRDAI said.

The entire obligatory cession has to be reinsured with India's largest reinsurer, General Insurance Corporation of India (GIC Re).

Obligatory cession refers to the part of the business that general insurance companies have to mandatorily cede to the national reinsurer, GIC Re. Insurers have to cede 5 per cent of their premium on every general insurance policy sold to GIC Re.

## Natural disasters cost insurance industry $76bn

Natural disasters like wildfires which devastated parts of the United States and a record number of hurricanes in the Atlantic caused $76 billion in insured losses during 2020, Swiss Re said.

The 40% increase from $54 billion in 2019 dwarfed the $7 billion in man-made losses during 2020, the reinsurance company said in its sigma estimate for the year.

The total insurance industry losses of $83 billion made 2020 the fifth costliest year since 1970, the company said.

"Losses were driven by a record number of severe convective storms - thunderstorms with tornadoes, floods and hail - and wildfires in the U.S.," Swiss Re said.

## IRDAI calls for standard travel covers

In a bid to simplify travel insurance and expand its reach in the country, IRDAI issued guidelines or insurers to come up with standard travel policies to be offered from April 1, 2021. These covers will have common benefits and wordings across products launched by different insurance players.

According to the exposure draft, insurers will be allowed to launch five standard travel insurance plan variants under domestic travel and four plan variants under overseas category. The exposure draft spells out the coverage and exclusions under domestic and overseas travel insurance.

Meanwhile, to simplify family floater health insurance covers for policyholders, IRDAI has also asked insurers to spell out clearly the benefits and sum insured for each family member covered to make clear the distinction between availability of coverage under family floater basis and on an individual basis vis-a-vis the premium payable.

## Vaccine manufacturers rush for Vaccine liability cover

Covid-19 vaccine manufacturers in India have got themselves covered with product liability policies as the immunisation drive has started. They had also taken clinical trial liability insurance during the trial phase to protect themselves.

Insurance companies, on the other hand, have sought reinsurance support. "The reinsurance support, which has been sought by insurance companies, is for product liability. Hence, if the vaccine has some negative effects, the insurers will be liable to pay. Two companies - ICICI Lombard and New India Assurance - have sought reinsurance support and they have been given the support," a source aware of the development said.

Both the companies have sought reinsurance support of $5 million against the risk.

## Traffic violators may soon have to pay more for motor cover

The working group committee set up by the Insurance Regulatory and Development Authority of India (IRDAI), to examine and recommend the linking of motor insurance premiums with traffic violations, submitted its report and addendum, on 18 January.

The committee has recommend inserting a fifth section to motor insurance called, traffic violation premium, in addition to motor own-damage (OD) insurance, basic third-party (TP) insurance, additional third-party insurance and compulsory personal accident premium.

Naval Goel, CEO and founder, PolicyX.com, said now customers will have to pay more attention to their driving and cases of traffic violation may reduce. "A good step as safe drivers will be able to get better rates and aggressive drivers will shell out more. That is better in terms of risk bucketization and pricing," he said.

The Insurance Information Bureau of India (IIB) will coordinate with various states' traffic police and National Informatics Centre to capture the traffic violation data, calculate violation points of each violating vehicle and make this information available to all general insurers through IT system integration with insurers, according to IRDAI's draft proposal.

IIB will maintain the historical traffic violation data of all vehicles. However, traffic violation in only the past two years, from the date of the insurance proposal, will matter for traffic violation premium. This means poor traffic violation history will impact two annual insurance renewals.

Every motor insurance buyer, who approaches a general insurer for any type of motor insurance, own damage or third-party or package covers, will be assessed for his traffic violation points. Accordingly, the traffic violation premium will be charged, said IRDAI's draft proposal.

Traffic violation premium will be payable by the registered owner of the vehicle, whether it's an individual or an entity. Effectively, this means that the owner will take full responsibility for the traffic violations caused by the authorized vehicle driver.

Traffic violation premium will be charged only on the policy anniversary. If the policyholder has already paid traffic violation premium and approaches an insurer to buy an additional cover (OD in case of existing TP cover or vice-versa), she will not need to pay the violation premium all over again.

Traffic violation premium is a premium payable "as on date" and will not vary with the period of insurance cover. Hence, it is possible for the traffic violation premium to be the same for a long-term insurance buyer and annual insurance buyer if their vehicle types and violation history are similar, as per the draft proposal.

## Government vehicles to have life of maximum 15 years

The Centre is set to go for mandatory scrapping of government vehicles which are more than 15 years old even as it moves to introduce a stringent fitness and emission-related regime for phasing out of old personal vehicles.

Though the share of government vehicles is negligible, sources said at least a beginning can be made with this to roll out the formal mechanisms to scrap old polluting vehicles. However, state governments will have the final say in disposing their vehicles as transport is a state subject.

Sources said while chairing a meeting on the proposed Vehicle Scrapping Policy, Prime Minister Narendra Modi asked the ministries concerned to finalise the policy before the budget and step up the setting up of automated fitness testing centres and vehicle scrapping centres to accelerate the implementation of the policy. There are indications that the policy is likely to be part of the budget announcements for 2021-22.

The PM has also asked the officials to go through the scrapping norms of defence and railway ministries and put together the final proposal quickly, including the proposed incentives for people to junk their old vehicles. Sources said Modi has asked the transport ministry to compress the timeline for full implementation of the scheme instead of stretching it up to 2025.

"There is a perception that people would go for scrapping their vehicles provided there is a proper mechanism and there are enough scrappage centres across the country. So, there is a need to increase the number of scrappage centres and automated fitness testing centres for the smooth rollout of the proposed policy," said an official.

## Petrol pumps may sell insurance

Petrol pumps and gas dealerships may start distributing standardised insurance products if the sector regulator's efforts are successful. There are nearly 61,000 fuel pumps in the country and almost 25,000 LPG dealers who can add to the insurance distribution capability in smaller towns and even villages.

Additionally, the regulator IRDAI has already directed companies to come out with simple standardised products on health and term insurance and will shortly come out with guidelines for standard annuity products, which can be brought without much advice.

IRDAI chairman S C Khuntia said that the regulator was in talks with the ministry of petroleum to permit distribution of insurance at fuel pumps and gas agencies. He said that the idea was to enable them to sell simple insurance products to narrow the protection gap in the country.

Khuntia also urged more life insurance companies to go public and list themselves on stock exchanges as the disclosures would increase transparency and build trust. "Insurance is a social protection scheme based on trust, and increasing trust will help improve insurance penetration," he said.

According to LIC chairman M R Kumar, life insurance business in India is expected to grow 12% to 15% in coming years and will be a major job-creator. Pointing out the protection gap in India, Kumar said, "The Covid pandemic has shown more emphatically than ever how inadequate our efforts have been in insuring India over the last seven decades, since independence... and how crucial a role life insurance plays in ensuring resilience."

Kumar said that the penetration of life insurance stood at 2.8% in FY19, which marginally increased from the level of 2.7% in FY18. "With the exception of the years between 2006 and 2010, life insurance penetration in India has remained between 2% and 3%. For the last one decade now, India's life insurance penetration has remained below the world average," he said.

## Non-life insurers see 12% growth in December premiums

General insurers have recorded around 12 per cent year-on-year (YoY) growth in gross premiums underwritten in December. This comes after low single-digit growth in November and contraction in September and October.

In December, non-life insurers - that include general insurers, standalone health insurers and specialised PSU insurers - reported gross premium underwritten to the tune of Rs 17,935.97 crore, compared to Rs 16,048.86 crore in the same period last year. In November, they had reported a 2.7 per cent growth in premium, while in October and September, premiums earned declined 0.41 per cent and 4.41 per cent, respectively.

## Budget 2021: How higher FDI cap in insurance will benefit policyholders

Finance Minister Nirmala Sitharaman in the Union Budget for 2021-22 on Monday proposed to liberalize foreign direct investment (FDI) in Indian insurance companies to 74% from the existing 49%. While the much-awaited move is expected to provide access to fresh capital to some of the insurers, experts believe that the decision may also benefit individual policyholders.

According to Prasun Sikdar, managing director and chief executive officer, ManipalCigna Health Insurance, “The government’s move to increase the FDI limit will further attract foreign capital where required, ensure higher penetration and bring a new wave of transformative change to create a more value-based affordable healthcare for all Indians."

The life insurance sector in India was opened up two decades back after the government had first allowed foreign companies to own up to 26% in Indian insurers in 2000.

Industry experts believe the government’s latest move will make the sector more competitive, transparent and efficient. “As an industry that plays an important role in securing the nation, the proposed increase will provide companies with committed funds to improve the penetration of insurance in the country. ❑

# IRDAI News

## IRDAI proposes extension in sandbox norms

IRDAI has proposed to extend the validity of regulatory sandbox guidelines by two years as the proposals received under it require more time for completion.

To give a fillip to insurance penetration and facilitate innovations in the sector, especially those triggered by technology, the regulator had notified the IRDAI (Regulatory Sandbox) Regulations, 2019 on July 26, 2019. The regulations are scheduled to expire on July 25, 2021.

The Insurance Regulatory and Development Authority (IRDAI) invited applications for the first cohort of the regulatory sandbox from September 15, 2019 till October 14, 2019. A total of 173 applications were filed with it.

It announced the second cohort for one month starting from September 15, 2020 and received 185 applications.

In an exposure draft, the regulator said it was observed that most of the proposals could not be completed within a period of six months due to Covid-19. They were, therefore, granted extension by another six months to complete the experiment.

Regulatory sandbox (RS) usually refers to live testing of new products or services in a controlled/test regulatory environment for which regulators may (or may not) permit certain relaxations for the limited purpose of the testing.

The RS allows the regulator, innovators, financial service providers and customers to conduct field tests to collect evidence on the benefits and risks of new financial products and services.

## IRDAI advises Insurers to fix Covid-19 treatment rates

IRDAI has advised general and health insurers to have agreements with health providers on rates for treatment of Covid-19 on the lines of other diseases.

In a circular, the regulator said in case of 'cashless claims' under a health insurance policy, the claims should be settled as per the tariff decided by the parties in compliance to provisions of the regulation concerned.

However, the insurers should make efforts to have agreement with health providers on rates for treatment of Covid-19 similar to other diseases for which rate agreements are in place, IRDAI said.

"Also, while entering into such agreements, the reference rate of general insurance council can be kept in view for guidance alongwith rates fixed by State Governments and Union Territory administration, if any and as relevant," it said.

## IRDAI to introduce standard products for fire, allied peril

IRDAI has decided to introduce a standard home insurance policy that will cover the risks associated with natural calamities like cyclone, flood, earthquake and also fire. The regulator also announced two schemes that cover insurance cover to micro and small enterprises.

Besides offering coverage for the home building, the proposed policy - Bharat Griha Raksha - covers general home contents automatically (without any need for declaration of details) for 20 per cent of the sum insured for the building subject to a maximum of Rs 10 lakh. "One can also opt for a higher sum insured for general contents by declaring the details," IRDAI said.

According to the IRDAI, Bharat Griha Raksha will offer cover against a wide range of perils, namely fire, natural catastrophes (storm, cyclone, typhoon, tempest, hurricane, tornado, tsunami, flood, inundation, earthquake, subsidence, landslide, rockslide), forest, jungle and bush fires, impact damage of any kind, riot, strike, malicious damages, acts of terrorism, bursting and overflowing of water tanks, apparatus and pipes, leakage from automatic sprinkler installations and theft within 7 days from the occurrence of any of the events.

"The policy offers two optional covers: insurance for valuable contents like jewellery and curios and personal accident of the insured and spouse due to an insured peril under the policy," the regulator said.

The policy gives complete waiver of underinsurance. "In other words, if the sum insured declared by a policyholder is less than what ought to have been declared for the property in question, the policyholder's claim will not be settled proportionately but up to the sum insured that is declared," it said.

The IRDAI said the Standard Fire and Special Perils (SFSP) Policy provided for in the erstwhile All India Fire Tariff (AIFT) 2001 will be replaced by the new policy. It will be mandatorily offered by all general insurers carrying on fire and allied perils insurance business from April 1.

The regulator also announced Bharat Sookshma Udyam Suraksha that provides cover for the building/ structures, plant and machinery, stock and other assets of enterprises where the total value at risk across all insurable asset classes at one location is up to Rs 5 crore. This policy too offers cover against a wide range of perils, quite similar to the policy meant for dwellings, IRDAI said.

The policy has several in-built covers in addition to the basic coverage: cover for alterations, additions or extensions, cover for stocks on a floater basis, cover for temporary removal of stocks, cover for specific contents, Cover for start-up expenses (following a loss), cover for payment of professional fees for architects, surveyors and consulting engineers, cost for removal of debris and costs compelled by municipal regulations.

The policy can be taken by micro level enterprises such as offices, hotels, industries, storage risks and so on, IRDAI said. "The policy waives underinsurance to the extent of 15 per cent," it said.

The IRDAI also announced Bharat Laghu Udyam Suraksha that provides cover for the building / structures, plant and machinery, stock and other assets of enterprises where the total value of risk across all insurable asset classes at one location exceeds Rs 5 crore but does not exceed Rs 50 crore at the policy commencement date.

The range of perils against which insurance is offered is similar to the policy meant for micro level enterprises. "This policy too has all the in-built covers that the policy for micro level enterprises has. The policy can be taken for all types of risks such as offices, hotels, industries, storage risks and so on," it said.

"It's a welcome move from the regulator to introduce standard products against fire and allied perils risks for dwellings, micro level and small level enterprises. Property insurance is not given much significance in India, and its importance is realized only when met with an unfortunate event," said Tapan Singhel, MD & CEO, Bajaj Allianz General Insurance.

"With standardization and simplification of policy wordings, I hope that more people and enterprises will opt for these products. Thus, ensuring financial security to the under served market and benefiting the end consumer with a holistic coverage," Singhel said.

IRDAI said Bharat Sooksma Udyam Suraksha and Bharat Laghu Udyam Suraksha policies will be useful for financial protection of MSMEs. All the three Retail products have key features documents (KFD) which give basic information about the products.

## IRDAI panel proposes norms for rising 'silent cyber risks'

Working Group on Cyber Security formed by IRDAI, has proposed detailed recommendations.

"Insurers may place this matter (silent cyber issue) high on the agenda and address this problem sooner than later," the committee said in its report. In simple words, silent cyber is the unknown exposure in an insurer's portfolio created by a cyber peril, which has not been explicitly excluded or included. This is also known as "unintended" or "non-affirmative" cyber coverage.

"Cyber exposure is a concern for all underwriters. Cyber affirmative and silent covers are scattered in many different products beyond standalone ones. Cyber risk permeates all classes of insurance without boundaries of industries," it said. With technology improving and digital business expanding, silent cyber risks, especially in the banking sector, have also increased.

A cyber event can trigger losses across various lines of insurance - property damage and business interruption, resulting from computer systems failure or virus under property insurance, siphoning money through phishing under crime insurance, product liability or recalls from security vulnerabilities under product liability/ recall insurance, breach of contract or negligence claims under E&O (technology errors and omissions) insurance and for managerial negligence under D&O (directors and officers) insurance. Cyber risks, involving unknown developments through the debit and credit cards, mobile phones and online deals, have raised concerns for insurers and the insured.

Further, the working group said many property and liability insurance policies were designed when cyber wasn't perceived as a major risk. These policies often did not explicitly mention cyber coverage. While the insurance fraternity debated this issue as part of regular review of operations, albeit at a low volume, the devastating NotPetya attack and other high-profile cyber security events, in the recent past, have placed the issue high on the agenda for the insurance industry.

"Having recognized the need to avoid assumption of unintended exposures or losses, insurance regulators have also expressed concerns about lack of certainty in policy coverage and inadequate risk assessment, in response market has engaged a clarification process," it said.

The working group said it is neither desirable nor possible to standardise the cover at this juncture. "Nevertheless, insurers can build in certain minimum covers as a part of individual cyber insurance. The attached model policy wording can be considered by the insurance industry as a reference point to provide minimum basic coverage," it said.

## Inflation index linked pension schemes in the pipeline: IRDAI

IRDAI chairman said that a group has been formed to come up with guidelines for a floating rate annuity product. Subhash Khuntia, Chairman, IRDAI made this announcement while speaking during a virtual press conference at the 17th Annual Summit of Insurance Brokers Association of India (IBAI) on January 29. "When overall interest rate falls general cost of living also comes down and when the interest rate goes up the cost of living also goes up.

IRDAI is planning to introduce a floating rate annuity option which could be linked to benchmark such as G-Sec or an inflation index," said Khuntia. This type of product will come in handy as the cost of living has been rising due to increasing inflation. The benefit of such a product Interest rates change with time and often goes through multiple cycles of ups and downs.

Taking the fixed deposit (FD) rate offered by the State Bank of India (SBI) as an indicator for interest rate movement, the variation has been huge during the last decade when the highest FD rate ranged between 5.4% and 9.25%. In an annuity investment, funds are locked in for longer period and often for life. In order to give guaranteed fixed income which can be sustained over a long period like 20 to 30 years, life insurance companies go for the most conservative rate, which is mostly on the lower side. The best interest rate offered on a majority of annuity products has been less than 6%. This leaves investors uninterested in buying the product and is the biggest reason for the lack of interest in annuity products in India.

## IRDAI mandates standard annuity plan

IRDAI has advised all life insurers to mandatorily offer from April 1 a standard, individual immediate annuity product it has developed.

The single premium, non-linked, non-participating plan, to be called Saral Pension with the insurer's name prefixed, will have simple features and standard terms and conditions.

The product would make it easier for customers to make an informed choice, enhance trust between the insurers and the insured and reduce mis-selling as well as potential disputes, the regulator said while issuing guidelines for the product.

The minimum annuity is Rs. 1,000 per month and in multiples thereof for quarterly, half yearly and annual payouts. The minimum and maximum purchase price will depend on the annuity amount. The plan is targeted at those aged between 40 and 80 years.

There is no maturity benefit under the policy. Loan can be availed any time after six months from the commencement of the policy.

Noting that several individual immediate annuity products are marketed by life insurers, with each product having its own features, terms and conditions and annuity options, IRDAI said a standard product will broadly meet the needs of an average customer.

While leaving the pricing to the insurers, the regulator stipulated two annuity options that can be offered.

Under the Life Annuity with Return of 100% of Purchase Price, the first option, the annuity will be paid for life. In addition, 100% purchase price will be returned to the nominee / legal heirs on death of the annuitant.

In the case of Joint Life Last Survivor Annuity with Return of 100% of Purchase Price (ROP), the other option, annuity is first paid to the annuitant for life. After death of the annuitant, if the spouse is surviving, he/she will continue to receive same amount of annuity for life. On death of the spouse, the purchase price shall be payable to nominee/legal heirs. ❑

# LIC of India News

## LIC IPO: Govt selects actuary

The government has selected actuarial firm Milliman Advisors for ascertaining embedded value of LIC, ahead of its initial public offer (IPO).

The government plans to sell minority stake in insurance behemoth Life Insurance Corporation (LIC) and list it on the bourses, and has already appointed Deloitte and SBI Caps as pre-IPO transaction advisors.

Department of Investment and Public Asset Management (DIPAM) Secretary Tuhin Kanta Pandey said, "Government has selected Milliman Advisors LLP India as the Reporting Actuary for the Embedded Value of LIC. Work to start soon."

LIC needs to develop an Indian Embedded Value (IEV) reporting framework for necessary disclosures for the proposed IPO.

Milliman Advisors would be required to work with LIC to develop IEV in line with the requirements of the relevant Acts and regulations, Actuarial Practice Standards and guidance notes issued by the Institute of Actuaries of India and LIC Act, 1956, and to provide support during the IPO process.

The government has budgeted to collect Rs 2.10 lakh crore from stake sale this fiscal. This includes Rs 1.20 lakh crore from central public sector enterprises' (CPSE) disinvestment and Rs 90,000 crore from selling stake in financial institutions.

So far this fiscal, the government has been able to mop up Rs 12,778 crore from CPSE disinvestment.

## LIC's equity strategy pays off with record profit of Rs. 33,000 cr

LIC has already booked net profit of Rs 33,085 crore on sale of equities so far this year as compared to Rs 18,371.47 crore profit in the entire previous fiscal, in a report.

LIC purchased equities worth Rs 64,801 crore in the first nine months of the fiscal year up to the first week of January, as against Rs 40,510 crore in the same period last year, the report mentioned. In the previous fiscal year, the state-owned insurer purchased equities worth Rs 61,590 crore.

"After the lockdown started, and we were sure of cash flows to take care of claim settlements, we started buying equities as the stock markets crashed day after day in the aftermath of the pandemic," the publication quoted LIC chairman MR Kumar as saying. "As contrarian players, we felt better days would come."

Worth mentioning here is that benchmark equity indices plunged over 40% from January highs to a four-year low on March 24 when the government announced a nationwide lockdown that triggered a panic that earnings would collapse as businesses shuttered. Foreign investors, mutual funds and individual retail investors fled in March and April fearing the worst.

But LIC's investment decision to sell during the earlier part of the year and the subsequent buying when others were fleeing proved beneficial with the insurer registering record-high profits while raising its stakes in many companies at the same time.

"This was a strategy to create future profits that would sustain solvency ratios and increase returns to policyholders," Kumar added. "It worked and as of today, we have made our highest-ever profits."

Profits booked by LIC this year are the highest ever in the history of the insurer. With the upward momentum in markets continuing, LIC's profits for the full financial year are expected to double over the previous year according to company officials. ❑

# Health Insurance News

## Covid survivors buying new insurance cover face exclusions

Covid-19 survivors who are planning to buy new health insurance could face hurdles in future claims if their ailments can be linked to the viral infection. With the coronavirus affecting different organs over time, future complications could be categorised as a 'pre-existing' condition by insurance companies.

Insurers cover pre-existing diseases only after a 'waiting period', which varies from 2-5 years which is a standard clause in health policies. For example, a person with bronchial asthma and is admitted in the ICU for Covid-19, any lung condition will be endorsed as a 'pre-existing'.

## Claimants prefer cashless claim settlement: Survey

Most policyholders still have to file reimbursement request as cashless continues to be a small proportion of the overall claims. Around 68% of the claims are reimbursement and only 32% are cashless, according to a report titled India Health Insurance XP Survey 2020 by Beshak, a research platform for insurance users.

One reason for this is that policyholders didn't go to a hospital which was part of the insurer network. "There are other problems too. Some opt for reimbursement if the third-party administrators (TPA) take time to provide cashless facilities in network hospitals," said Mahavir Chopra, founder, Beshak.

The report is compiled based on an online and telephonic survey of 530 individuals. Of these, 42% had group insurance and 58% had personal policies. A majority (53%) had policies from public sector insurers and the remaining (47%) from private companies.

According to Chopra, a cashless facility is smoother for employer-provided insurance against a personal policy. That's because insurers and TPAs have better systems in place for corporate clients. Over half (52%) of the respondents said that they have faced problems in getting timely support from insurers or their TPAs. They had to repeatedly follow up during the claim settlement process.

A few even faced tough times due to inefficient processes of hospitals and insurers. The report also found that around 19% respondents had to wait 24 hours to get their claims settled when they opted for cashless and 46% had to wait for seven to 24 hours. Of those who opted for reimbursement claims, 29% had to wait for over eight weeks for the settlement and 33% had to wait for four to eight weeks.

As per Chopra, a lot of this could be fixed if insurers and hospitals invest in technology. He gave an example of food delivery. "When you order from a restaurant, you can track the order in real time. Insurers need to put real-time tracking systems for claims to make the process smoother."

Until insurers and hospitals improve their processes, there are bound to be delays, and customers may choose to opt for reimbursement claims instead of waiting to hear from the hospital's billing desk that their claims are settled.

## Non-life insurers demand increase in tax deduction

Ahead of the Union Budget 2021-22, General insurers have suggested that the government increase the tax deduction limit under Section 80D of the Income-Tax (I-T) Act. This, they said, would provide fresh impetus to people to buy a comprehensive health cover.

They have also sought tax benefit to those opting for home insurance under 80C of the I-T Act. Under Section 80D, one can get tax deduction of up to Rs 25,000 for health insurance premiums for individuals below 60 years, and up to Rs 50,000 for individuals above 60 years. One can claim tax deduction of up to Rs. 25,000 for premium paid towards health insurance of their parents. In case parents are senior citizens, the tax deduction that can be claimed is up to Rs. 50,000.

## Growth in health insurance segment slows down as fear of Covid-19 reduces

The growth in the health insurance segment of non-life insurers appears to be slowing as the fear of Covid subsides.

"The initial euphoria for health products during the Covid period is dying down now because that was knee-jerk reaction to buy insurance immediately looking at the hospital cost for Covid," said Gurdeep Singh Batra, head - retail underwriting, Bajaj Allianz General Insurance.

Within health insurance, it was the retail segment that recorded impressive growth. In the April-November period of financial year 2020-21 (FY21), general insurers recorded a 20 per cent growth in retail over the past year, and standalone health insurers saw 44.25 per cent growth, with the industry growing over 30 per cent.

However, the government health and foreign medical portfolios have seen massive contraction. As a result, the health segment of the general insurance industry has grown just 13 per cent, with general insurers seeing eight per cent growth and standalone insurers 28 per cent growth.

"Despite Covid, we have not seen adequate growth in the health insurance segment. This could possibly be because many people lost their employment, hence, they may not have enough income sources to pay insurance premiums," said MN Sarma, secretary general, General Insurance Council.

"There was a substantial growth in the segment at the onset of Covid, largely driven by fear. As time went by, the fear diminished. People bought covers that were entry-level products and not comprehensive health insurance products," said Bhabatosh Mishra, director - claims, underwriting, and product, Max Bupa Health Insurance.

## Strong winds of change set to sweep health insurance sector

Marked by innovation and digital push, 2021 will witness major winds of change in health cover, according to industry experts.

"The new trends seen last year will continue with new types of coverage such as the launch of more single disease products like 'Covid-19 Benefit Policy' or single disease critical illness etc," Rakesh Jain, ED and CEO, Reliance General Insurance, told.

Apart from health due to the increasing number of catastrophic events, parametric cat policies (which pay at the occurrence of a triggering event rather than having to claim a specific insured property loss) may also find application for future viral outbreaks.

"The health insurance sector looks set for a full-scale makeover, which is a good sign, and one can be optimistic about the industry's growth in the next few years due to these developments," he added.

The Covid-19 outbreak and the requirements it generated can make the pandemic a game-changer for the industry, going forward. "Post Covid-19, I see excellent opportunities through service offerings such as e-pharmacy and telemedicine making way in 2021," said Mayank Bathwal, CEO, Aditya Birla Health Insurance.

According to him, there will also be a paradigm shift in the functioning of the health insurance industry in the days to come. When it comes to servicing customers, one can expect more dependency on digital technologies such as Chatbots, AI-based voice assistants, and robust phone apps that provide essential information at the customers' disposal.

More than anything, the entire industry is heading towards a more user-centric approach, and this is the approach that is likely to be the greatest strength of the industry in the years to come, feel experts.

In the last eight months, Covid had considerably changed lives globally; and in India, this not only includes the behaviour but also the business.

There has been an increase in the demand for health insurance by consumers as they have become more health-conscious. The increase in demand has been fuelled to a significant extent by the younger generation, say industry sources.

There has been a promising 30-40 per cent uptake in health insurance adoption across industry players.

However, there is still significant untapped potential. Citing a recent survey, Bathwal says insurance penetration in the country was 3.78 per cent in FY20, which is low compared to the global average of 7.23 per cent. Of this, the non-life segment only amounts to 0.97 per cent.

In this entire transformation, IRDAI has also played a pivotal role in standardising the exclusion of health insurance policy to eradicate the confusion among insured in different policies.

The basic standard health cover product, Aarogya Sanjeevani, has made a mark in 2020. The standard health cover policy has been offered by general and health insurers for a sum between Rs. 1 and Rs. 5 lakh from April 2020. Going forward, Arogya Sanjeevani can provide a further boost to the health insurance portfolio. ❑

# Private Life Insurance News

## Digit Insurance 1st unicorn of this year

Digit Insurance is the latest Indian unicorn. The company was valued at $1.9 billion after its latest fund-raise of Rs 135 crore from existing investors. The insurer raised funds as growth capital to meet solvency margin requirements following a 32% growth in the first nine months as against a 0.1% growth for the industry.

The private insurer had raised its first external round of funding from three growth Avestors A91 Partners, Faering Capital and TVS Capital in January 2020. This investment gave them a 10% stake in the nonlife firm and had valued the company at around $900 million. The latest round of funding increases their stake by 1%. A holding company, where Goyal and Fairfax are key investors, holds 88%.

Although in a conventional industry, Digit has positioned itself as a new-age insurer by using technology to simplify the process for customers like smartphone-enabled self-inspection and audio claims. The private insurance company was launched in 2017 promoted by insurance professional Kamesh Goyal in partnership with Canadian billionaire Prem Watsa's Fairfax Holdings.

Digit expanded business during the pandemic launching new products including a fixed-benefit cover for Covid-19 under the insurance regulator's sandbox initiative. The largest non-life company in the country, the 100-year-old New India Assurance has market capitalisation of $3 billion.

## Saral Jeevan Bima costs twice as much as a normal term plan

IRDAI in October had mandated all life insurers to launch Saral Jeevan Bima plans.

Edelweiss Tokio Life Insurance Co. Ltd has launched India's first standard term insurance plan called Saral Jeevan Bima, which is aimed at first-time buyers and those who may not have easy access to existing term plans. Edelweiss Tokio's Saral Jeevan Bima plan offers a sum assured of Rs. 5 lakh-25 lakh. Individuals can choose the premium paying term starting from five to 40 years.

Explaining the reason behind higher pricing, Mahavir Chopra, founder, Beshak.org, a research platform for insurance users, said: "Insurers use demography, income category, place of residence, occupation and education level of the buyers to create term products. The problem with Saral Jeevan Bima is that there are no filters allowed, so the premium will be high as the risk is high."

Experts say Saral Jeevan Bima may work as an entry-level term plan. The current term plans usually offer a minimum sum assured of Rs. 25 lakh and a term of at least 10 years.

"Today, sum assured of Rs. 5 lakh isn't available in the market. Some parts of the costs for distribution, policy issuance and medical underwriting are fixed. So, enabling a Rs. 5 lakh product will be more expensive proportionately than a Rs. 25 lakh plan. But from the Rs. 5 lakh sum assured point of view, these plans may not be expensive as there is no alternative available," said Abhishek Bondia, managing director and principal officer, SecureNow.in, an insurance broker.

However, an individual with good educational qualification and job would find regular term insurance plans cheaper than Saral Jeevan Bima.

## Life insurers bet on guaranteed-return products

Private life insurers are seeing good opportunity in guaranteed income products. These products bundle life insurance coverage with benefits of savings, offering a suitable product for risk-averse individuals who are keen to get regular income and are eyeing assured financial returns over the medium term.

In view of a higher life expectancy, rising inflation, and rising healthcare costs, the combination of protection and savings with guaranteed returns and guaranteed additions in life insurance plans, make them attractive for those who seek assured returns on their savings.

Recently, Bharti AXA Life launched ' Guaranteed Income Pro', a non-linked, non-participating savings insurance plan, that offers life insurance along with guaranteed returns and maturity benefits.

Parag Raja, Managing Director & CEO, Bharti AXA Life Insurance, said: "Guaranteed income is ideal for risk averse individuals who aim to generate a substitute source of regular income and achieve assured financial returns for tomorrow. We designed Bharti AXA Life Guaranteed Income Pro as an innovative solution that provides life insurance coverage and benefits of a savings product.

The hallmark of our offering is the sound financial returns amid uncertain markets. It not only offers flexible short, medium- and long-term income options, but also helps people meet different financial needs at various milestones of life."

Launching Future Generali Assured Wealth Plan, a guaranteed endowment plan in October last year, its Chief Customer and Marketing Officer, Rakesh Wadhwa, had said: "Given the volatility in interest rates, many customers look for long-term solution with guaranteed returns. Also, the ongoing pandemic has made people understand the importance of being financially protected. Both of these factors have resulted in higher enquires for guaranteed life insurance products.''

ICICI Prudential Life Insurance had, in December 2020, unveiled 'ICICI Pru Guaranteed Pension Plan' that offers guaranteed life-long income to lead a financially independent retired life. Similarly, HDFC Life Sanchay Plus also works for those who are risk-averse and want assured returns for their later years.

Sandeep Nanda, Chief Investment Officer, Bharti AXA Life Insurance, said: "Insurance companies need to carefully monitor the duration of their liability cash flows and then decide their asset allocation and duration to reduce interest rate risk. If interest rates move adversely as compared to assumptions, then products may need to be repriced or withdrawn. Insurance companies sell a variety of products with different liability cash flow durations. Hence, the overall interest rate risk gets reduced as some products have relatively shorter duration."

## Covid helped in Insurance awareness

The ongoing pandemic situation has accelerated the knowledge and ownership of insurance in the country, and this is reflected in the findings of the latest edition of 'India Protection Quotient' (IPQ 3.0), said Prashant Tripathy, Managing Director and CEO, Max Life Insurance.

Releasing the findings of the third edition of its survey, conducted in association with Kantar, Tripathy noted that Indian households have, in the current times, increased focus on savings and investments while reducing spend on both basic needs and luxury. In the backdrop of Covid-19, however, Indians continue to feel financially insecure, he added.

Financial anxieties related to Covid-19, and the ability of current earnings to cover expenses, have emerged as top concerns for urban Indians, said Tripathy.

As per the survey, urban India witnessed a positive movement of 4 points on the Protection Quotient scale from 35 (as per IPQ 2.0) to 39 (as per IPQ 3.0).

Conducted in the most uncertain and challenging times, Max Life IPQ 3.0 assesses the notable shifts in the attitude of urban Indians from the beginning of the lockdown in March 2020, through the different phases of Covid-19, until the announcement of viable vaccine in December.

Around 4,357 respondents were surveyed via face-to-face interviews with adequate safety measures across 25 cities comprising 6 metros, 9 Tier I and 10 Tier II cities, making this one of the most comprehensive financial studies carried out during Covid-19 situation.

The survey revealed that the degree to which Indians are aware about life insurance products or the Knowledge Index moved up by 9 points to 55, and Life Insurance Ownership levels increased by 500 bps from IPQ 2.0 to 71 per cent.

The degree to which Indians feel financially secure and prepared, or the Security Level, dipped by 300 bps to 57 per cent amid uncertain times.

Notably, the survey shows a significant growth of Knowledge Index across all cities, age and gender, highlighting responsible outlook of urban India amid uncertain times. ❑

# International News

## Policy standardization to provide impetus to cyberinsurance market in India

The Insurance Regulatory and Development Authority of India's (IRDAI) plan to standardize cyberinsurance product is expected to give impetus to its growth in the country, according to GlobalData, a leading data and analytics company.

There has been a significant rise in cyberattacks and data security incidents since the outbreak of the COVID-19 pandemic. The IRDAI has passed an order on 19 October 2020 to constitute a working group to evaluate critical issues involving the legal aspects of cyberinsurance. This group will examine incidents involving cyber security and possible insurance coverage for such cyberattacks. It will also study the feasibility of developing a standard cyberinsurance policy.

Epsa Kaithwar, Insurance Analyst at GlobalData, comments: "With growing number of businesses increasing their dependence on technology and working remotely due to the pandemic, several organizations have become highly vulnerable to cyber attacks. This has led to an increase in the demand for cyberinsurance policies."

According to the Indian Computer Emergency Response Team (CERT-In), the number of cyberattack incidents in India increased from 50,362 in 2016 to 394,499 in 2019. It is expected to increase by more than 100% in 2020, with 696,938 cyber security incidents already reported as of August 2020.

The demand for cyberinsurance policies is gaining traction in India, with organizations across sectors looking to avail cyberinsurance covers. In July 2020, HDFC Bank Ltd. and State Bank of India disclosed having a US$100m cyber risk cover.

At present, there are no cyberinsurance specific product regulations and there is no standard cyberinsurance policy in India. Cyber cover is typically offered as a highly customized policy; as general liability policies do not cover cyber risks.

Ms Kaithwar concludes: "The tedious purchasing and claim settling process has led to low sales of cyberinsurance policies in India. Introduction of structured policy and regulation is expected to simplify product offerings, which will support cyber insurers growth over the coming years."

## Asia-Pacific life insurance market to reach US$1.5 trillion in 2023

The life insurance written premium in the Asia-Pacific region is projected to grow from US$1.2 trillion in 2019 to US$1.5 trillion in 2023, according to GlobalData, a leading data and analytics company.

GlobalData's insight report, 'Global Life Insurance Market to 2023', reveals that life insurance in the Asia-Pacific region will grow at a compound annual growth rate (CAGR) of 4.9% during 2019–2023, supported by aging population and an expanding middle-class population with a growing disposable income.

Pratyusha Mekala, Insurance Analyst at GlobalData, comments: "Despite the disruption due to the COVID-19 pandemic, several countries are now seeing gradual recovery following the lifting of lockdown restrictions. In Singapore, positive economic activity from Q3 2020 aided in recovery in demand for life insurance products. Similarly in Hong Kong, total premiums of long-term in-force policies increased by 5.1% year-on-year during the first three quarters of 2020."

To drive sales, several life insurers are offering COVID-19 specific riders which provide diagnosis and death benefits. The Life Insurance Association of Malaysia extended additional relief measures such as cash benefits and lump-sum death benefits for policyholders diagnosed with COVID-

19. This, coupled with the pandemic-led awareness, is expected to increase demand for life insurance policies.

Ms Mekala continues: "Technology advancements is another area that has gained more prominence. Due to the social distancing norms and regulatory push, increasing number of insurers are shifting to digital platforms. In June 2020, Manulife Hong Kong launched a virtual face-to-face agency sales platform for most of its insurance product offerings."

Large insurers are also collaborating with startups and insurtech companies to remain competitive and enhance customer experience. For instance, Manulife-Sinochem Life introduced biological age model (BAM)+ life insurance. The company collaborated with insurtech firm SCOR Global Life and ReMark to add BAM algorithm, which helps insurers in continuous risk assessment thereby facilitating better underwriting and competitive pricing.

Ms Mekala concludes: "Life insurance market will continue to grow, driven by greater deployment of technology and increase in demand. Low insurance penetration in emerging markets will drive demand for protection insurance while the aging demography in mature markets will create demand for post-retirement insurance products."

## Singapore's general insurance market to contract in 2020 due to COVID-19

Singapore's general insurance market contracted by 1.9% in 2020, compared to the 6.7% growth registered in 2019, according to GlobalData, a leading data and analytics company.

GlobalData has revised Singapore's general insurance forecast in the aftermath of COVID-19 outbreak. As per the latest data, Singapore's general insurance business is forecasted to grow at a compound annual growth rate (CAGR) of 1.7% during 2019-2023 against the 2.5% growth as per pre-COVID-19 estimates, primarily due to the economic uncertainty following the pandemic.

Sangharsan Biswas, Insurance Analyst at GlobalData, comments: "According to the Singapore's Ministry of Trade and Industry, the economy is expected to contract by 6-6.5% in 2020. Consumer spending has declined by 14% year-on-year during January to August 2020, which will lead to a decline in premium for general insurers."

The impact of the COVID-19 was most prominent in motor and property insurance business lines, which together accounted for 42.0% of general insurance premium in 2019. According to the Department of Statistics of Singapore, the wholesale car sales witnessed a 31.8% decline year-on-year in the third quarter of 2020. Sales of motor vehicles increased by 7.5% in October 2020, reflecting an improvement in consumer demand, which is expected to support the growth in motor insurers premium in the short-term.

A similar impact is visible in the property insurance business. According to the Ministry of Trade and Industry, construction sector declined by 46.6% year-on-year in the third quarter of 2020, due to the closure of business operations and weak investment environment. As of August 2020, reopening of construction activities by the government while upholding health and safety standards by introducing periodic testing is expected to improve investor confidence and support property demand.

Personal accident and health (PA&H) insurance, which accounted for one-third of general insurance business in 2019, is expected to witness an increase in 2020 backed by rise in awareness for health insurance products. This is expected to partially insulate the decline in other business lines. Changes in policies such as the inclusion of hospitalization and death benefits and teleconsultation costs for policyholders impacted by COVID-19 are expected to further supplement the sales of personal accident and health insurance.

Mr Biswas concludes: "Despite controlling the outbreak, the economic recovery in Singapore is expected to remain subdued. Re-imposition of lockdown restrictions due to periodic resurgence of the virus could limit the growth potential of the general insurance business in the near term."

## Life insurance industry in Taiwan to reach TW$3.6 trillion in 2024

The life insurance direct written premium in Taiwan is projected to grow from TW$3.0 trillion in 2019 to TW$3.6 trillion in 2024, according to GlobalData, a leading data and analytics company.

GlobalData has revised Taiwan's Life insurance forecast in the aftermath of COVID-19 outbreak. As per the latest data, Taiwan's Life insurance business is forecasted to grow at a compound annual growth rate (CAGR) of 3.6% during 2019–2024 against the pre-COVID estimates of 5.2%, due to the economic uncertainty triggered by the pandemic.

Shabbir Ansari, Insurance Analyst at GlobalData, comments: "In Q3 2020, Taiwan's economy grew by 3.3%, which is faster than the other emerging economies in the Asia-Pacific region like India and China. In addition, by the end of 2021, nearly one-fifth of the country's population will be over 60 years of age. The early economic recovery clubbed with aging population is expected to support the life insurance industry in the country." ❑

# CYBER INSURANCE - A RISK TRANSFER MEASURE



## Abstract

*The penetration of the technology in our lives is so much that all our essential working is dependent on technology. The same is true with the banking sector. The banking has been made simple with the use of technology in all domain of traditional banking With the rise of digitization, comes the rise in threat of cyber-attacks. In the past few years we have seen numerous cyber-attacks on corporate as well as individuals. So protection of data is the need of the hour. This article touches on the concept of protection of data and introduces Cyber Insurance as a risk transfer measure.*


We are all aware of the saying necessity is the mother of all inventions. The saying in today's context is somewhat changed. Rather putting it in the simpler form we would rephrase it as technology is the genesis of developmental advancement. We are now dependent on technology so much that our major time is invested in the gadgets that are the gift of this technological advancement. Without them our life seems to be dull and void. The penetration of the technology in our lives is so much that all our essential working is dependent on technology. The same is true with the banking sector.


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The banking has been made simple with the use of technology in all domain of traditional banking. Be it transaction, deposit, transfer of funds etc. all are totally dependent on the effective use of technology. With the advantages of being techno friendly we are also vulnerable to certain data theft and be victim of Cybercrime which can put any organization to reputational risk.

Now a days there are lot of instances of Cyber Extortion, Cyber Stalking, and Hacking due to which many advanced nations and Corporations are facing issues in protecting their data intelligentsia. There have been instances of cyber-attacks on the various banks in the past where cases siphoning off the money were attempted and our bank was also one of the victims.

With the rise of digitization, comes the rise in threat of cyber-attacks. In the past few years we have seen numerous cyber-attacks on corporate as well as individuals. Malwares like WannaCry, Ransomeware etc., left the American and

European nations perplexed as the most valuable of the lot - DATA, was made vulnerable and the cyber theft has resulted in hackers siphoning off money from the big corporate and left the database accessible to the hackers. This has raised the crime rate and a new type of war began which we can term as Cyber War or Cyber terrorism. Here, the terrorist organizations with the use of high end technology and algorithms attack the confidential government database and extorts a hefty sum from the nations for decrypting the same.

As the custodian of public's money, Banks needs to build on the CIA Triad (Confidentiality, Integrity, and Availability) .Here most important factor is to protect the customer data. With millions of consumers transacting with banks online every year, it is a bank's obligation to put mechanisms in place to stop the loss of Personally Identifying Information (PII), transactional data of its customers, and bank's internal sensitive information. It is also the bank's responsibility to respond in an efficient and effective manner in case of such losses. Cyber frauds are a fast emerging threat to most of the business entities and more so to financial institutions, including banks.

Banks have been building suitable cyber defense systems to detect and prevent cyber-attacks and minimize, if not avoid, financial losses. For the Bank, the most valuable assets are its customer. For a customer it is the trust factor that plays a significant role in building long term relationships with any banking institution. So for the banks it becomes pertinent to identify the risk involved with online cyber frauds and as a matter of saving the institution from Reputational risk loss, adopt risk mitigation measures so that the banker- customer relation remains intact.

## Cyber Insurance - a Risk Transfer measure

Business losses can occur by two ways i.e., Naturally occurring losses caused due to natural calamities, like fire , earthquake, floods etc. and the other human induced losses, caused due to malafide intentions or by certain acts of thefts be it physical theft or cyber theft . Though not natural, thefts and robberies are also considered unavoidable. Banks find ways of transferring the risk of loss due to such unavoidable events through insurance. So to mitigate the risk it is necessary to transfer the risk through cyber insurance.

Cyber insurance is a customized insurance offering comprehensive cover for third party liability and first party expenses a bank may incur arising out of unauthorized access or use of its physical and electronic data or software. Cyber insurance policies can also provide coverage for liability, costs and expenses arising from network intrusion, the spreading of a virus or malicious code, computer theft or extortion.

Cyber insurance also provides cover for business interruption and the cost of notifying customers and regulatory investigations or actions in case of a breach, without the requirement for physical damage that is a standard trigger under property policies. The Reserve Bank of India highlighted the need for Indian Banks to obtain Cyber Crime Insurance in its Internet Banking Guidelines of June 14, 2001 to ensure that customers are spared from phishing liabilities.

***Cyber insurance policies are designed to address many variables within the online realm and can include:***

- The liability of the bank arising from data protection laws
- The management of personal data and the consequences of losing personal identifying information
- Repair of banks' reputation Notification and monitoring costs
- Cyber extortion and network interruption.

Cyber Insurance is a comprehensive insurance solution for banks covering first-party costs and third-party liability risks arising from a cyber-event.

## First-party Coverage

First-party covers provide protection to the bank in the event of a loss whether caused by itself or someone else. When a bank experiences a cyber-attack or a data breach, the following events/occurrences can be covered under insurance:

- Employee Theft Coverage
- Premises Coverage
- Transit Coverage
- Computer Fraud Coverage
- Depositor's Forgery Coverage
- Forensic Investigation
- Business Interruption
- Computer Data Loss and restoration
- Extortion

## Third-party Coverage

Third-party coverage provide protection to the bank against the claims of third party. When a bank experiences a cyber -attack or a data breach, the following events/occurrences can be covered under insurance:

- Litigation and Regulatory
- Regulatory Response
- Notification Costs
- Crisis management
- Credit Monitoring
- Media Liability
- Privacy Liability

In India, the concept is still at a very nascent stage. As per industry reports, there has been a 40 % rise in cyber insurance policies in 2018 as compared to 2017 which is indicating that customers are becoming more aware of the threats being faced by them in the cyber space and that the major threats that the corporations are facing is coming from cyber criminals and the integrity of the valuable data of their clients is being put on stake and risk. The major areas covered by the policy issued in India include:

- Ist Party Expenses
- Privacy and Data Liability
- Business Interruption
- Cyber Theft

Some of the insurance companies providing cyber insurance services in India are Tata AIG, ICICI Lombard, Bajaj Allianz, HDFC ERGO and New India Assurance.

## Barriers to Growth

Although the concept of cyber insurance looks appealing yet there are certain roadblocks to its full implementations for both insurer and the insured. The major problems are:

- Lack of a Privacy Law in India
- Industry specific Risk
- Lack of historical data
- Cost burden in adopting a cyber-insurance cover
- Underlying complexity of calculating premium, assessment of third Party loses, detecting fraudulent claims
- Difficulty to predict probability of occurrence and impact of the risk
- Having to customize policy covers and premiums for each industry
- Lack of predefined standards, metrics of cyber risk insurance
- Ambiguity over the scope and coverage of policies
- Absence of a single comprehensive insurance cover (presence of multiple covers and policies by different insurers)

## The Future Course of Action

Looking at the barriers of growth of demand in the cyber insurance and understanding the gravity it is important that the onus of creating space for the cyber insurance in market lies with the stakeholders who are getting affected directly or indirectly. So stakeholder wise action points are as follows:

### o Regulators / Govt. Bodies

A. Creating awareness and ecosystem skills in cyber insurance policies by running awareness programs. Incentivizing various organizations through direct intervention or providing procurement benefits Providing Toolkits and Checklists

B. Introducing cyber insurance as a measure to mitigate risks through National IT and Security Policy.

C. Creation of Cyber Incident Data Register for referral purpose assessable to cyber cell and networking experts.

D. Promoting actuarial science for better modeling of cyber risks

E. Creating Crisis Response Team at national and State level by government and at corporate level by Private entities to meet any future cyber threats and instances.

### o Tech Firms

A. Setting up of sector-specific cyber risk assessment framework

B. Offer Industry specific customized products and services.

### o Brokers

A. Increase awareness about the product amongst consumers and user of IT products.

B. Clearly define the provisions of the cyber insurance policies to the customer so that they can have a clear understanding of the policy

### o Buyers

A. Regularly undergo cyber risk evaluation to understand system vulnerability

B. Creation of Cyber Risk Committee to have a better understanding of cyber risk

## Conclusion

Though Cyber Risk Insurance is at a nascent stage in India, but looking at the instances of cyber frauds across the globe it is soon going to occupy a prominent place in the insurance market and will soon be most sought after insurance product. Many organizations at present are not adopting it as they find it inapplicable for their organization but it may soon become unavoidable. The need of the hour is to have a proper risk assessment of the threat and mitigate the same by adopting a comprehensive cyber insurance policy so that the CIA triad can be well established and the customer DATA can be well protected. ❑

## Liability insurance industry in Asia-Pacific to reach US$33.4bn in 2023, says GlobalData

The liability insurance industry in the Asia-Pacific region is projected to grow from US$28.8bn in 2019 to US$33.4bn in 2023, in terms of written premiums, according to GlobalData, a leading data and analytics company. GlobalData's insight report, 'Global Liability Insurance Market to 2023 – Overview, Key Trends, Regulatory Developments and COVID-19 Impact Analysis', reveals that the liability insurance industry in Asia-Pacific is expected to grow at a compound annual growth rate (CAGR) of 3.8% over 2019–2023, supported by the demand for insurance covering the commercial sector such as workers' compensation, professional/management liability (directors' and officers' – D&O) insurance and cyber-breaches.

Manisha Varma, Insurance Analyst at GlobalData, comments: "The demand for D&O policies is driven by increasing risks from environmental, product recall and libelous claims. Increasing number of cybercrimes has driven the demand for cyber-insurance."

In China, the demand for D&O insurance grew due to the rise in legal risk exposure following COVID-19. The enactment of new law of collective litigation in China supported D&O insurance as it created a mechanism for bringing collective proceedings against C-level executives for securities disputes. In Hong Kong, the demand for D&O insurance remained strong due to increasing political risk and violence. Increase in claims and contentious lawsuits due to business closures, insolvencies and disruption in continuity of operations in 2020 led to an increase in premium prices for liability insurance. In Australia, along with the pandemic, the ensuing financial sector crisis resulted in few accounts experiencing more than 100% price increase in D&O renewals in 2020.

Ms Varma continues: "The regions' vulnerability to cybercrimes has increased due to digitalization. Remote work culture and a shift to digital platforms due to COVID-19 has exposed businesses and individuals to greater cyber-risks, driving the demand for cyber-insurance."

Consequently, regional insurers have expanded their proposition to accommodate increasing demand for cyber-insurance. For instance, Bajaj Allianz General Insurance in India collaborated with e-commerce company Flipkart in September 2020 to offer 'Digital Suraksha Group Insurance' providing cover against financial losses caused due to cybercrimes. Ms Varma concludes: "Regulatory developments, increasing risks due to shift of business to digital platforms and remote working culture is expected to support the demand for liability insurance products over the next few years."

# DRONE INSURANCE: THE NEXT GAME CHANGER

Drones promise to be the next disruptive technology, with the potential to dramatically alter business conventions by introducing new ways of working. In June 2020, the government published draft drone rules, in an effort to frame dedicated legislation around them. Several people from the industry welcomed the move, admitting that the government was finally "identifying" both the presence and importance of the industry.

With COVID-19 related lockdowns in the country, we saw several police forces use drones to surveil streets to enforce the lockdown, while some states used drones to spray disinfectants over areas that were the most vulnerable to the virus. Drones also present an opportunity to carry out deliveries, which can be crucial for use in cases such as medicine and other healthcare-related services. Several companies are soon going to experiment with these use cases under a regulatory sandbox. Despite useful applications, however, drones can also be a privacy threat and have repeatedly been used by law enforcement agencies not only in India but across the world to surveil protestors. Several authorities in India have often not been forthcoming about the surveillance they conduct, using drones.


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Drones are proving to be efficient and beneficial for public surveillance, crowd monitoring and; in certain areas even for delivery of essentials like medicines. Use of drones may also become central to various functions of different businesses in future, where humans may be unable to perform the tasks. The drone market will grow steadily in the consumer, commercial, and military sectors. The global Commercial Drone market size is projected to reach USD 34500 Million by 2026, from USD 6510.8 Million in 2020, at a CAGR of 32.0% during 2021-2026. Drone technology is growing as businesses make massive investments.

Put simply, a flying drone is an aircraft without a human pilot aboard, earning their alternate name as unmanned aerial vehicles (UAV). Drones are robots typically remotely controlled by a pilot, though fully autonomous drones are in the late stages of development. Drones were originally created as safer, cheaper alternatives to manned military aircraft. Today they are still used for military purposes, but are now also consumer toys and purveyors of commercial operational efficiency. The Unmanned Aircraft System (UAS) Rules of 2020 stipulates that drones can only be sold by authorized entities and be owned or operated by entities authorized by the Director General of Civil Aviation.

Permits for flying these also have to be sought online and a log has to be shared after the flight. The norms apply to all existing drones as well. Nano-drones weighing 250 grams or less can be operated without a drone pilot license. The rules come at a time the coronavirus pandemic has highlighted the role technology can play in reducing human interface and costs. Drones offer low-cost, safe and quick aerial surveys for data collection and are useful for industries such as power, mining, realty, oil and gas exploration, railways and highways.

They are also effective in relief and rescue work and in policing. A set of rules notified by the government to regulate the production, import, trade, ownership and operation of unmanned aircraft systems or drones seek to create a framework for their use by businesses. Drones have wide use in commercial, safety, law and order, disaster management and surveillance operations, which cuts down manpower requirement and costs. The government is also keen to encourage domestic production of drones.

## Drone Registration:

The draft rules by the Centre came 18 months after it mandated that drone owners will have to get their equipment registered with the DGCA and allowed their use within the visual range. Rule number 36 and 38 in the Ministry's draft state that no unmanned aircraft shall carry any payload, unless specified by the Director General of DGCA. Neither shall a person "drop or project or cause or permit to be dropped or projected from a UAS (unmanned aircraft system) in motion anything.

Individuals and commercial establishments flying drones will now have to get themselves as well as the aircraft and the drone registered in addition to securing third party insurance and employing a qualified drone pilot in certain cases. For owning and using a drone, one has to be at least 18 years old. In the case of companies, the requirement is that their main place of business has to be in India and the chairman and at least two thirds of directors have to be Indian citizens. Also, businesses operating drones have to be substantially owned and effectively controlled by Indian nationals. Registration is required for all but the Nano category:

- ❖ Nano: Less than or equal to 250 grams (.55 pounds)
- ❖ Micro: From 250 grams (.55 pounds) to 2kg (4.4 pounds)
- ❖ Small: From 2kg (4.4 pounds) to 25kg (55 pounds)
- ❖ Medium: From 25kg (55 pounds) to 150kg (330 pounds)
- ❖ Large: Greater than 150kg (33 pounds)

## License for UTM service providers:

The DGCA "may also establish an Unmanned Aircraft Traffic Management System in the Indian airspace", and provide UTM service providers a license for this, which is a key requirement for carrying out BVLOS operations, such as delivery or remote surveillance. BVLOS drones can be controlled remotely. UTMs are necessary for BVLOS drone operations as they are essentially an air traffic management system for drones, except that they are an automated tool.

UTMs automatically collect information about flight details, and vicinity of drones in airspace to avoid collisions, among other things. Interestingly Digital sky provides for the one of its kind compliance known as NPNT or No Permission, No Take-off, which is an online system to secure day to day permission to fly a drone. This permission would be granted through the same Digital sky portal by the concerned authority after you submit the UIN of the drone and UAOP number of the operator together with purpose and area you would be flying in and if everything is found to be as per the standard. It's like a No Objection Certificate granted by the government authority and a tool to secure an eye on drones flying in a neighborhood.

## Timeline of Indian Drone Policy

- ❖ On 7 October 2014, DGCA issued notice that civil operations of UAS will require official approval.
- ❖ On 21 April 2016, DGCA released draft guidelines on the civil use of UAS, inviting comments on the circular.
- ❖ On 30 October 2017, DGCA released revised guidelines.
- ❖ On 27 August 2018, DGCA introduced Drone Policy.
- ❖ On 1st December 2018, regulations for the operations of RPAS through Digital Sky platform came into effect.

This is done to ensure that air traffic is regulated even that which includes drones. Plus every operator must maintain a record register disclosing every time as to when a drone took flight and for how long. However as the Digital Sky portal is itself in a beta version no one can get this NPNT permission certificate which makes it legally impossible to fly drones in India as of now other than those drones that don't require such permit as mentioned above.

## Permission for trials

The rules came at a time the DGCA has permitted food startups like Zomato and Swiggy to conduct trials for drones beyond the visual line of sight (BVLOS). As many as 13 consortia, including SpiceJet, have received permissions from the aviation safety watchdog to conduct trials. Trials for these 13 companies could take up to six months to conclude. Each of these companies will then submit a report to the DGCA, which will then examine the feasibility of remote operations of drones. A separate set of rules which will enable use of drones for e-commerce or delivering medical supplies may take at least a year.

This time-frame may be too optimistic, as regulatory clearances are slow and tardy. Food delivery by drones in India is quite some time away despite the DGCA's nod to aggregators like Zomato and Swiggy for trials. The Centre has notified draft rules prohibiting "carriage of payload" as well as "dropping of articles" by unmanned aerial vehicles. Also worth noting is that India has specific requirements regarding the types of features a drone must have to be flown in India (excluding those in the Nano category). These mandatory requirements include:

- ❖ GPS
- ❖ Return-to-home (RTH)
- ❖ Anti-collision light
- ❖ ID plate
- ❖ A flight controller with flight data logging capability
- ❖ RF ID and SIM/No Permission No Takeoff (NPNT)

## Mandatory Third Party Insurance of Drones:

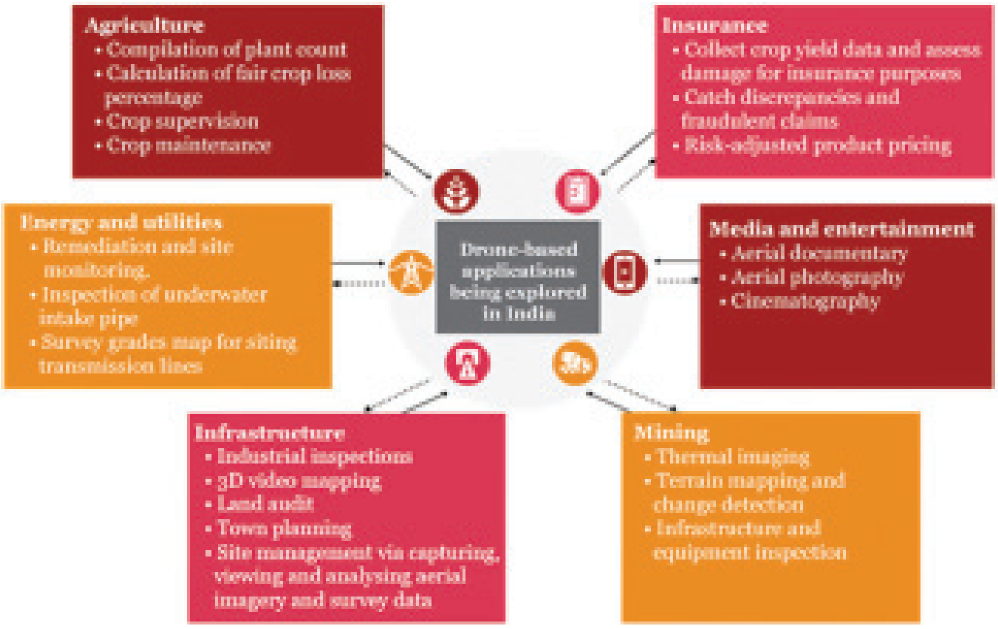
As per rules, "No unmanned aircraft (UA) system shall be operated in India unless there is in existence a valid third party insurance policy to cover the liability that may arise on account of a mishap…," The Covid-19 crisis has resulted in increased adoption of drones after they were deployed in multiple states, such as Delhi, Maharashtra, Kerala, Telangana, and Punjab, for surveillance and containment activities. The draft says that no drone can be operated in India without having a valid third party insurance policy to cover the liability that may arise during mishaps, causing death or bodily injury to any person or damage to property.

The Covid-19 crisis has resulted in increased adoption of drones after they were deployed in multiple states, such as Delhi, Maharashtra, Kerala, Telangana, and Punjab, for surveillance and containment activities. For drones flown on a private and as well as commercial basis, it is mandatory to buy third-party liability insurance in India. However, in the absence of a defined product structure, both insurers as well as drone enthusiasts are finding it difficult to find specific covers at affordable rates. Most insurance firms are unwilling to offer covers citing lack of reinsurance support.

An IRDAI working committee has recommended a comprehensive insurance cover for drones with a third-party liability which should be in line with aircraft or aviation liability - as is the practice in the developed nations - instead of following the Motor Vehicles Act. While drone operators continue to have minimum levels of insurance such as third-party liability cover, the committee on remotely piloted aircraft (RPA) systems/ drone technology said this may not be comprehensive enough to address the requirement of drone operators. If an accident occurs there is a risk that coverage is not comprehensive and that an injured member

| Category | Nano (up to 250 gm) | Micro (>250g to < 2kg) | Mini (>2kg to <25 kg) | Small (>25 kg to <150 kg) | Large (>150 kg) |
|---|---|---|---|---|---|
| Unique identification number (UIN) | NO | YES | YES | YES | YES |
| Unmanned Aircraft Operator Permit (UAOP) | NO | YES | YES | YES | YES |
| Estimated approval time | NO | 2 days | 2-7 days | 2-7 days | 2-7 days |
| Height (AGL) allowed to fly | 50 feet | 200 feet | 200 feet | 200 feet | 200 feet |
| Visual Line-Of-Sight operations | YES | YES | YES | YES | YES |
| Local police permission | YES | YES | YES | YES | YES |
| Flight plan and ADC | NO | NO | YES | YES | YES |

of the public may not be able to obtain adequate compensation, or do so easily, from the drone operator. Various government bodies and especially police have been using drones in their fight against the coronavirus pandemic.




## Panel for insurance of drones:

Drones are playing a significant role in the current Covid-19 situation, assisting various authorities in several activities. There is an immediate need to make available suitable insurance products covering the various risks involved in the use of drones. The IRDAI has formed a working group to suggest insurance products covering the various risks involved in the use of drones. There is an immediate need to make available suitable insurance products covering the various risks involved in the use of drones.

Drones are emerging as one of the fastest growing technologies and are being used for a variety of purposes and were playing a 'significant' role in the present Covid-19 situation helping the authorities in several activities. The nine-member panel has been asked to study and understand the insurance needs of Remotely Piloted Aircraft System (RPAS) owners and operators.

Apart from making recommendations on design and development of products meeting the needs of RPAS owners and operators, including third party liability, the group will suggest measures relating to underwriting of different risks. This move has come in the backdrop of drones emerging as one of the fastest growing technologies and being used for a variety of purposes. Their numbers are growing rapidly.

## Risk coverage:

Drone crashes are the most frequent type of insurance claims. These crashes can be of different types, including bird hit, lightning strike, any mid-flight physical damage (e.g. overhead wire hit). Though the regulator (aviation regulator) has made mandatory the third party insurance, the compensation to be on the lines of the Motor Vehicles Act is somewhat not in line with international practices.

According to the working group, the structured basis formula payment on 'No Fault Liability' can be considered while designing the insurance product. There is a need to standardize the product feature. Only a handful of products are available for drone operators. Plus insurers have tough conditions on the location where drones can be used. The panel also said that drone insurance coverage can be broken into three categories - physical damage or loss to drone due to various contingencies, third party liability arising due to usage of drone and any additional coverages.

This insurance does not apply to any liability arising out of or connected directly or indirectly with any aircraft product or any missile or spacecraft or aerial device including any article, equipment, material, part or spare part installed or otherwise incorporated in, on or under any aircraft, missile, spacecraft or aerial device or furnished or used in connection with air or space communication, guidance or navigation system Meanwhile, the non-availability of claim data for drone losses and lack of reinsurance support for unlimited liability is seen as concerns in developing a feasible drone insurance ecosystem.

Drone insurance coverage can be broken into three sets - physical damage or loss to drone due to various contingencies, third party liability arising due to usage of drone and any additional coverages. While drone operators continue to have minimum levels of insurance such as third-party liability cover, the committee on remotely piloted aircraft systems/ drone technology said this may not be comprehensive enough to address the requirement of drone operators.

## Legal aspects of drone risk:

It is legal to fly drones in India since December 2018. However, individuals need to take prior permission from the civil aviation authority for flying these remote-piloted aircraft. Nano drones weighing less than 250 grams have a permit exemption, subject to the condition that they are flown below 50 feet. Right now, general insurers are reluctant to offer drone insurance as a mass product because reinsurers have sought clarity on the product structure and pricing. Since third-party liability plans have the possibility of high claims, insurance companies in turn take risk covers from reinsurance companies by paying a fixed premium.

So whenever an insurer incurs a claim, this is paid out of the reinsurance cover. The IRDI Working Group has left the decision of arriving at the third-party liability limits to individual insurers as the underwriting appetite, retention, reinsurance programme devised and finally the business volume generated for the drone segment may differ. However, the drone owner/ operator should choose an appropriate third-party liability limit when flying the drones in a high value concentration zone, after a thorough assessment of potential scenarios which can lead to liability claims.

However, the unlimited legal recourse brings in an element of uncertainty in determining the exposure which is a key concern to insurers and re-insurers in supporting this promising technology and developing the drone insurance ecosystem within the country.

## Liability limits:

Typically, for third-party liability policies covering bodily injuries, the premium ranges between 0.5 percent and 0.75 percent of the sum insured. Drones cost anything from Rs 25,000 to Rs 6 lakh. The IRDAI has now set up a nine-member working group to look at the insurance needs of remote-piloted aircraft systems (RAPS), also called drones. The IRDAI working group has left the decision of setting drone third-party liability limits to individual insurers as the underwriting appetite, retention, reinsurance programme devised and the business volume generated for the drone segment may differ from insurer to insurer.

However, the drone owner/ operator should choose an appropriate third-party liability limit when flying the drones in a high value concentration zone, after a thorough assessment of potential scenarios which can lead to liability claims. Among suggested measures, the committee proposes that insurers pay the sum assured in the event of bodily injury resulting in death of the insured beneficiary within 12 months of such bodily injury being sustained. With the growth in the use of drones, some insurers are already offering drone cover through existing products and extending some covers as and when required.

**Restricted areas**

| | |
|---|---|
| 1 | Within an area of 5 km (2.7 NM) from Aerodrome Reference Point of operational airports. |
| 2 | Above the Obstacle Limitation Surfaces (OLS) of an operational aerodrome specified in Ministry of Civil Aviation (Height Restrictions for Safeguarding of Aircraft Operations) Rules, 2015 notified through Gazette of India notification GSR751(E) or its amendments. |
| 3 | Within permanent or temporary Prohibited, Restricted and Danger Areas including TRA and TSA as notified by AAI in AIP. |
| 4 | Without prior approval, over densely populated areas or over or near an area affecting public safety or where emergency operations are underway. |
| 5 | Within 50 km from international border which includes Line of Control (LoC), Line of Actual Control (LAC) and Actual Ground Position Line (AGPL). |
| 6 | Beyond 500 m (horizontal) into sea from coast line provided the location of ground station is on fixed platform over land. |
| 7 | Within 5 km radius from Vijay Chowk in Delhi. |
| 8 | Within 500 m from perimeter of strategic locations notified by Ministry of Home Affairs. |
| 9 | Within 500 m from perimeter of military installations/ facilities. |
| 10 | From a mobile platform such as a moving vehicle, ship or aircraft. |
| 11 | As an autonomous flight, unless it is following an Autonomous Flight Termination (AFT) or Return to Home (RH) procedure. |
| 12 | Over eco-sensitive zones around National Parks and Wildlife Sanctuaries notified by Ministry of Environment, Forests and Climate Change without prior permission. |

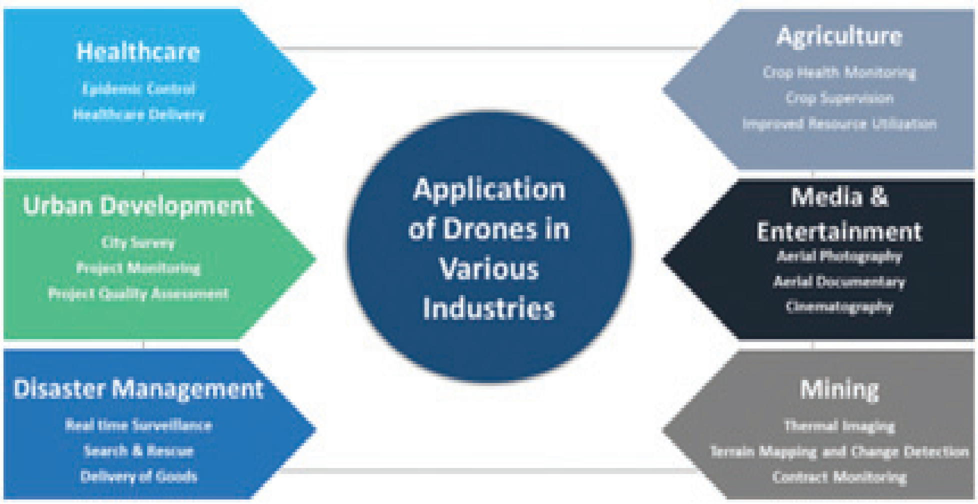
## Commercial Drones at a Glance:

In Insurance, the property and casualty insurance industry can benefit significantly from the use of drones, especially in the areas of claims adjudication, risk engineering and catastrophe claims management. Drones are distinguished by the following key features:

- Lightweight units typically range from two to 15 pounds, with the ability to easily fit in the back of a car.
- Highly efficient propulsion systems enable quiet hover capability and flight durations typically range from around 40 to 200 minutes.
- Dual forward and side-look high-resolution color and thermal imagery cameras with image stabilization are ideal for video recording during day and night.
- Line of sight ranges from 0.5 miles to 10 miles.
- Requires minimal use of runway strips, with options for vertical take-off and landing (VTOL).
- Data connectivity is typically through low-power, digital, wireless and video links.

Before every single flight, drone pilots are required to request permission to fly via a mobile app, which will automatically process the request and grant or reject it. India is calling their system "No Permission, No Takeoff" (NPNT). If a drone pilot tries to fly without receiving permission from the Digital Sky Platform, he or she will simply not be able to take off. All drone operators will register their drone and request permission to fly for each flight through India's Digital Sky Platform. Permission to fly in controlled airspace can be obtained by filing a flight plan and obtaining a unique Air Defense Clearance (ADC)/Flight Information Center (FIC) number.

### Application of Drones in various Industries




## Country's first drone Insurance cover:

Tata AIG has been insuring the device against damages for the past two years as well as covering third-party liability. Third-party insurance liability claim is mandatory for drone operations in the country. Various government bodies and especially police have been using drones in their fight against the coronavirus pandemic. Drones are being used in outdoor commercial activities, operational mistakes and equipment failures may cause damages to third parties. Considering this HDFC has launched this cover under aviation insurance, which is a first in the industry, to safeguard drone owners and pilots from any third-party liability while flying a drone commercially. In June 2020, HDFC ERGO had launched a third-party liability claims cover in partnership with tech startup TropoGo.

This product will be available for commercial drone owners and operators and will work on a pay-as-you-go model. HDFC Ergo offer the country's first on-demand pay-as-you-fly third-party liability cover for drone owners and operators, Insurance products are slowly becoming available for protection against physical injuries by drones. This is India's first on-demand 'Pay As You Fly' Third-Party Liability cover for drone owners and operators which is Smart, Affordable & Fit-for-Purpose. The policy offers coverage for third party property damage and bodily injury/death arising from the use of drones. We will indemnify the Insured for the sum which he/she will be legally liable to pay due to the damage caused by the Remotely Piloted Aircraft (RPA) whilst operating the same. The coverage offered is subject to maximum limit of Indemnity, which currently is for Rs. 10,00,000/-.

## TATA AIG in collaboration:

Similarly, Tata AIG General Insurance and Drone Federation of India had partnered in January 2020 to create insurance products and services for the drone industry. Tata AIG and Drone Federation of India (DFI) have collaborated to create world-class insurance products and services for the Drone Industry. DGCA regulations make insurance mandatory during operation of remotely piloted aircraft systems.

Our collaboration with DFI to launch tailor-made insurance products for drone operators, subject to necessary approvals from insurance regulator, furthers our mission to create a better tomorrow for our customers by delivering innovative risk solutions. With the government taking active steps to support drone manufacturing and drone operations in India, we will soon see proactive usage of drones in activities like mining, construction, surveillance, transport, fire-fighting, law enforcement, agricultural and topographical data acquisition, insurance assessments, media and entertainment. Tata AIG General Insurance Company was the insurance presenter at the festival and showcased its readiness to cater to the insurance and risk management requirements of drone manufacturers, suppliers, buyers, owners and operators.

## BVLOS drone insurance coverage to Asteria Aerospace:

State-owned general insurer National Insurance Company has issued the country''s first beyond visual line of sight (BVLOS) drone insurance coverage to Asteria Aerospace, a manufacturer and operator of unmanned aerial vehicles. National Insurance is providing the coverage through Itus Insurance Brokers using deep-tech startup TropoGo's platform. TropoGo, which specializes in risk assessment of aerial mobility, has worked closely with the insurance player in offering the product.

BVLOS drone operations are the next frontier in drone-technology to deliver multiple mass benefit use cases like agriculture, disaster management, healthcare, infrastructure monitoring, among others. The insurance coverage is to safeguard the risk of any loss or damage to third-party due to any accident during the test flights. The insurance coverage is exclusively designed for Asteria's DGCA approved consortium to conduct 100 hours of BVLOS test flights in a pre-defined airspace approved by the Directorate General of Civil Aviation.

A consortium includes drone operators, unified traffic management (UTM) providers, among others. The DGCA has approved 20 drone consortia, including Asteria Aerospace, for conducting BVLOS drone trials in a sandboxed environment. Besides Asteria Aerospace, National Insurance is also providing similar coverage to the DunzoAir consortium.

## Salient features of Drone Insurance:

With the growth in the use of drones, some insurers in the country are offering drones cover through existing products and extending some covers as and when required. One insurer has launched third-party liability cover of Rs 10 lakh through one of the tech firms on "Pay as you Fly" basis where a drone operator can choose a flying option - up to four hours, one day and one Month. Some insurers are providing third-party liability in a range of Rs 10 lakh to Rs 20 lakh cover along with optional hull cover. Globally, drones are classified as an 'aircraft' and the aviation regulators have stepped in to regulate the sector. The insurer should pay the sum assured in the event of bodily injury resulting in death of the insured beneficiary within 12 months of such bodily injury being sustained.

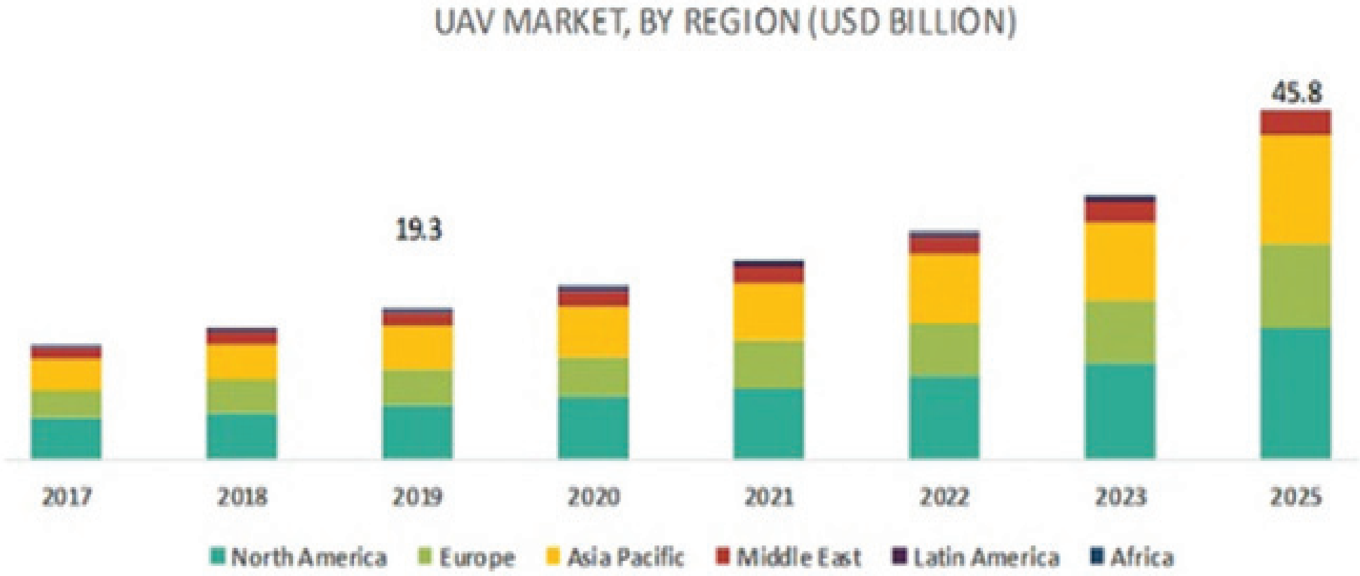
The company will also, in addition to the sun assured, pay up to two per cent of the sum assured or Rs 5,000 (whichever is lower) towards the cost of transporting the mortal remains of the insured/ authorized operator from the place of death to the hospital/ residence and/or cremation and/or burial ground. In the event of bodily injury resulting in permanent total disability of the insured/ authorized operator within 12 months of such Injury being sustained, the company will pay 125 per cent of the sum assured.

## Drone Market Size in India:

India's commercial drone market witnessed substantial growth in the past few years on account of increasing awareness, technological advancement, and growing adoption across several verticals such as mining, filming & photography, and agriculture in the country. The outbreak of COVID-19 has highlighted the importance of drones in India. Additionally, government initiatives such as the Make in India, which promotes the domestic manufacturing of drones, will further fuel the growth of the commercial drone market in India during the forecast period.

According to this research, India's commercial drone market is projected to grow at a CAGR of 12.4% during 2020-2026. Based on types, rotary blade drones dominated the India commercial drone market share in 2019 owing to its special advantage of vertical landing and take-off. Also, they could hover at one particular point and are best suited for short-range applications. However, significant growth is recorded in fixed-wing drones on account of its simple structure and longer duration at high speed. Commercial drones are widely accepted and implemented across several verticals.

However, mapping & surveying holds the majority of revenue share due to high accuracy and quality provided by such drones with relatively less manpower and low cost. Also, recently, the government of India has employed drones for 3D digital mapping for road widening in the Allahabad highway. Further, filming & photography application has also registered significant share in India commercial drone market 2019.




The report comprehensively covers the market by types, applications, and regions. The report provides an unbiased and detailed analysis of the on-going trends, market share, opportunities/high growth areas, and market drivers which would help the stakeholders to device and align their market strategies according to the current and future market dynamics. The increasing use of UAVs in various commercial applications, such as monitoring, surveying & mapping, precision agriculture, aerial remote sensing, and product delivery, is also contributing to the growth of the UAV market.

## The structured basis formula payment:

According to the working group, the structured basis formula payment on 'No Fault Liability' can be considered while designing the insurance product. However, the unlimited legal recourse brings in an element of uncertainty in determining the exposures which are a key concern to insurers and re-insurers in supporting this promising technology and developing the drone insurance ecosystem within the country. The group has recommended that the third party liability insurance be in line with aircraft/aviation liability as is the practice in the developed nations.

Based on the discussions with few insurers and re-insurers, we understand that they (insurers & re-insurers) are interested in providing a Comprehensive Insurance Cover i.e. both Hull (drone body) and third party liability rather than stand-alone liability cover or Hull (drone body). While the group wants the global practice to be followed in the case of third party liability, it wants to deviate from the global norms on arriving at the third party liability limit arising out of drone operations. It referred to the European Union Guideline No 285/2010 that provides that an aircraft operator (including UAS) flying over the territory of executive committee member state should have an insurance cover which is dependent on Maximum Take Off Mass (MTOM) of the aircraft concerned. For MTOM of up to 500 kg, minimum insurance requirement in Special Drawing Rights (SDR) terms is 0.75 million (i.e. equivalent to Rs 7.5 crore). In India, as the drone usage being in the nascent stages, we expect the weight of the drones in the market to be much lesser than 500 kg (may be less than 25 kg) and hence we may look at liability limits lower than the European guidelines.

Drones are playing a significant role in the current coronavirus situation, assisting various authorities in several activities. Draft drone rules propose to mandate insurance cover for drones to be eligible to operate. HDFC Ergo recently launched a dedicated drone insurance product, but that remains the only product specifically developed for drone liability cover so far. The draft says that no drone can be operated in India without having a valid third party insurance policy to cover the liability that may arise during mishaps, causing death or bodily injury to any person or damage to property.

Industry estimates suggest that over 330,000 units of drones have been sold so far in India on a commercial basis. During the Covid -19 pandemic, drones are being used in India to check whether people are following social distancing norms. Apart from this, drones are also being used in infrastructure and engineering sectors to monitor ongoing projects and for topographic surveys. In the agriculture sector, drones are being used to monitor crop yields and damage due to natural catastrophes and insect/wild animal attacks. In Mumbai, pizza delivery via drones was tested in May 2014 but was later discontinued after Mumbai Police said that the entity hadn't sought prior permission. The Drone Federation of India (DFI), a not-for-profit industry-led body that strives to build a safe and scalable unmanned aviation industry in India, recently organized the Drone Festival of India.

Tata AIG General Insurance Company Limited (Tata AIG) was the insurance presenter at the festival and showcased its readiness to cater to the insurance and risk management requirements of drone manufacturers, suppliers, buyers, owners and operators. Drones were effectively used by the police to implement lockdowns as they have proved to be efficient and beneficial for public surveillance, crowd monitoring and in certain areas even for delivery of essentials like medicines.

Drone regulations need to be tweaked by addressing concerns of all the stakeholders. Although futuristic, the digital sky platform should be further upgraded. The platform should be fed with back-end data to grant automated permissions. Unless the data bank within the platform is able to process the flying location and flying path, it would be difficult for it to grant automated permissions. The market for non-military unmanned aerial systems (UAS) - drones - in India has been marred by restrictive policy, which can stagnate this industry in its infancy.

The Indian UAS market is expected to touch $885.7 million, making it about 4% of the nearly $21.47 billion global market. At the same time, it accounts for 20% of global imports of UAS, making it the fifth-largest importer of drones. This indicates the presence of demand beyond the military. The Ministry of Civil Aviation has notified the draft Unmanned Aircraft System (UAS) Rules, 2020 wherein it has said no Unmanned Aerial Vehicle (UAV) shall be operated without a third party insurance policy to cover the liability that may arise on account of an accident and causing death or bodily injury to any person or damage to property.

In India, as the drone usage being in the nascent stages, we expect the weight of the drones in the market to be much lesser than 500 kg (may be less than 25 kg) and hence we may look at liability limits lower than the European guidelines. As insurance carriers build business and technology use cases and the necessary architecture and services, they must consider not only how and where drone technology fits into their digital roadmap, but also how the operating model can be enhanced to deliver optimal benefits for the business and its customers.

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## Mr. Parmod Kumar Arora, new IRDAI Member (Actuary)

Mr. Parmod Kumar Arora assumed charge as Member (Actuary) in Insurance Regulatory and Development Authority of India on 4th January 2021.

Prior to joining IRDAI, he was Secretary (International Operations) in LIC of India. Mr. PK Arora joined LIC in 1986 and he has 35 years of experience of working in various departments in different capacities.

His experience includes 8 years of work in LIC’s investment department, then 2 years as Product Actuary, 4 years as Appointed Actuary and 2.5 years as Signing Actuary in LIC International Bahrain.

In addition, he has got marketing exposure for more than 7 years as Branch in-charge in different branches of LIC and also worked as programmer for 2 years.

He is a Fellow Member of Institute of Actuaries of India. He is a rank holder from Punjab University in B. Com and also a qualified Cost Accountant.

# LIFE INSURANCE A PLEASANT GIFT TO MANKIND

There is nothing more reassuring than knowing your loved ones will be taken care of after you are gone. Often people are uncomfortable acknowledging Life Insurance. It provides peace of mind, which is priceless. That is why it is a Pleasant Gift to Mankind.

Often people are uncomfortable acknowledging that they need life insurance simply because they are uneasy thinking about the concept of death - especially in relation to their own. But while discussing death can be difficult, planning and purchasing life insurance is one of the most loving ways you can provide for your family, friends and others you care about.

If you have significant financial obligations, a spouse or dependents, you should seriously consider life insurance. Without adequate life insurance coverage for yourself, your loved ones could be left swimming in a sea of debt after you are gone. The next time you sit down to pay bills with your partner, consider: Who would pay for your portion of the mortgage in the event of your death? What about your child's activities, clothes, health care and possible college tuition? Life insurance provides a means to cover these expenses, in addition to medical bills, funeral costs, taxes and more. This type of coverage also allows you to leave a legacy in the form of an inheritance to your children or other beneficiary, such as a charitable organization, after your death.

There are two basic types of life insurance - temporary and


*About the author*

**Vijay H Kakhandki**

He has worked with leading Insurance Companies including PNB Metlife, Reliance, Bajaj Allianz Life, Max-Life, in multiple capacities.

Currently, he is associated with MABFSI since June'16 as Faculty with Life Insurance vertical.

permanent. Term life is considered temporary life insurance as it provides flexible, lower-cost coverage for people who need coverage for a period - generally from 5 to 30 years. Whole life insurance, on the other hand, is referred to as permanent insurance because it builds up a cash value and affords continuous protection for as long as the premiums are paid.

When compared to whole life insurance, term life insurance offers the most amount of protection for the least amount of money. Term life insurance can also be a less expensive option for families with limited budgets. The basic idea behind term life insurance is simple: If you die during the time frame specified in your policy, your beneficiaries will receive your policy's proceeds.

### *We carry six basic risks in our life.*

1. Death
2. Disability
3. Unemployement
4. Sickness
5. Living too long
6. Dying too early.

Life Insurance is basically compensating for the economical loss not the emotional loss. But both are interconnected. It provides safety net for the family in case of unfortunate events, fulfils the dreams for children like education, marriage, and business start-ups. It provides during retirement. It helps leading golden life during golden years.

There is a very popular saying in Hindi "Money Hai to Honey Hai"

Hindi Movie' 'Bagh Baan'' depicts so much about retired life. They are not just movies or stories but are facts in society.

## Review Your Policy

Over the course of your lifetime, you may want to combine shorter- and longer-term policies to accommodate your family's changing needs. To ensure you have enough coverage, review your life insurance policy with an insurance agent each time you make a significant change in your lifestyle - not just when your term expires, or your policy is up for renewal. Here are some specific life events that may require an increase or decrease in your life insurance coverage:

The birth or adoption of a child.

Marriage or divorce.

Buying a home or downsizing to a smaller residence.

Changing jobs.

With Internet scams and mail fraud on the rise, it's becoming increasingly important that you do your homework when dealing with unfamiliar insurance companies. If you receive a life insurance offer that sounds too good to be true, chances are, it is. Most insurance companies have financial strength ratings from independent organizations such as A. M. Best Company, Standard & Poor's and Moody's Investor Services. To verify insurers' authenticity, look for companies with "A" ratings or better. Or, check prospective insurance companies' complaint records with your state department of insurance.

It's never easy to talk about dying - particularly your own death. But you may find that the subject of mortality is much easier to face when you know that your affairs are in order. In fact, many find great comfort in planning the legacy they will leave for loved ones. But life insurance is a different proposition because they are uneasy thinking about the concept of death - especially in relation to their own. But while discussing death can be difficult, planning and purchasing life insurance is one of the most loving ways you can provide for your family, friends and others you care about. ❑

# "We wish to work with IRDIA to ensure every policy designed fills the gap between the actual insured loss & the claim payment", says President, Insurance Brokers Association of India

The Insurance Brokers Association of India (IBAI), the apex body of licensed insurance brokers, at its 17th Annual Insurance Brokers' Summit today, emphasized the role of brokers as representatives of their customers to help them get the right product at optimum cost, protecting the interest of the policyholders.

The theme for the summit is'Insurance Brokers - Innovate, Evolve, Thrive - Advancing penetration, Enhancing Policyholders Interest". The objective of the Association is to educate the prospective and existing policyholders to be well informed before finalizing the respective insurance contracts. This will protect the insured from poor claim settlements from the insurer.

At the virtual Summit, Insurance Regulatory and Development Authority of India (IRDAI) Chairman Dr. Subhash Chandra Khuntia released the 5th edition of the 'IBAI General Insurance Claim Insights for Policyholders Handbook'. The claims handbook covers the claims related ratios pertaining to Fire, Marine, Motor, Health and Miscellaneous lines of business in addition to the overall claims by all non-life insurance companies in India with the exception of a few specialized insurers.

The handbook analyzes different parameters related to claims from publicly available data for different insurers, both public and private for the financial year ended March 31, 2020. This compilation of the claims settlement data of various insurers is not available elsewhere and has been collated from individual websites of each insurer. It is one of the first such initiatives to look at insurance transactions in the country from a claims perspective, i.e., from the point of view of policyholders. Insurance brokers, as representatives of policyholders' interests are uniquely positioned to undertake this initiative.

The fifth edition of the handbook shows a positive trend when it comes to the overall claims settlement ratio which is an important indicator for policyholders to make an informed decision while entering into an insurance contract. The association believes, the handbook will provide a comprehensive resource for policyholders to objectively compare one insurer with another on their claims settlement history.

The claims settlement ratio for the entire industry remained stagnant at 85.18%, analysis for the financial year ended March 31, 2020, however the claim repudiation ratio has improved from 7.47% to 4.09%. The Special Policy for COVID-19 i.e. COVID Rakshak and COVID Kavach, which was introduced by all the insurers under the able guidance of IRDAI got an overwhelming response and almost 70 lakhs lives were covered under the scheme.

The purely data-driven analysis takes into account only the number of claims and not the claim amounts. Claim amounts are not disclosed in insurers' publicly available data. The association believes that if the corresponding claims amount are also disclosed in line with most international practices then policyholder will have much richer insights on the claims performance of the insurance companies.

Mr. Sumit Bohra, President, Insurance Brokers Association of India (IBAI)said, "In the past decade, the Indian non-life insurance industry has really come into its own with over INR 1.89 lakh crore placed in premium during 2019-20, registering a growth of 10.58 % on a year-on-year basis. For the industry to further thrive and get to the next level of growth, it is imperative that insurance penetration grows to a level comparable to the more developed insurance markets."

"For the Insurance market to prosper, intermediaries play a key role as they are directly associated with the customers and know their requirements and Risk management philosophy. As brokers, we tailor make the solutions depending upon the clients'businesses and make sure they get the right product at the right price. The role of the brokers does not end with sales but continues in handholding the client to get his rightful claim in the shortest possible time. We intent to provide solutions in the favor of the policy holder's interest and therefore, would like to work with IRDAI to ensure that every policy designed fills the gap between the actual insured loss and the claim payment is narrowed to the bear minimum."

"Post the pandemic the role of brokers has enhanced as the nature of Risk has changed and customers would definitely expect a blue ocean strategy to cover such future effect of the pandemic. We as Brokers are constantly thriving to make sure that we provide the best possible insights from across the spectrum so that customers are protected from future risks," added, Mr. Bohra.

On the occasion, Mr. Subhash Chandra Khuntia, Chairman, Insurance Regulatory and Development Authority of India (IRDAI) said, "Use of digital tools will play a key role in this new normal. The broker community should make optimum use of digital platforms to reach out to the stakeholders and customers, and to also enhance engagement". He further added, "I see a huge opportunity in the tier 2 and 3 cities and towns. Substantial economic growth is expected from rural areas and I would urge the broker community to penetrate this untapped segment. Further focus is required on the MSME sector and new insurance products have been added to cater to this."

Mr. Khuntia further"emphasized the need to support and train the relatively smaller brokers so they can realize their full potential and contribute to the growing community. Currently, there are 482 active brokers in the country".

The Summit was attended by more than 500 delegates including CMDs and CEOs representing India's top life and non-life Insurance companies, IRDAI members, insurance brokers, insurance companies, TPAs, Loss Assessors, customers and other stakeholders.

At the 17th Annual Brokers Meet, IBAI also launched a social media campaign #Insurancebrokers, which intends to connect with the youth and educate them on the importance of Insurance. The campaign was launched on Twitter, Linkedin and Facebook. ❑

## Green Delta Insurance bags Gold again in the 7 th ICSB National Award 2019 for 6 times in a row


Yet another feather has been added in the crown of the glorious achievements of Green Delta Insurance Company as they have been awarded with the prestigious ICSB Gold Award once again for corporate governance excellence in the category of "insurance companies" at the 7 th ICSB National Award 2019. This is the 6th consecutive year that GDIC has bagged ICSB Gold Award including the year of 2019. The ceremony of 7th ICSB National Award 2019, hosted by Institute of Chartered Secretaries of Bangladesh (ICSB), was held at the capital on 23rd January 2021.

Mr. Md. Anisur Rahman (DMD & Head of Claims, GDIC) and Mr. Syed Aliul Ahbab (SEVP & Financial Controller, GDIC) received the certificate and the trophy for the 7th ICSB Gold Award from Mr. Tipu Munshi MP (Honorable Minister, Ministry of Commerce) and Mr. Shibli Rubaiyat-Ul-Islam (Chairman, Bangladesh Securities & Exchange Commission, BSEC), who were present respectively as the chief guest and the special guest of the prestigious event.

The DMD & Head of Claims of GDIC, Mr. Md. Anisur Rahman said, “It's indeed a matter of pride for Green Delta family as we are the only insurance company to secure the ICSB Gold Award for 6 consecutive years. We are committed to continue our glorious stride in corporate governance and set a strong example for other organizations of the industry in due course”.

# "Risk Management, a great tool for reduction in perceived risks"

## Dr. Subhash Chandra Khuntia, Chairman, Insurance Regulatory and Development Authority of India

On the sidelines of 17th Annual Insurance Brokers' Summit, Insurance Regulatory and Development Authority of India (IRDAI) Chairman Dr. Subhash Chandra Khuntia spoke at length about the developments in the Insurance Industry in India. Excerpts from his address.

With regards to health insurance he said as many as 1.28 crore lives have been covered under corona-specific insurance products in the country so far with a premium collection of over Rs 1,000 crore. During the pandemic, two corona-specific products -- Corona Kavach and Corona Rakshak -- were launched by insurers.

"Under Corona Kavach, which is the standard product (introduced during the pandemic), 42 lakh lives have been protected; while 5.36 lakh lives have been protected through Corona Rakshak.

On being asked about whether Risk Management needs a more focussed approach, he said Risk Management is of utmost importance and it helps in bringing down the perceived risks, prevent possible risks and help in reducing the premium.

On the issue of digital revolution in insurance industry post covid he said digital services are the need of the hour and post pandemic the digital revolution will continue. The need for face to face interaction will gradually decrease. He also said the usage of mobile will be extremely useful in increasing insurance penetration and help in customer engagement.  He stressed upon the need for creating a digital environment to facilitate growth of the Insurance sector.

"And, from all kinds of corona-specific products, a total of 1.28 crore lives have been covered with a total premium of more than Rs 1,000 crore," Khuntia said.

He added that Insurers must enter into agreements with healthcare providers for standardisation of costs and see that heathcare costs does not rise abnormally.

In respect of floating annuity rate, he said it is going to be introduced soon and a working group has been constituted to make recommendations.

For Sandbox he added that the second window for approval of sandbox products will open soon and there is a continuous need for experimentation and pilot launching of products.

Dr Khuntia said there is a huge opportunity for the brokers and insurers in the country after the pandemic and it has made people realise the need to get insured.

Khuntia said there should be more focus on tier-II, -III and -IV cities now as the growth will come from these areas.

"I have suggested them (brokers) that they should look at tier-II, -III, -IV towns and possibly the rural areas, because the higher economic growth will come from those areas now.

Hopeful for an economic revival with the falling cases of coronavirus in the country and that people are getting vaccinated, he said huge opportunities lie in terms of insuring the small business units, properties and dwelling units, among others.

Also, presenting statistics related to reach of the insurance brokers in soliciting policies, he said the focus more is on the non-life segment by them and it has to be enhanced in life segment also. He said it is the responsibility of the Brokers to give correct advice and support to policyholder's right from Underwriting to Claims settlement.

The number of active brokers right now is 482 in the country and their contribution to general insurance business is 26 per cent. It has gone up from 22 per cent in 2017-18 to 26 per cent now. In health insurance their contribution is 23 per cent. They have better contribution in the group health insurance business at 36 per cent; and in individual health business, it is only 4.3 per cent.

"So, there is opportunity for improvement. In case of life insurance their contribution is only 1.1 per cent, so they are mostly concentrated in the non life sector," he added.

# Guidelines for Fire and Allied perils cover for Dwellings—Introduction of a standard product Bharat Griha Raksha

***Ref: IRDA/ NL/GDL/MISC/004/01/2021***

*4th January, 2021*

## 1. Preliminary

Currently, the coverage for Dwellings against Fire and Allied perils for Material Damage is as per the Standard Fire and Special Perils (SFSP) policy provided for in the erstwhile All India Fire Tariff, 2001.

## 2. Objective

Through these Guidelines, a new standard product, namely, **"Bharat Griha Raksha"** is being introduced for covering Dwellings against Fire and Allied perils for Material Damage which shall replace SFSP for Dwellings (both Home Building and Home Contents).

## 3. General

3.1. These Guidelines for **Bharat Griha Raksha** are issued in exercise of the powers conferred upon the Authority under clause (i) of sub section (2) of Section 14 of IRDA Act, 1999 and in continuation of Notification F.No.IRDAI/Non-Life Insurance/5/171/2020 dated 28th December, 2020, issued in terms of Section 64 ULA (1) of Insurance Act, 1938.

3.2. These Guidelines shall come into effect on 1st April, 2021.

3.3. These Guidelines replace the General Regulations, terms, conditions, clauses, warranties, policy, add-ons, endorsement wordings and proposal form under Sections I, II and III of the erstwhile All India Fire Tariff (AIFT), 2001 along with relevant annexures applicable to Dwellings irrespective of the Sum Insured.

3.4. The standard product **Bharat Griha Raksha** shall be mandatorily offered by all general insurers carrying on the business of Fire and Allied Perils insurance, for all new risks as well as renewals with effect from 1st April, 2021. Insurers shall pre-fix their company name (shortened, if need be) to the standard product name.

3.5. (a) **Bharat Griha Raksha** policy shall fall under the **'Retail'** category of products.

(b) The definition of **'Retail products'** as provided for in the Product Filing Procedures for General Insurance Products ref IRDAI/NL/GDL/F&U/030/02/2016 dated 18th February, 2016 (Product Filing Guidelines) shall stand modified to include **Bharat Griha Raksha**, irrespective of the Sum Insured.

3.6. Apart from being applicable for **Bharat Griha Raksha** as an independent standard product, these Guidelines shall also apply when **Bharat Griha Raksha**, is incorporated as part of a Package Policy or other policies.

3.7. **Bharat Griha Raksha** Standard Proposal Form, Standard Prospectus, Standard Policy Wordings (including optional covers offered in addition to the basic policy and in-built covers), Standard Key Features Document (KFD), Special Clause (Agreed Bank Clause) as provided for herein shall be adopted by all insurers.

3.8. No insurer shall change or alter any part of the wordings of these documents. However, where the proposer has not opted for any Optional Cover (optional covers being part of the Standard Policy Wordings), the same can be deleted from the Standard Policy Wordings.

## 4. Applicability

**Bharat Griha Raksha** is meant for covering Home Building and/or Home Contents in India.

## 5. Documentation

**Bharat Griha Raksha** has the following documents attached **(Annexure 1)**

(a) Standard Proposal Form

(b) Standard Prospectus

(c) Standard Policy wordings (including optional covers along with the basic cover)

(d) Standard Key Features Document (KFD)

(e) Standard Special Clause (Agreed Bank Clause)

## 6. Standard Proposal Form

While the Standard Proposal Form has been prescribed by these Guidelines, insurers shall include questions relevant to innovative add-ons, as the case maybe. However, no other questions shall be added nor can the proposal form be modified in any other manner.

## 7. Policy Schedule

7.1. Insurers shall design a Standard Policy Schedule which shall, at the minimum, contain the following information. Insurers shall also ensure compliance with the relevant provisions of the IRDAI (Protection of Policyholders' Regulations), 2017.

i. Details of Proposer

ii. Risk details

iii. Details of Policy Period

iv. Details of basic cover/s opted for (Home Building or Home Contents or both)

v. Details of in-built covers

vi. Details of optional cover/s opted for, if applicable.

vii. Details of innovative add-ons, as applicable

viii. Details of Sums Insured as applicable

ix. Details of premium paid

7.2. The Standard Policy Schedule shall be filed with the Authority for prior approval, along with other required documents following the procedure required under the extant Product Filing Guidelines.

## 8. Policy Duration

**Bharat Griha Raksha** policy duration shall not be more than 10 years.

## 9. In-built covers

In addition to the basic cover for Home Building (including additional structures as the case may be) and/or Home Contents (including automatic cover for Home Contents), **Bharat Griha Raksha** offers in-built covers for Loss of Rent and Rent for Alternative Accommodation, apart from providing cover for Removal of Debris and payment of Architect's, Surveyor's and Consulting Engineer's fees.

## 10. Optional covers

In addition to the basic cover and in-built covers, **Bharat Griha Raksha** offers two optional covers, namely, (1). Cover for Valuable Contents on Agreed Value Basis (under Home Contents cover) and (2). Personal Accident cover for insured and spouse where insured peril causes damages to Home Building and/or Home Contents and also results in the death of either or both of them.

## 11. Terrorism cover

11.1. Cover against terrorism is part of the basic product. Insurers shall attach the relevant clause reflecting the standard wordings agreed upon in the Indian Market Terrorism Risk Pool (IMTRIP) and build the agreed rate into the pricing of the product.

11.2. The same shall be reflected in the Technical Note when the product is filed with the Authority under the File and Use procedure of the Product Filing Guidelines.

## 12. Basis of Sum Insured

12.1 Home Building and Home Contents shall be insured on **Reinstatement/Replacement value basis**, as applicable. Insurance on market value basis either for building or contents is not permitted. Each insurer shall necessarily capture the carpet area of the Home Building and define the cost of construction per unit carpet area at the policy commencement date to arrive at the Sum Insured of the Building. The Sum Insured for Reinstatement/Replacement value, as applicable, can be higher than the defined cost of construction at the policy commencement multiplied by carpet area but NOT lower.

12.2 Optional cover for Valuable Contents on **Agreed Value Basis** shall be available on declaration of the details and submission of a Valuation Certificate. The requirement of submission of Valuation Certificate shall be waived if the sum insured opted for is up to Rs. 5 lakh and individual item value does not exceed Rs. 1 lakh.

12.3 Optional cover for Personal Accident (Death only) due to an insured peril for the Insured and spouse shall be available for a compensation amount of Rs. 5 Lakh per person.

12.4 For long-term policy, the Sum Insured for Building of **Bharat Griha Raksha** shall auto escalate @10% per annum. The auto escalation shall always be applicable on the base Sum Insured on a straight line method for a maximum of 100% of the Sum Insured at the Policy Commencement Date without additional premium. E.g. a Sum Insured of Rs. 10 Lakh at policy inception shall escalate to Rs. 11 Lakh by 1st policy anniversary, Rs. 12 Lakh by 2nd policy anniversary, Rs. 13 Lakh by 3rd policy anniversary and so on, with the maximum being Rs. 20 Lakh without additional premium.

12.5 For Annual Policy, the Sum Insured shall be automatically increased each day by an amount representing 1/365th of 10% of Sum Insured at the Policy Commencement Date.

12.6 The Sum Insured for General Home Contents shall be automatically taken as 20% of the Sum Insured of the Home Building subject to a maximum of Rs. 10 Lakh if the Home Building is covered, unless the Home Contents cover is opted out by the proposer as a recorded choice. For General Home Contents, the proposer can opt for a higher Sum Insured by specifically declaring the same along with details.

## 13 Premium

13.1 The premium collected under **Bharat Griha Raksha** shall be accounted under the Fire line of business.

13.2 Insurers shall lay down the Minimum Premium for **Bharat Griha Raksha** and state it clearly in the Prospectus.

13.3 Where short-period scales of rates are laid down, it shall be stated clearly in the Prospectus. Similarly, the scales of refund payable to the insured when the insured requests for cancellation of the policy shall be mentioned in the policy wordings against the relevant clause provided for. The scales shall be part of the filing under the extant Product Filing Guidelines.

## 14 Add-ons

14.1 All add-ons currently being used by insurers for the Standard Fire and Special Perils (SFSP) Policy for Dwellings **shall be deemed withdrawn with effect from 1st April, 2021**.

14.2 Insurers are permitted to file innovative add-ons to **Bharat Griha Raksha**.

14.3 However, these add-ons shall be filed in tranches. Not more than 5 add-ons shall be permitted to be filed on or before **31st March, 2021**. Subsequently, within the first 6 months of launch of the product, i.e., by 30th September, 2021 the second tranche, which shall again not exceed 5 in number, may be filed. The rest may be filed subsequent to that.

14.4 Premium for the add-ons should not exceed 50% of the base premium for **Bharat Griha Raksha**.

## 15 Filing procedure

15.1 The basic product, along with the optional covers, shall be subject to the File and Use procedure as stipulated in the Product Filing Guidelines.

15.2 All general insurers shall carry out the filing (which includes the pricing approach) for the basic product **on or before 28th Feb, 2021**.

15.3 Innovative add-ons, if any, shall be filed subject to Clause 14.3 above.

## 16 Underwriting Policy

Insurers shall carry out the required modifications in their Underwriting Policy bearing in mind the introduction of **Bharat Griha Raksha**.

## 17 Training for distribution of Bharat Griha Raksha

Insurers shall ensure that the agents, intermediaries and other permitted distribution channels have the necessary information and skills to explain and market the product. The required training needs to be imparted to them. For all online/digital sales, the extant regulatory framework that is applicable shall be scrupulously followed.

## 18 Technical Audit

The Technical Audit Department of the insurer shall ensure oversight over the underwriting of these products to ensure compliance with these Guidelines, apart from compliance with the extant Product Filing Guidelines.

## 19 Extant Product Filing Guidelines

Other than what has been provided for under these Guidelines, all extant provisions as per guidelines ref. IRDAI/NL/GDL/F&U/030/02/2016 dated 18th February, 2016 shall be applicable for **Bharat Griha Raksha**.

## 20 Miscellaneous

Insurers violating any of the provisions of these Guidelines shall be subject to regulatory action in accordance with the provisions of the applicable laws/ other framework.

***(Yegnapriya Bharath)***
Chief General Manager (Non-life)

# Guidelines for Fire and Allied Perils cover for standard products for Micro Businesses and Small Businesses --Bharat Sookshma Udyam Suraksha and Bharat Laghu Udyam Suraksha

***Ref: IRDA/ NL/GDL/MISC/005/01/2021***

*4th January, 2021*

## 1. Preliminary

Currently, the coverage for various risks against Fire and Allied perils is as per the Standard Fire and Special Perils (SFSP) policy provided for in the erstwhile All India Fire Tariff, 2001.

## 2. Objective

Through these Guidelines, two new standard products, namely **"Bharat Sookshma Udyam Suraksha"** and **"Bharat Laghu Udyam Suraksha"** are being introduced for covering micro and small level businesses respectively as detailed hererunder against Fire and Allied Perils replacing the Standard Fire and Special Perils (SFSP) Policy for the respective applicable risks.

## 3. General

3.1. These Guidelines for **Bharat Sookshma Udyam Suraksha** and **Bharat Laghu Udyam Suraksha** are issued in exercise of the powers conferred upon the Authority under Clause (i) of Sub Section (2) of Section 14 of IRDA Act, 1999 and in continuation of Notification F.No.IRDAI/Non-Life Insurance/5/171/2020 dated 28th December, 2020 issued in terms of Section 64 ULA (1) of Insurance Act, 1938.

3.2. These Guidelines shall come into **effect on 1st April, 2021**.

3.3. These Guidelines for **Bharat Sookshma Udyam Suraksha** and **Bharat Laghu Udyam Suraksha** shall replace the General Regulations, terms, conditions, clauses, warranties, policy, add-ons, endorsement wordings and proposal form under the various sections and relevant annexures of the erstwhile All India Fire Tariff (AIFT), 2001 for the risks being covered under these policies.

3.4. **Bharat Sookshma Udyam Suraksha** and **Bharat Laghu Udyam Suraksha** shall be mandatorily issued by general insurers for the respective applicable risks, both fresh and renewal **with effect from 1st April, 2021**.

3.5. (a). **Bharat Sookshma Udyam Suraksha** and **Bharat Laghu Udyam Suraksha** shall fall under the 'Retail' category of products.

(b). The definition of 'Retail products' as provided for in the Product Filing Procedures for General Insurance Products Ref.IRDAI/NL/GDL/F&U/030/02/2016 dated 18th February, 2016 (Product Filing Guidelines) shall stand modified to include Bharat **Sookshma Udyam Suraksha** and **Bharat Laghu Udyam Suraksha**.

3.6. Apart from being applicable for **Bharat Sookshma Udyam Suraksha** and **Bharat Laghu Udyam Suraksha** as independent standard products, these Guidelines shall also apply when B**harat Sookshma Udyam Suraksha** and **Bharat Laghu Udyam Suraksha** are incorporated as part of Package Policies and other policies offering cover against Fire and Allied perils for the applicable risks.

3.7. The Standard Proposal Form, Standard Prospectus, Standard Policy Wordings, Standard Key Features Document (KFD), Special Clause (Agreed Bank Clause), Standard Add-ons as applicable prescribed herein for **Bharat Sookshma Udyam Suraksha** and **Bharat Laghu Udyam Suraksha** respectively shall be adopted by all insurers.

3.8. No insurer shall change or alter any part of the wordings of these documents.

## 4. Applicability

4.1. **Bharat Sookshma Udyam Suraksha** is meant for

Offices, Hotels, Shops, Industrial/Manufacturing risks, Utilities located outside the compound of Industrial/ Manufacturing risks, Storage risks outside the compound of Industrial/Manufacturing risks and Tank farms/Gas holders outside the compounds of Industrial/ Manufacturing risks in India where the total 'value at risk' does not exceed Rs. 5 Crore (Rupees Five Crore) across all insurable asset classes at any one location at the commencement of the insurance.

4.2. **Bharat Laghu Udyam Suraksha** is meant for Offices, Hotels, Shops, Industrial/Manufacturing risks, Utilities located outside the compound of Industrial/ Manufacturing risks, Storage risks outside the compound of Industrial/Manufacturing risks and Tank farms/Gas holders outside the compounds of Industrial/ Manufacturing risks in India where the total 'value at risk' exceeds Rs. 5 Crore (Rupees Five Crore) but does not exceed Rs. 50 Crore (Rupees Fifty Crore) across all insurable asset classes at any one location at the commencement of the insurance cover.

4.3. 'Value at Risk' at any one location means the value of all property in that location including Buildings, Fittings and Fixtures, Plant and Machinery, Stocks, other contents etc where the proposer has insurable interest.

4.4. If the 'value at risk' during the policy period increases above the threshold of Rs. 5 Crore (Rupees Five Crore) for B**harat Sookshma Udyam Suraksha** or if it decreases below the threshold Rs. 5 Crore (Rupees Five Crore) or increases above the threshold of .50 Crore (Rupees Fifty Crore) for **Bharat Laghu Udyam Suraksha**, cover under the existing policy shall continue until expiry of the policy. However, at the time of policy renewal, the applicable policy shall be issued.

## 5. Documentation

**Bharat Sookshma Udyam Suraksha** and **Bharat Laghu Udyam Suraksha** have the following documents attached hereto (Annexure II and Annexure III respectively)

## 6. Standard Proposal Form

While the Standard Proposal Form has been prescribed by these Guidelines, insurers shall include questions relevant to innovative add-ons, as the case may be. However, no other questions shall be added nor can the proposal form be modified in any manner.

## 7. Policy Schedule

7.1. Insurers shall design a standard policy schedule which shall, at the minimum, contain the following information, apart from ensuring compliance with the relevant provisions of IRDAI (Protection of Policyholders' Interests) Regulations, 2017.

i. Details of Proposer
ii. Details of Policy Period
iii. Sum Insured details
iv. Specific Contents coverage
v. Risk details
vi. In-built Cover details
vii. Details of standard add-ons
viii. Details of innovative add-ons, as applicable
ix. Policy Deductible
x. Premium collected

7.2. The Standard Policy Schedule shall be filed with the Authority for prior approval, along with other required documents following the procedure required under the extant Product Filing Guidelines.

## 8. Policy Duration

8.1. The duration of **Bharat Sookshma Udyam Suraksha** and **Bharat Laghu Udyam Suraksha** shall not exceed 12 months.

8.2. Short period policies may be issued only for specific valid reasons such as coinciding with the financial year or the date of renewal of other policies of the insured.

| Bharat Sookshma Udyam Suraksha | Bharat Laghu Udyam Suraksha |
|---|---|
| 1. Standard Proposal Form | 1. Standard Proposal Form |
| 2. Standard Prospectus | 2. Standard Prospectus |
| 3. Standard Policy Wordings (including eight in-built covers apart from the basic cover) | 3. Standard Policy Wordings (including seven in-built covers apart from the basic cover) |
| 4. Standard Key Features Document (KFD) | 4. Standard Key Features Document (KFD) |
| 5. Special Clause (Agreed Bank Clause) | 5. Special Clause (Agreed Bank Clause) |
| 6. One Standard Add-on (Declaration Policy) | 6. Two Standard Add-ons (Declaration Policy, Floater Cover) |

8.3. Extension of short period policy shall not be permitted and it is to be replaced by an annual policy.

## 9. In-built Covers

The following in-built covers are available under Bharat Sookshma Udyam Suraksha and Bharat Laghu Udyam Suraksha respectively.

| In-built Covers | Bharat Sookshma Udyam Suraksha | Bharat Laghu Udyam Suraksha |
|---|---|---|
| Additions, alterations or extensions | Available | Available |
| Temporary removal of stocks | Available | Available |
| Cover for specific contents | Available | Available |
| Start-up expenses | Available | Available |
| Professional fees | Available | Available |
| Removal of debris | Available | Available |
| Costs compelled by Municipal Regulations | Available | Available |
| Floater Cover for Stocks | Available | Not Available |

## 10. Standard Add-ons

| Standard Add-ons | Bharat Sookshma Udyam Suraksha | Bharat Laghu Udyam Suraksha |
|---|---|---|
| Declaration Policy for Stocks | Available | Available |
| Floater Cover for Stocks | Already an in-built cover | Available |

**Note: It is permissible to opt for both Declaration Policy and Floater Cover**

## 11. Terrorism Cover

11.1. Cover against terrorism is in-built. Insurers shall attach the relevant clause reflecting the standard wordings agreed upon in the Indian Market Terrorism Risk Insurance Pool (IMTRIP).

11.2. Insurers to build the agreed rate into the pricing of the products. The same shall be reflected in the Technical Note when the product is filed with the Authority under the File and Use procedure of the Product Filing Guidelines.

## 12. Basis of Sum insured

12.1. All Building/ Structure, Plant & Machinery, Furniture & Fixtures shall be insured on **Reinstatement Value/ Replacement Value basis only**. There is no option to insure it on market value basis.

12.2. Stocks of raw material shall be covered on **Landed Cost** at the insured's premises. Stocks in process shall be covered at **Input Cost** of the stock. Finished goods shall be insured for the **Manufacturing Cost**. In respect of finished goods sold but not delivered, where under the conditions of sale, the sale contract is cancelled by reason of any damage insured under the policy either wholly or to the extent of the damage, the Sum Insured shall be based on the **Contract Price**.

12.3. If the proposer does not wish to cover goods held in trust, it needs to be specifically declared before inception of cover; else it shall be deemed to be covered.

12.4. Valued policies can be allowed only for properties such as Curios, Works of Art, Manuscripts, Obsolete machinery and the like subject to the valuation certificate being submitted and found acceptable by the insurers.

## 13. Partial Insurance

13.1. It is not permissible:

(a) to issue a policy covering only certain portions of the Building.

(b) to issue a policy covering only specified machinery (except Boilers), parts of machine or accessories thereof housed in the same block/ building.

## 14. Silent Risk

A silent risk denotes Industrial/Manufacturing risks and Utilities located outside the compounds of industrial/manufacturing risks where no manufacturing/storage activities are carried out continuously for 30 days or more.

## 15. Premium

15.1. The premium collected under **Bharat Sookshma Udyam Suraksha** and **Bharat Laghu Udyam Suraksha** shall be accounted under the Fire line of business.

15.2. Where short-period scales of rates are laid down, it shall be stated clearly in the Prospectus. Similarly, the scales of refund payable to the insured when the insured requests for cancellation of the policy shall be mentioned in the policy wordings against the relevant clause provided for. The scales shall be part of the filing under the extant Product Filing Guidelines.

15.3. It is not permissible to split sum insured of the same property under various policies for different periods of insurance to derive advantage of deferred instalments for payment of premium.

## 16. Compulsory Excess/Deductible

16.1. Compulsory Excess/Deductibles shown under this policy will be applicable and cannot be increased by the insurers by any means.

16.2. Excess/Deductible for in-built cover for Terrorism will be guided by Indian Market Terrorism Risk Insurance Pool (IMTRIP).

## 17. Add-on Covers

17.1. All add-ons currently being used by insurers for the Standard Fire and Special Perils (SFSP) Policy for risks that fall under what **Bharat Sookshma Udyam Suraksha** and **Bharat Laghu Udyam Suraksha** seek to cover respectively **shall be deemed withdrawn with effect from 1st April, 2021**.

17.2. Innovative add-on covers may be filed by insurers for both **Bharat Sookshma Udyam Suraksha** and **Bharat Laghu Udyam Suraksha**.

17.3. However, these add-ons shall be filed in tranches. Not more than 5 add-ons shall be permitted to be filed **on or before 31st March, 2021**. Subsequently, within the first 6 months of launch of the product, i.e., by 30th September, 2021 the second tranche, which shall again not exceed 5 in number, may be filed. The rest may be filed subsequent to that.

17.4. Premium for the add-ons should not exceed 50% of the base premium for both **Bharat Sookshma Udyam Suraksha** and **Bharat Laghu Udyam Suraksha**.

## 18. Filing Procedure:

18.1. The basic product along with the standard add-ons shall be subject to the File and Use procedure as stipulated in the Product Filing Guidelines.

18.2. Insurers shall carry out the filing (which includes the pricing approach) for the basic product along with standard add-ons **on or before 28th Feb 2021**.

18.3. Innovative add-ons shall be filed in accordance with Clause 17.3 above.

## 19. Underwriting Policy

Insurers shall carry out the required modifications in their Underwriting Policy bearing in mind the introduction of these policies.

## 20. Training and Distribution

Insurers shall ensure that the agents, intermediaries and other permitted distribution channels have the necessary information and skills to explain and market the product. The required training needs to be imparted to them. For all online/ digital sales, the extant regulatory framework that is applicable shall be scrupulously followed.

## 21. Extant Product Filing Guidelines

Other than what has been provided under these Guidelines, all extant provisions as per guidelines Ref. IRDAI/NL/GDL/F&U/030/02/2016 dated 18th February, 2016 shall be applicable.

## 22. Technical Audit

The Technical Audit Department of insurer shall ensure oversight over the underwriting of these products to ensure compliance with these Guidelines, apart from compliance with the extant Product Filling Guidelines.

## 23. Miscellaneous

Insurers violating any of the provisions of these Guidelines shall be subject to regulatory action in accordance with provisions of the applicable laws/ other framework.

## 24. Effective date of Guidelines

These Guidelines shall come into **effect on 1st April, 2021**.

***(Yegnapriya Bharath)***
Chief General Manager (Non-life)

Advertorial

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

The beginning of the year 2021 started at Birla Institute of Management Technology (BIMTECH) with good news coming from all quarters for the Post Graduate Diploma in Business Management(PGDM) - Insurance Business Management programme.

## Student Achievements

### Events and Awards

***Virtual Business Professional(VBP) in collaboration with Marshall School of Business(USA)***

Students of BIMTECH completed on a global level along with students from 16 universities located in the USA, Germany, Spain, Taiwan, etc. Amazon, Netflix and Google were project partners.

Using a social collaboration platform powered by Artificial Intelligence, students in each planned and held virtual meetings, collaboratively conducted and research, co-authored documents and used project management tools to find solutions.

5 students from BIMTECH were part of the winning teams out of 10 teams. SaniaShaheen from Insurance Business Management Programme mentored by Prof.(Dr.) Archana Srivastava got 3 rd. position and was awarded by Google.

### Late Shri G.D. Birla Academic Merit Scholarships

The objectives of Late Shri G.D. Birla Scholarships areto motivate students for continuous improvement in their academic performance.

Anirudh Lal and Karan Tyagi students of the 2020-2022 Batch of PGDM (Insurance Business Management) programme were the scholarship awardees. Roshy Saini and Syed Madhat Ali students of the 2019-2021 Batch of PGDM (Insurance Business Management) were granted scholarships.

### Debate Competition

The Theatre and Debating Society of BIMTECH known as "Majlis" organized an interdepartmental, student-faculty, debate competition. The topic for the debate was a highly controversial notion, "Internet: A Friend or A Foe for Human Rights". The regular event has a format where faculties are given the name "Wise" and students are called "novices". Faculties and students from different business management specialization streams compete and speak for and against a topic. The team from the PGDM (Insurance Business Management) programme comprising of Prof. Pratik Priyadarshi and Vasu Gupta came runners up in the debate and grabbed the coveted title of winners.

The importance of student-faculty debate is immense when it comes to the advantages it has to offer to the students as well as the audience. The students get to learn a lot from the faculty members they are paired up with. Also, the quality of arguments raised by the teams is enhanced with the involvement of faculty members in the debate.

The Theatre and Debating Society of BIMTECH will continue to organize such events in the future that contribute to the overall growth of the students and provide a great opportunity for learning and growth.

## Faculty Achievement

### Research Synergy among Faculty and Students

In order to foster research mind set and multidisciplinary approach among students, Prof Saloni Sinha, Faculty of Business Communication and Prof Manoj K Pandey, Faculty of Marketing, offered an innovative collaborative research project to students. As a successful outcome of this pedagogical innovation of offering "module by research", a research paper titled " An Exploratory Study of Advertising Appeals of Life and Health Insurance Advertisements in India" was presented at the 4th International Conference on Marketing, Technology & Society organised by Indian Institute of Management, Kozhikode on December 7, 2020. Two students of PGDM Insurance 2019-21 batch, Ms Shreya Rakesh and Mr Peeyush Singh co-authored the paper along with the faculty.

# Govt to increase FDI from 49% to 74% in insurance

Finance minister Nirmala Sitharaman increased the foreign direct investment (FDI) limit in the insurance sector from the existing 49% to 74%. "I propose to amend the Insurance Act, 1938 to increase the permissible FDI limit from 49% to 74% in insurance companies and allow foreign ownership and control with safeguards," finance minister said while presenting the Budget 2021-22.

In 2015, the government hiked the FDI cap in the insurance sector from 26% to 49%. The government has earlier allowed 100% foreign direct investment in insurance intermediaries. Intermediary services include insurance brokers, reinsurance brokers, insurance consultants, corporate agents, third party administrators, surveyors and loss assessors.

Second announcement in Budget was made in respect of taxation of ULIPs. Tax exemption on maturity proceeds of ULIPs or the unit linked insurance plans offering components of both life insurance and investment, in debt and equity, will be available only if the annual premium paid is upto Rs. 2.5 lakh.

The Budget proposal will apply to ULIPs purchased on or after February 1. However, the amount received on death, by nominee, will continue to remain exempt without any limit on the annual premium.

"For annual premium above Rs. 2.5 lakh for ULIPs, the maturity benefit will now be taxed as Capital Gains. Thus, the budget endeavours to selectively bring in taxation parity between life insurance companies and mutual funds," said Rushabh Gandhi, Deputy CEO, IndiaFirst Life Insurance Company.

Under existing provisions of the Income Tax Act, there is no cap on the amount of annual premium paid by any person during the term of the policy. Stating this, the Budget documents said, "Instances have come to the notice where high networth individuals are claiming exemption under this clause by investing in ULIP with huge premium. Allowing such exemption in policy/policies with huge premium defeats the legislative intent... to provide benefit to small and genuine cases of life insurance."

Thus, it has proposed that ULIPs where the annual premium paid of over Rs. 2.5 lakh would be treated as equity oriented funds. The rate of tax will depend on period of holding.

The government also announced that two public sector banks and one general insurance company will be privatised and LIC will be listed on the bourses in the financial year 2021-22 as part of the consolidation in the banking and insurance sectors.

Union Budget of 2021-2022 has given a major thrust on accelerating capital requirement through divestment and increase in FDI in the insurance sector. The Vehicle Scrappage policy will help in sales of new Motor Vehicles and in turn will contribute to the Increase in New Motor Premium. The increase in FDI, announced by the FM, from 49% to 74% in Insurance Sector will give a major boost to the Insurance Industry and will help in garnering more capital, improve solvency and retention capacity within our Country. The Budget proposes to privatize One Public Sector Company in FY 2021-22, which is a good move to bail out cash starved PSU and improve efficiency. Also, the LIC IPO proposed in FY 2021-22 will increase the capital Market and allow government with its divestment process and reduce the Fiscal Deficit. - Mr. Sumit Bohra, President, Insurance Brokers Association of India (IBAI) & CEO, GlobeSecure Insurance Brokers Pvt. Ltd.

The COVID-19 pandemic has shown that further penetration of insurance in India is needed and for that capital infusion is required. The FDI hike will give the foreign promoter an opportunity to buy out their cash-strapped Indian partners if required and provide the needed cash infusion," VighneshShahane, managing director and chief executive officer, Ageas Federal Life said.

Commenting on the announcement, Shanai Ghosh, executive director and chief executive officer, Edelweiss General Insurance said, "This move will help increase avenues to bring in capital inflows in order to realise the full potential of Insurance in the country. This move will help strengthen the sector and also help further penetration of insurance in the country, which still is far behind the world average."

"The Union Budget indeed as assured by the Finance Minister will lead to aspirational India, economic development of our country and a caring society. Through this Budget, the Government has focused on infrastructure, rural growth, encouraging use of technology and generating employment which in turn will benefit the economy. I firmly believe that kind of healthcare facilities in a country determine the life expectancy of its citizens. By setting up viability fund to develop and empanel more hospitals in Tier II and Tier III cities through PPP model under AB-PMJAY and allocating Rs. 6,000 crore for the same, will allow beneficiaries to access quality medical treatment. Thus, providing a much needed boost to penetration of health insurance. Additionally, by proposing this optional new personal income tax regime, Government will be putting more money in the hands of people which should boost consumption." said, Tapan Singhel, MD & CEO, Bajaj Allianz General Insurance.

"The budget attempts a balancing act of promoting long term growth while maintaining fiscal prudence given the constraints. It pursues long-term measures towards infrastructure development, higher education, technology adoption etc. which is positive. For the non-life insurance industry, higher spends on infrastructure i.e. roads, airports, water pipeline networks will drive demand for fire and engineering covers. Health insurance coverage should get a boost given the focus on expanding the hospital network for Ayushman Bharat. The capital infusion in the state owned insurers was necessary and will hopefully encourage better underwriting discipline in the future." said, Bhargav Dasgupta, MD & CEO - ICICI Lombard General Insurance

"This is a " LagheRaho" Budget as there were no quick fixes or grandiose plans but lots and lots of initiatives which will all help keep the economy on course for the 10% realistic Nominal GDP growth planned. Big spend push through National Infra Pipeline, Transport sector and 16 initiatives on Farm growth should help rural economy and growth. Fiscal deficit at 3.5% for Fy 21 is a relief as we stay the course and yet spend extra within limits. Disinvestments target of 2.1 L cr will have to be met through LIC, IDBI etc. Overall, time to switch of TV Channels and go back to the hard grind of execution to get the economy on track. So, as we chase the 5 tn GDP target, its 'LageRaho' for now." said, Mahesh Balasubramanian, MD & CEO, Kotak Mahindra General Insurance Co. ❑

## IRDAI panel for separate payments of vehicle, insurance premium

IRDAI panel has suggested payment of cost of vehicle and insurance premium through separate cheques. IRDAI had issued MISP guidelines in 2017 with the intention of streamlining the process and bringing the practices of vehicle insurance, being sold by automotive dealers under the provisions of the Insurance Act, 1938. Motor Insurance Service Provider (MISP) refers to an automobile dealer appointed by the insurer or the insurance intermediary to distribute and/ or service motor insurance policies of automotive vehicles sold through it.

In June 2019, the regulator had set up a committee to review the MISP guidelines. The panel has submitted report in which it has made various recommendations for orderly conduct of motor insurance business through MISP channel. Among other issues, the panel examined the current practice of collecting the premium payment from the customer while soliciting the motor insurance policy. Under the present system, it said there is a lack of transparency in the cost of insurance premium when the customer buys the vehicle for the first time through the automotive dealer and makes the payment through one single cheque.

As the MISP makes payment to the insurance company from his own account, "the customer does not know the insurance premium being paid as it is subsumed in the cost of the vehicle", the committee said. It suggested that this lack of transparency is not in the interest of the policyholders' interest as the true cost of insurance is not known to the customer. "The customer may not be aware of the coverage options and discounts available in the process. The customer also cannot negotiate with the MISP to get the best coverage at the optimal price."

The committee recommended that the customer should make payment to the insurance company directly which is facilitated by the MISP. "MISP shall not collect the insurance premium amount in its own account and then transfer the same to the insurance company," it added. According to the report, the motor insurance business sourced by MISPs through brokers and insurers put together constitutes around 25 per cent of the total motor insurance business or around 11.25 per cent of the overall general insurance business. In its report, the committee said that given the potential opportunity for motor insurance business through the MISPs, there is a need to develop and strengthen regulatory framework and supervision activities for this distribution channel. The panel has also made recommendations on the original equipment manufacturers (OEMs). It noted that OEMs wield tremendous influence over the automotive dealers.

# LEGAL

## Ombudsman asks Bajaj Allianz to pay medical bill of Covid patient

Milind Kharat, Insurance Ombudsman, Mumbai & Goa, has directed Bajaj Allianz General Insurance, to pay one of its customers the entire hospitalization expenses, barring non-medical items, incurred for Covid-19 treatment.

Abhay Chhapia, who had bought a health insurance policy from Bajaj Allianz General Insurance, with a sum assured of Rs 30 lakh, had availed of medical treatment in Mumbai based Wockhardt Hospital for Covid-19.

However, Chhapia had filed a complaint with the Ombudsman against short-settlement of a claim lodged under the policy by Bajaj Allianz General Insurance. He complained that a claim lodged for Rs 3.1 lakh for the treatment of Covid-19 (positive) undergone by him at Wockhardt Hospital was settled by Bajaj Allianz General Insurance on cashless basis with a deduction of Rs.1.3 lakh almost half the amount of claim.

He stated that he has been associated with the company for many years and further argued that he, as an individual, has no say or bargaining power in front of the hospital and had to pay whatever amount was charged to him.

After scrutinising the documents produced on record coupled with the depositions of both the parties, Kharat observed that the hospital has not adhered to Preferred Provider Network (PPN) rates and has overcharged the patient in violation of their agreement with the Bajaj Allianz General Insurance.

## CCPA instructs RBI and IRDAI to check cases of Failed transactions

The Central Consumer Protection Authority (CCPA) has written to the Reserve Bank of India (RBI) and the insurance regulator, IRDA to look into complaints of failed transactions but money not reversed, delay in crediting the amount and inordinate time taken in processing of insurance claims.

It has urged the IRDA to take up the issue of addressing consumer grievances with the insurance companies and direct them to adhere to the timelines stipulated in the IRDAI Protection of Policyholders' Interest Regulations, 2017.

The CCPA wrote to the IRDA and RBI recently after analysing consumer grievances received in the National Consumer Helpline (NCH), which is being run by the consumer affairs department. The CCPA analysed complaints lodged between April and December 20.

The NCH data show that out of 6,018 grievances registered relating to the insurance sector, nearly 1,200 pertained to delay in getting the claim amount. "You may agree that the two most important factors that influence consumer satisfaction in the insurance sector - aside from the perceived fairness of the settlement itself - are the speed and transparency of the claims process," CCPA chief commissioner, Nidhi Khare wrote to IRDA chairman, S C Khuntia.

## Govt mulls online filing of complaints with insurance ombudsman

The finance ministry recently issued a draft Insurance Ombudsman (Amendment) Rules, 2020, to amend the 2017 Insurance Ombudsman Rules. Under the new rules, the Council for Insurance Ombudsmen will take over the duties of the Executive Council of Insurers.

According to the circular, "...an online platform has to be developed by the Council for Insurance Ombudsmen for online submission and tracking of the status of complaints lodged with any office of Ombudsman."

Chandan D. S. Dang, executive director,SecureNow.in, said the draft rules specify insured-friendly changes such as providing an online management system for submission and tracking of complaints to Ombudsmen.

Dang added that, "As per the new notification, the Ombudsman may, on his own or the request of the complainant, hear a matter through video conference if he is satisfied that circumstances so require, after notifying the complainant and the insurer concerned, subject to guidelines issued by the Council for Insurance Ombudsmen in this regard and published on its website."

An insurance ombudsman is created for individual policyholders to have their complaints settled out of the court's system in a cost-effective, efficient and impartial way.

Currently, as per policyholder.gov.in website, there are 17 insurance ombudsman in different locations and any person who has a grievance against an insurer, may himself or through his legal heirs or nominee, can make a complaint in writing to an insurance ombudsman within whose jurisdiction the branch or office of the insurer complained against or the residential address or place of residence of the complainant is located.

## Ways to redress grievances

Insurance products, be it life, health or motor-related can be somewhat difficult to understand in terms of coverage, exclusions and other aspects such as sub-limits, co-payments and no claim bonus. The awareness about insurance products is still low compared to developed nations. This leaves room for misrepresentation, misselling and sometimes even fraud.

For instance, recently some "policyholders" of Bajaj Allianz General Insurance tried to make a claim on their motor insurance policy. But the insurer didn't settle their claims as the policies held by policyholders were fake. Though this insurer said to have taken the necessary steps against the fraudsters, it was the "policyholders" who were left in the lurch. While these individuals will have to fight it out in court, others who hold a genuine policy have recourse in case of any issues.

So, if you are an aggrieved policyholder, here is how you can file a complaint.

If you have any issue or a complaint against an insurer, the first step is to inform the respective insurance company's grievance redressal cell. All life and general insurance companies provide contact details (phone number and email address) on their website and the policy document.

You can reach out to insurers through their digital touch points such as WhatsApp, mobile apps, chatbots and e-mails. Alternatively, you can directly connect with the insurer and raise a complaint by calling the toll-free number provided on the website and in the policy document.

The insurer should acknowledge the complaint within three days and provide a solution within 15 days or as per the time limit set by the insurance regulator, IRDAI. The regulator has defined the maximum turnaround time (TAT: time taken for completing a task or process) for different services provided by the insurers. For instance, the maximum TAT for life insurers when it comes to settlement of maturity claim or survival benefit is 15 days.

If your issue is unresolved, you can write to the grievance redressal officer of the respective insurer. The contact details available in your policy document and on the insurer's website.

If your complaint is still not addressed within the time limit or you are not satisfied with the resolution offered, you can contact IRDAI directly. You can register your complaint in one of the three ways.

First, call the toll free number (available on the IRDAI website/insurers' websites). Two, send an e-mail along with the resolution offered by the insurer, if any, and your policy document and other relevant documents, if any. Three, you can register your complaint online using Integrated Grievance Management System.

Alternatively, you can write to the regulator's grievance cell with the requisite documents. For this, you need to fill the complaint registration form (IRDAI's website) and post the same to the Consumer Affairs Department- Grievance Redressal Cell, IRDAI.

Beyond this, you have the right to lodge your complaint with the insurance ombudsman or a consumer/civil court. The details of the same available on the respective insurers' websites.

However, before you escalate the matter with IRDAI or the ombudsman, you must first write to your insurer. Do note that, you don't have to pay a fee for making a complaint. ❑

# IRDAI Circular

## Obligatory Cession for the financial year 2021-22

*IRDAI/RI/6/172/2020*

*Date:04-01-2021*

1. **Applicability:** This notification shall be applicable to Indian Re-insurers and other applicable insurers as per the provisions of Section 101A of the Insurance Act, 1938.
2. **Percentage of Cession:** The percentage cession of the sum insured on each General Insurance Policy to be reinsured with the Indian Re-insurer(s) shall be 5% (five percent) in respect of insurance attaching during the financial year beginning from 1st April, 2021 to 31st March, 2022, except the terrorism premium and premium ceded to Nuclear Pool, wherein it would be made 'NIL'. The entire Obligatory Cession is to be placed with General Insurance Corporation of India (GIC Re) only.
3. **Terms & Conditions:**
   a) **Notice of information on cession:**
      i) There would be no limit on sum insured applicable for the cessions made during the period from 1st April, 2021 to 31st March, 2022.
      ii) In view of the above, the Indian Re-insurer may require the ceding insurer to give immediate notice of underwriting information of any cession exceeding an amount as specified by the former. The ceding insurer shall inform the Indian Re-insurer at all times whenever the cession exceeds such specified limits.

   b) **Commission:**
   Percentage of commission on obligatory cession for different classes of business shall be as follows:
      i) Minimum 5% for Motor TP and Oil & Energy insurance.
      ii) Minimum 10% for Group Health insurance.
      iii) Minimum 7.50% for Crop Insurance.
      iv) Average Terms for Aviation insurance.
      v) Minimum 15% for all other classes of insurance business.

   Commission over and above, can be as mutually agreed between Indian Re-insurer(s) and the ceding insurer.

   c) **Profit Commission:**
   The Indian Re-insurer shall share the profit commission, on 50%:50% basis, with the ceding insurer based on the performance and surplus of the total obligatory portfolio of the ceding insurer, after factoring the following:
      i) Incurred loss % (to be worked at the end of 3 financial years).
      ii) Management Expenses at 2%.
      iii) Profit at 5%.
      iv) Commission at 15%.
      v) Loss ratio at 50% to 78%.

   No profit commission is payable if the loss ratio exceeds 78%. Profit commission shall not exceed 14%.

***Dr. Subhash C. Khuntia***
Chairman

## De-notification of All India Fire Tariff (AIFT), 2001 for certain risks and Introduction of standard products and guidelines for Dwellings, Micro and Small Businesses

***IRDA/NL/GDL/MISC/006/01/2021***

*Date:04-01-2021*

1. The process of bringing the Fire and Allied Perils Insurance business out of the ambit of the All India Fire Tariff, 2001 which began in 2006-07 and 2007-08 with de-tariffing of the pricing aspect, will stand completed with effect from 1st April, 2021 for certain businesses, namely dwellings and micro level and small level enterprises as detailed in Notification F.No. IRDAI/Non-Life Insurance/5/171/2020 dated 28th December, 2020 attached.
2. With effect from 1st April, 2021, Fire and Allied Perils Insurance for these businesses shall be governed by the Authority's Guidelines bearing Ref. IRDA/ NL/GDL/MISC/ 004/01/2021 and Ref. IRDA/NL/GDL/MISC/005/01/2021 respectively, both dated 4th January, 2021, as attached.
3. The Guidelines prescribe standard products under the Retail category for the three identified segments.
4. Insurers shall carry out the necessary preparatory work to transition to the new products replacing the current Standard Fire and Special Perils (SFSP) policy for the identified categories. Needless to mention, the SFSP policies issued upto 31st March, 2021 shall continue till the expiry of the respective policy periods at which point they shall be replaced with the new products as applicable.
5. Transition to the new products would entail the following steps to be taken by insurers:
   i. Follow the product filing procedure set out in the Product Filing Guidelines as well as the respective specific guidelines for the various products that will come into effect from 1st April, 2021. The filing shall be carried out through the Business Analytics Project (BAP).
   ii. Ensure that all agents, intermediaries and other applicable distribution channels are made fully aware of the three products and appropriate training is given to them, apart from making available the required literature.
   iii. Create awareness amongst policyholders and the general public about the products. Apart from communicating one to one as may be necessary with the policyholders, insurers should display the products on their website with a Frequently Asked Questions section. We suggest that insurers have a separate team to address queries and doubts of policyholders and the general public.
   iv. Insurers should undertake the necessary changes in their IT systems to launch the products with effect from 1st April, 2021.
   v. Various other aspects such as changes required from the perspective of Reinsurance, Accounting etc are to be addressed as well.
6. The Authority will be organizing a webinar on the subject for all insurers shortly, the details of which will be intimated separately.
7. Questions, if any, may be addressed to nl-products@irdai.gov.in

Please acknowledge and confirm having noted the contents of this communication.

***(Yegnapriya Bharath)***
Chief General Manager (Non-life)

## Constitution of Health Insurance Advisory Committee

***IRDAI/HLT/ORD/Misc/010/01/2021***

*Date:13-01-2021*

1. Health Insurance in India has grown significantly in recent years and is expected to continue in the coming years. Insurance Industry is offering various products/ services to cater to the needs of the society and also bringing in innovative products/services regularly.
2. IRDAI has taken various steps to ensure orderly growth of the Health Insurance Industry, improving efficiencies of health insurance system and protect the interests of the policyholders.
3. In this background, it is decided to constitute a committee of experts to advise the Authority on various aspects with the following Members:
   i. Dr Nachiket Mor, PhD, Visiting Scientist, The Banyan Academy of Leadership in Mental Health
   ii. Dr A.K. Chand, Professor and Neurosurgeon, Bangalore
   iii. Dr B.K. Mohanti, Former Professor and Oncologist, AIIMS
   iv. Dr K. Hari Prasad, Anaesthetist, Hyderabad
   v. Dr Kaushik Mukherjee, Cardiothoracic and Vascular Surgeon, Kolkata

vi. Dr Khushali P Gambhir, Homoeopathic Physician, Chennai

vii. Dr Manas Kumar Panigrahi, Neurosurgeon, Hyderabad

viii. Dr Arabind Panda, Urologist, Hyderabad

ix. Dr Bagyam Raghavan, Radiologist, Chennai

x. Dr Pankaj Sharma, IRDAI, Member Convener

4. Chairperson, IRDAI shall be Chairperson of the Committee and Member (Non-Life) shall be Vice Chairperson of the Committee.

5. Terms of reference for the Committee shall be:

   i. To examine the availability of the health insurance products in the country in the light of the need of the Indian Society and recommend suitable products and processes.

   ii. To suggest approach on coverage of specific disease or an area of practice (e.g cardiology)

   iii. To examine the extant health insurance product structure in terms of policy conditions to protect the interest of the policyholders.

   iv. To develop strategy on treatment protocol or rate structure to improve affordability of health insurance.

   v. To examine any other matter relevant to health insurance sector.

6. The Committee may meet as often as needed and may submit separate recommendations on specific issues taken up.

7. The tenure of the Committee will be one year.

8. This has the approval of the Competent Authority.

***(M. Pulla Rao)***
Executive Director, IRDAI

## Communication on settlement of health insurance claims against General Insurance Council's instructions dated 20th June 2020 on "Reference Rates for COVID-19"

***IRDAI/HLT/REG/CIR/011/01/2021***

Date:13-01-2021

1. Attention is drawn to the Circular ref: "Reference rates for COVID-19 treatment" dated 20th June 2020 issued by General Insurance Council (GIC).

2. In case of "Cashless Claims" under a health insurance policy, the claims shall be settled as per the tariff decided by the parties in compliance to provisions of Regulation 31 of IRDAI (Health Insurance) Regulations, 2016. However, the insurers shall make efforts to have agreement with health providers on rates for treatment of Covid-19 similar to other diseases for which rate agreements are in place. Also, while entering into such agreements, the reference rate of GI council can be kept in view for guidance alongwith rates fixed by State Governments and Union Territory administration, if any and as relevant.

3. All the insurers are directed to ensure that the "Reimbursement claims" under a health insurance policy shall be settled as per the terms and conditions of the respective policy contract. Hence, the insurers shall honor all the health insurance claims as per the terms and conditions of the policy contract.

4. Insurers are advised to issue suitable guidelines on this to all TPAs.

5. This has the approval of Competent Authority.

***(D V S Ramesh)***
General Manager (Health)

## Filing of Half-Yearly PoSP Returns in IIB Portal

***Ref. No:IRDA/INT/CIR/PSP/307/2020***

*Date:30-12-2020*

1. This has reference to guidelines issued by the Authority on Point of Sales Person (POS) vide its Circular Nos. IRDA/Int/GDL/ORD/183/10/2015 dt. 26.10.2016, IRDA/LIFE/GDL/GLD/222/11/2016 dt. 07.11.2016 No. IRDAI/INT/CIR/PSP/130/06/2017 dt. 05.06.2017 and No. IRDAI/LIFE/CIR/MISC/215/12/2019 DT.02.12.2019 wherein the sponsoring entities have been advised to submit data pertaining to Point of Sales to the Authority.

2. In order to streamline the process of the submission and generate MIS reports a provision has been made at https://pos.iib.gov.in portal to upload the half yearly data.

3. Insurers and insurance intermediaries are therefore advised to upload the Half yearly data on POS portal commencing from the financial year 2020-21. The half yearly data upto September shall be uploaded by 31.01.2021 and the data upto 31.03.2021 by 30.04.2021. In future the half yearly data upto 30/09 shall be uploaded on or before 30/10 and data upto 31/3 by 30/4.

***(Randip Singh Jagpal)***
Chief General Manager

## Important Insurance Contacts

### Insurance Regulatory and Development Authority of India
Sy. No. 115/1, Financial District
Nanakramguda, Gachibowli
Hyderabad - 500 032
Tel: 040-20204000
Email:irda@irda.gov.in

### Policyholder Online Complaint to IRDAI
Integrated Grievance Management System (IGMS) provides a gateway for policyholders to register complaints with insurance companies first and if need be escalate them to the IRDA Grievance Cells online through website.
IRDA Grievance Call Centre (IGCC) can be accessed through
a toll free number 155255 or 18004254732 for voice calls
Email: complaints@irda.gov.in

### Policyholder Letter/Fax Complaint to IRDAI
Consumer affairs Department,
Insurance Regulatory and Development Authority, Sy. No. 115/1, Financial District
Nanakramguda, Gachibowli
Hyderabad - 500 032
Ph. : 8275059078

### IRDA Consumer Website
http://www.policyholder.gov.in/

### General Insurance Council
5th Floor, National Insurance Building,
14, Jamshedji Tata Road
Churchgate - Mumbai 400020, India
Tel: +91 22 2281 7511 / 12
Mobile : 8275059078
Fax: +91 22 2281 7515
E-mail : gicouncil@gicouncil.in

### Life Insurance Council
4th Floor, Jeevan Seva Annexe Building,
Santacruz (West) Mumbai
Phone : (+91-22) 26103303 / 06
Email: licouncil@lifeinscouncil.org

### Insurance Institute of India
C-46, G Block, Near Dhirubhai Ambani International School,Bandra Kurla Complex,Bandra (E), Mumbai - 400 051.
Tel No. 022-26544200
Email : mrm@iii.org.in

### Indian Institute of Surveyors & Loss Assessors
Door No. : 3-5-890,Flat No.315, Paras Chambers, Himayath Nagar, Hyderabad -29.
Telephone : 040 - 66253666
E-mail : admin@iiisla.co.in

### Institute of Actuaries of India
Unit no. F-206, 2nd Floor, 'F' Wing in Tower 2, Seawoods Grand Central, Plot no R-1, Sector 40,
Seawoods, Near Seawoods Railway Station
Navi Mumbai - 400 706
Boardline: +91 22 62433333|
Fax: +91 22 39686050
www.actuariesindia.org

## Insurance Websites

### Regulatory Bodies

| | |
|---|---|
| Insurance Regulatory and Development Authority of India | www.irdai.gov.in |
| General Insurance Council | www.gicouncil.in |
| Life Insurance Council | www.lifeinscouncil.org |
| Executive Council of Insurers | ecoi.co.in/ombudsman.html |

### General Insurance Companies

| | |
|---|---|
| The NewIndia Assurance | www.newindia.co.in |
| National Insurance Company | www.nationalinsuranceindia.co.in |
| Oriental Insurance Company | www.orientalinsurance.co.in |
| United India Insurance | www.uiic.co.in |
| Bajaj Allianz General Insurance | www.bajajallianz.com |
| RoyalSundaram Alliance Insurance | www.royalsundaram.in |
| ICICI Lombard General Insurance | www.icicilombard.com |
| Cholamandalam General Insurance | www.cholainsurance.com |
| Export Credit Guarantee Corporation of India | www.ecgc.in |
| IFFCO Tokio General Insurance | www.iffcotokio.co.in |
| Star Health Alied Insurance | www.starhealth.in |
| Apollo Munich Health Insurance | www.apollomunichinsurance.com |
| Reliance General Insurance | www.reliancegeneral.co.in |
| Tata AIG General Insurance | www.tataaig.com |
| HDFC ERGO General Insurance | www.hdfcergo.com |
| Future Generali India Insurance | general.futuregenerali.in |
| Universal Sompo General Insurance | www.universalsompo.com |
| Shriram General Insurance | www.shriramgi.com |
| Agriculture Insurance Company of India Ltd. | www.aicofindia.org |
| Bharti AXA General Insurance India | www.bharti-axagi.co.in |
| SBI General Insurance Company | www.sbigeneral.in |
| Max Bupa Health Insurance Company Ltd. | www.maxbupa.com |
| Religare Health Insurance Company Limited | www.religarehealthinsurance.com |
| Magma HDI General Insurance Company Ltd | magma-hdi.co.in |
| Liberty Videocon General Insurance | www.libertyvideocon.com |

### Life Insurance companies

| | |
|---|---|
| Bajaj Allianz Life Insurance Co. Ltd. | www.bajajallianzlife.com |
| Life Insurance Corporation of India | www.licindia.in |
| HDFC Life Insurance Co. Ltd | www.hdfclife.com |
| Max Life Insurance Co. Ltd. | www.maxlifeinsurance.com |
| ICICI Prudential Life Insurance Co. Ltd. | www.iciciprulife.com |
| Kotak Mahindra Life Insurance Co. Ltd. | insurance.kotak.com |
| Aditya Birla SunLife Insurance Co. Ltd. | lifeinsurance.adityabirlacapital.com |
| SBI Life Insurance Co. Ltd. | www.sbilife.co.in |
| Exide Life Insurance Co. Ltd. | www.exidelife.in |
| PNB MetLife India Insurance Co. Ltd | www.pnbmetlife.com |
| Reliance Nippon Life Insurance Company | www.reliancenipponlife.com |
| Aviva Life Insurance Company India Ltd. | www.avivaindia.com |
| Sahara India Life Insurance Co. Ltd. | www.saharalife.com |
| Shriram Life Insurance Co. Ltd. | www.shriramlife.com |
| Bharti AXA Life Insurance Company Ltd. | www.bharti-axalife.com |
| Future Generali India Life Insurance Company Limited | life.futuregenerali.in |
| IDBI Federal Life Insurance Company Limited | www.idbifederal.com |
| Canara HSBC Oriental Bank of Commerce Life Ins. Co. Ltd. | www.canarahsbclife.com |
| Aegon Life Insurance Company Limited | www.aegonlife.com |
| Pramerica Life Insurance Co. Ltd. | pramericalife.in |
| Star Union Dai-Ichi Life Insurance Co. Ltd. | www.sudlife.in |
| IndiaFirst Life Insurance Company Ltd. | www.indiafirstlife.com |
| Edelweiss Tokio Life Insurance Company Limited | www.edelweisstokio.in |
| Tata Aia Life Insurance Company Limited | www.tataaia.com |

### Others

| | |
|---|---|
| GIC Re | www.gicofindia.com |
| Risk Management Association of India | www.rmaindia.org |
| Million Dollar Round Table | www.mdrt.com |
| Insurance Institute of India | www.insuranceinstituteofindia.com |
| Actuarial Society of India | www.actuariesindia.org |
| National Insurance Academy | www.niapune.com |
| Institute of Insurance Surveyor & Adjustors | www.iiisla.org |

## Performance Statistics - Non-Life Insurance

### GROSS DIRECT PREMIUM UNDERWRITTEN FOR AND UPTO THE MONTH OF DECEMBER 2020

*(Rs. in crores)*

| INSURER | For the month of December | | Upto the Month of December | | Market Share upto the Month of Dec. 2020 (%) | Growth over the corresponding period of previous year (%) |
|---|---|---|---|---|---|---|
| | 2020-21 | 2019-20 | 2020-21 | 2019-20 | | |
| Acko General Insurance Limited | 42.30 | 30.98 | 276.91 | 279.09 | 0.19 | (0.78) |
| Bajaj Allianz General Ins. Co. Ltd. | 1,540.97 | 1,255.49 | 9,793.84 | 10,133.72 | 6.72 | (3.35) |
| Bharti AXA General Ins. Co. Ltd. | 212.25 | 245.42 | 2,428.60 | 2,403.95 | 1.67 | 1.03 |
| Cholamandalam MS General Ins. | 377.84 | 335.81 | 3,117.84 | 3,273.04 | 2.14 | (4.74) |
| NAVI General Insurance Limited | 10.26 | 10.05 | 72.38 | 132.95 | 0.05 | (45.55) |
| Edelweiss General Ins. Co. Ltd. | 20.12 | 14.22 | 153.76 | 91.44 | 0.11 | 68.15 |
| Future Generali India Ins. Co. Ltd. | 437.93 | 272.30 | 2,755.24 | 2,405.72 | 1.89 | 14.53 |
| Go Digit General Ins. Ltd. | 285.90 | 193.93 | 2,150.89 | 1,607.62 | 1.48 | 33.79 |
| HDFC Ergo General Ins. Co. Ltd. | 944.14 | 674.18 | 8,745.69 | 6,944.73 | 6.00 | 25.93 |
| ICICI Lombard General Ins. Co. Ltd. | 1,220.45 | 1,104.23 | 10,525.07 | 10,132.28 | 7.22 | 3.88 |
| IFFCO Tokio General Ins. Co. Ltd. | 709.12 | 621.80 | 6,439.95 | 6,202.08 | 4.42 | 3.84 |
| Kotak Mahindra General Ins. Co. | 53.45 | 41.86 | 382.31 | 306.88 | 0.26 | 24.58 |
| Liberty General Ins. Ltd. | 114.28 | 114.38 | 1,046.05 | 1,125.23 | 0.72 | (7.04) |
| Magma HDI General Ins. Co. Ltd. | 100.91 | 96.98 | 851.85 | 885.34 | 0.58 | (3.78) |
| National Ins. Co. Ltd. | 1,353.25 | 952.30 | 10,487.25 | 11,055.60 | 7.20 | (5.14) |
| Raheja QBE General Ins. Co. Ltd. | 50.30 | 12.65 | 180.08 | 95.29 | 0.12 | 88.99 |
| Reliance General Ins. Co. Ltd. | 583.97 | 506.02 | 6,302.24 | 6,016.04 | 4.33 | 4.76 |
| Royal Sundaram General Ins. Co. | 302.46 | 356.85 | 2,030.31 | 2,775.62 | 1.39 | (26.85) |
| SBI General Ins. Co. Ltd. | 530.24 | 400.03 | 5,280.13 | 4,849.43 | 3.62 | 8.88 |
| Shriram General Ins. Co. Ltd. | 176.66 | 197.44 | 1,558.37 | 1,796.40 | 1.07 | (13.25) |
| Tata AIG General Ins. Co. Ltd. | 737.68 | 551.37 | 6,031.04 | 5,688.23 | 4.14 | 6.03 |
| The New India Assurance Co. Ltd. | 3,179.01 | 2,739.85 | 21,329.01 | 20,704.39 | 14.64 | 3.02 |
| The Oriental Ins. Co. Ltd. | 977.21 | 1,059.96 | 9,212.47 | 10,076.09 | 6.32 | (8.57) |
| United India Ins. Co. Ltd. | 1,247.37 | 1,589.80 | 11,917.02 | 12,547.04 | 8.18 | (5.02) |
| Universal Sompo General Ins. Co. | 283.06 | 628.79 | 2,180.24 | 2,309.35 | 1.50 | (5.59) |
| General Insurers Total | 15,491.12 | 14,006.69 | 1,25,248.55 | 1,23,837.54 | 85.98 | 1.14 |
| Aditya Birla Health Ins. Co. Ltd. | 110.18 | 89.57 | 859.32 | 545.73 | 0.59 | 57.46 |
| HDFC Ergo Health Ins. Co. Ltd. # | --- | 223.93 | --- | 1,621.23 | --- | NA |
| ManipalCigna Health Ins. Co. Ltd. | 70.14 | 47.35 | 528.33 | 415.38 | 0.36 | 27.19 |
| Max Bupa Health Ins. Co. Ltd. | 173.06 | 113.74 | 1,150.26 | 833.53 | 0.79 | 38.00 |
| Care Health Insurance Limited | 22.93 | 203.66 | 1,755.50 | 1,751.49 | 1.21 | 0.23 |
| Star Health & Allied Ins. Co. Ltd. | 841.10 | 671.00 | 6,305.11 | 4,503.00 | 4.33 | 40.02 |
| Reliance Health Ins. Ltd.* | --- | (0.05) | (0.01) | 6.07 | (0.00) | NA |
| Stand-alone Pvt Health Insurers | 1,417.41 | 1,349.19 | 10,598.52 | 9,676.43 | 7.28 | 9.53 |
| Agricultural Ins. Co. of India Ltd. | 927.49 | 595.09 | 9,115.68 | 7,761.05 | 6.26 | 17.45 |
| ECGC Limited | 99.95 | 97.89 | 716.07 | 810.05 | 0.49 | (11.60) |
| Specialized PSU Insurers | 1,027.44 | 692.98 | 9,831.75 | 8,571.10 | 6.75 | 14.71 |
| GRAND TOTAL | 17,935.97 | 16,048.86 | 1,45,678.82 | 1,42,085.06 | 100.00 | 2.53 |

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

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

# Performance STATISTICS - LIFE INSURANCE

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

(₹ Crores)

| Sl. No. | Particulars | Premium in Rs. Crore | | | | | No. of Policies / Schemes | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Month of Dec-2020 | Upto Dec-2020 | Month of Dec-2019 | Upto Dec-2019 | YTD Variation in % | Month of Dec-2020 | Upto Dec-2020 | Month of Dec-2019 | Upto Dec-2019 | YTD Variation in % |
| 1 | **Aditya Birla Sun Life Insurance Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 13.59 | 89.77 | 10.78 | 81.79 | 9.75% | 196 | 1387 | 249 | 2325 | -40.34% |
| | Individual Non Single Premium | 241.47 | 1247.14 | 201.68 | 1179.76 | 5.71% | 25035 | 177691 | 26508 | 187086 | -5.02% |
| | Group Single Premium | 256.84 | 1780.00 | 100.53 | 1200.81 | 48.23% | 5 | 40 | 24 | 75 | -46.67% |
| | Group Non Single Premium | -0.44 | 53.51 | 0.31 | 3.72 | 1336.57% | 0 | 1 | 0 | 2 | -50.00% |
| | **Total** | **514.04** | **3227.43** | **318.55** | **2519.36** | **28.10%** | **25258** | **179496** | **26833** | **189921** | **-5.49%** |
| 2 | **Aegon Life Insurance Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 0.03 | 0.46 | 0.16 | 2.21 | -79.12% | 1 | 17 | 2 | 15032 | -99.89% |
| | Individual Non Single Premium | 1.32 | 30.05 | 5.53 | 51.99 | -42.20% | 638 | 11875 | 1687 | 17242 | -31.13% |
| | Group Single Premium | 0.00 | 5.23 | 0.00 | 1.08 | 383.71% | 0 | 0 | 0 | 0 | --- |
| | Group Non Single Premium | 0.00 | 0.00 | 0.00 | 0.00 | --- | 0 | 0 | 0 | 0 | --- |
| | **Total** | **2.04** | **46.14** | **7.34** | **66.70** | **-30.83%** | **640** | **11942** | **1698** | **32355** | **-63.09%** |
| 3 | **Aviva Life Insurance Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 0.00 | 9.58 | 0.83 | 6.50 | 47.39% | 0 | 298 | 259 | 385 | -22.60% |
| | Individual Non Single Premium | 1.65 | 78.97 | 11.30 | 77.29 | 2.17% | 192 | 12628 | 1972 | 13628 | -7.34% |
| | Group Single Premium | 0.00 | 0.99 | 0.50 | 1.96 | -49.70% | 0 | 0 | 0 | 0 | --- |
| | Group Non Single Premium | 0.01 | 0.99 | 0.18 | 1.07 | -7.53% | 0 | 0 | 0 | 0 | --- |
| | **Total** | **5.76** | **133.62** | **14.16** | **166.46** | **-19.72%** | **207** | **13040** | **2232** | **14040** | **-7.12%** |
| 4 | **Bajaj Allianz Life Insurance Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 4.07 | 33.35 | 7.65 | 52.75 | -36.77% | 92 | 645 | 15 | 366 | 76.23% |
| | Individual Non Single Premium | 268.82 | 1475.06 | 189.80 | 1315.81 | 12.10% | 38717 | 288547 | 29705 | 211838 | 36.21% |
| | Group Single Premium | 384.04 | 2182.21 | 196.24 | 2158.45 | 1.10% | 1 | 46 | 6 | 45 | 2.22% |
| | Group Non Single Premium | 0.00 | 0.00 | 0.00 | 0.00 | -331.50% | 0 | 0 | 0 | 0 | --- |
| | **Total** | **686.80** | **3819.97** | **418.32** | **3659.74** | **4.38%** | **38817** | **289317** | **29729** | **212282** | **36.29%** |
| 5 | **Bharti Axa Life Insurance Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 2.35 | 72.62 | 2.27 | 31.13 | 133.31% | 83 | 2733 | 31 | 5235 | -47.79% |
| | Individual Non Single Premium | 65.15 | 344.66 | 61.86 | 429.25 | -19.71% | 11559 | 73549 | 15244 | 160387 | -54.14% |
| | Group Single Premium | 13.46 | 83.15 | 11.14 | 155.13 | -46.40% | 4 | 12 | 3 | 6 | 100.00% |
| | Group Non Single Premium | 0.00 | 0.00 | 0.00 | 0.00 | --- | 0 | 0 | 0 | 0 | --- |
| | **Total** | **81.14** | **502.74** | **75.27** | **615.50** | **-18.32%** | **11646** | **76297** | **15278** | **165628** | **-53.93%** |
| 6 | **Canara HSBC OBC Life Insurance Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 24.07 | 320.54 | 2.26 | 50.37 | 536.32% | 265 | 2887 | 10 | 347 | 731.99% |
| | Individual Non Single Premium | 111.27 | 536.22 | 132.84 | 689.77 | -22.26% | 19166 | 115829 | 21773 | 111162 | 4.20% |
| | Group Single Premium | 10.41 | 587.20 | 7.66 | 320.06 | 83.47% | 1 | 9 | 0 | 10 | -10.00% |
| | Group Non Single Premium | 0.31 | 2.40 | 0.82 | 5.42 | -55.62% | 2 | 2 | 0 | 3 | -33.33% |
| | **Total** | **149.64** | **1580.20** | **146.51** | **1147.58** | **37.70%** | **19442** | **118778** | **21784** | **111527** | **6.50%** |
| 7 | **Edelweiss Tokio Life Insurance Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 0.28 | 4.27 | 1.72 | 6.11 | -30.19% | 121 | 408 | 1173 | 2205 | -81.50% |
| | Individual Non Single Premium | 44.49 | 246.53 | 38.09 | 218.54 | 12.81% | 6508 | 51429 | 7884 | 52678 | -2.37% |
| | Group Single Premium | 1.53 | 8.37 | 1.31 | 14.07 | -40.50% | 0 | 0 | 0 | 3 | -100.00% |
| | Group Non Single Premium | 0.20 | 1.39 | 2.38 | 5.76 | -75.87% | 0 | 0 | 1 | 2 | -100.00% |
| | **Total** | **47.90** | **264.44** | **44.19** | **250.28** | **5.66%** | **6635** | **51861** | **9062** | **54923** | **-5.58%** |
| 8 | **Exide Life Insurance Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 8.59 | 57.68 | 11.16 | 90.03 | -35.94% | 104 | 858 | 186 | 1937 | -55.70% |
| | Individual Non Single Premium | 56.32 | 348.24 | 71.16 | 453.43 | -23.20% | 13502 | 99001 | 18739 | 137660 | -28.08% |
| | Group Single Premium | 0.07 | 0.44 | 0.05 | 0.31 | 43.05% | 0 | 0 | 0 | 0 | --- |
| | Group Non Single Premium | 1.61 | 12.27 | 0.35 | 6.74 | 82.17% | 3 | 21 | 2 | 30 | -30.00% |
| | **Total** | **73.64** | **454.41** | **88.34** | **603.36** | **-24.69%** | **13609** | **99880** | **18927** | **139627** | **-28.47%** |
| 9 | **Future Generali India Life Insurance Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 0.27 | 1.94 | 0.49 | 4.00 | -51.55% | 14 | 88 | 24 | 237 | -62.87% |
| | Individual Non Single Premium | 32.34 | 185.42 | 43.33 | 245.42 | -24.45% | 4304 | 33609 | 6293 | 46274 | -27.37% |
| | Group Single Premium | 10.08 | 37.67 | 6.04 | 52.84 | -28.71% | 0 | 5 | 0 | 3 | 66.67% |
| | Group Non Single Premium | 0.00 | 0.00 | 0.00 | 0.00 | --- | 0 | 0 | 0 | 0 | --- |
| | **Total** | **57.04** | **271.86** | **58.50** | **541.53** | **-49.80%** | **4324** | **33725** | **6320** | **46548** | **-27.55%** |
| 10 | **HDFC Life Insurance Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 371.47 | 2462.28 | 262.82 | 1995.27 | 23.41% | 3491 | 28406 | 3227 | 28518 | -0.39% |
| | Individual Non Single Premium | 669.64 | 4365.34 | 654.33 | 4058.27 | 7.57% | 79829 | 647109 | 81350 | 610942 | 5.92% |
| | Group Single Premium | 847.64 | 6662.96 | 554.35 | 5902.81 | 12.88% | 18 | 120 | 19 | 140 | -14.29% |
| | Group Non Single Premium | 0.00 | 0.00 | 0.00 | 0.00 | --- | 0 | 0 | 0 | 0 | --- |
| | **Total** | **1910.27** | **13631.74** | **1503.95** | **12276.83** | **11.04%** | **83340** | **675700** | **84622** | **639799** | **5.61%** |
| 11 | **ICICI Prudential Life Insurance Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 237.18 | 1465.71 | 120.09 | 929.29 | 57.72% | 2527 | 16732 | 1796 | 12708 | 31.67% |
| | Individual Non Single Premium | 540.96 | 3158.37 | 730.41 | 4861.93 | -35.04% | 59640 | 423189 | 78371 | 542572 | -22.00% |
| | Group Single Premium | 275.62 | 1324.04 | 188.58 | 1472.74 | -10.10% | 12 | 55 | 11 | 102 | -46.08% |
| | Group Non Single Premium | 0.00 | 0.00 | 0.00 | 0.00 | --- | 0 | 0 | 0 | 0 | --- |
| | **Total** | **1469.45** | **7898.93** | **1112.32** | **8172.53** | **-3.35%** | **62423** | **441943** | **80296** | **556552** | **-20.59%** |
| 12 | **IDBI Federal Life Insurance Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 18.13 | 171.69 | 11.37 | 94.56 | 81.56% | 482 | 4602 | 353 | 3338 | 37.87% |
| | Individual Non Single Premium | 29.81 | 154.00 | 21.52 | 197.55 | -22.04% | 3904 | 21991 | 3030 | 33269 | -33.90% |
| | Group Single Premium | 10.07 | 51.16 | 14.65 | 99.32 | -48.49% | 0 | 0 | 0 | 2 | -100.00% |
| | Group Non Single Premium | 0.03 | 0.05 | 0.00 | 0.33 | -85.87% | 1 | 5 | 0 | 0 | --- |
| | Total | 58.03 | 376.90 | 47.53 | 391.76 | -3.79% | 4387 | 26598 | 3383 | 36609 | -27.35% |

# Performance STATISTICS - LIFE INSURANCE

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

(₹ Crores)

| Sl. No. | Particulars | Premium in Rs. Crore | | | | | No. of Policies / Schemes | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Month of Dec-2020 | Upto Dec-2020 | Month of Dec-2019 | Upto Dec-2019 | YTD Variation in % | Month of Dec-2020 | Upto Dec-2020 | Month of Dec-2019 | Upto Dec-2019 | YTD Variation in % |
| 13 | **IndiaFirst Life Insurance Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 6.62 | 21.62 | 2.12 | 15.94 | 35.61% | 300 | 910 | 173 | 15492 | -94.13% |
| | Individual Non Single Premium | 100.44 | 530.11 | 99.82 | 553.79 | -4.28% | 21314 | 127563 | 18147 | 119914 | 6.38% |
| | Group Single Premium | 133.02 | 818.64 | 54.15 | 712.17 | 14.95% | 23 | 141 | 9 | 110 | 28.18% |
| | Group Non Single Premium | 0.02 | 0.36 | 0.06 | 0.33 | 6.81% | 0 | 2 | 1 | 2 | 0.00% |
| | **Total** | **240.10** | **1370.73** | **156.15** | **1282.24** | **6.90%** | **21637** | **128616** | **18330** | **135518** | **-5.09%** |
| 14 | **Kotak Mahindra Life Insurance Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 132.57 | 658.53 | 108.27 | 485.41 | 35.67% | 2362 | 25925 | 6193 | 34621 | -25.12% |
| | Individual Non Single Premium | 178.39 | 925.62 | 208.69 | 996.62 | -7.12% | 29412 | 185558 | 34217 | 183555 | 1.09% |
| | Group Single Premium | 101.21 | 548.82 | 100.03 | 835.89 | -34.34% | 19 | 145 | 27 | 165 | -12.12% |
| | Group Non Single Premium | 0.08 | 0.42 | 0.05 | 3.64 | -88.31% | 2 | 14 | 4 | 25 | -44.00% |
| | **Total** | **569.12** | **2843.73** | **583.34** | **3500.77** | **-18.77%** | **31838** | **212132** | **40468** | **218751** | **-3.03%** |
| 15 | **Max Life Insurance Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 170.66 | 1040.63 | 140.13 | 776.67 | 33.99% | 568 | 3972 | 216 | 1356 | 192.92% |
| | Individual Non Single Premium | 532.65 | 2877.01 | 450.79 | 2616.36 | 9.96% | 62907 | 426753 | 62401 | 410200 | 4.04% |
| | Group Single Premium | 60.14 | 255.58 | 34.90 | 219.06 | 16.67% | 3 | 14 | 5 | 98 | -85.71% |
| | Group Non Single Premium | 0.00 | 0.00 | 0.00 | 0.00 | --- | 0 | 0 | 0 | 0 | --- |
| | **Total** | **768.07** | **4243.61** | **637.14** | **3693.51** | **14.89%** | **63458** | **431131** | **62687** | **412300** | **4.57%** |
| 16 | **PNB Metlife Life Insurance Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 10.85 | 66.89 | 1.13 | 12.34 | 442.15% | 155 | 950 | 43 | 395 | 140.51% |
| | Individual Non Single Premium | 163.08 | 865.45 | 154.65 | 911.09 | -5.01% | 24750 | 163773 | 20375 | 138985 | 17.84% |
| | Group Single Premium | 42.43 | 199.95 | 40.54 | 278.69 | -28.25% | 0 | 0 | 1 | 5 | -100.00% |
| | Group Non Single Premium | 0.07 | 0.48 | 0.06 | 0.46 | 6.12% | 23 | 127 | 6 | 131 | -3.05% |
| | **Total** | **220.94** | **1170.39** | **198.52** | **1244.00** | **-5.92%** | **24928** | **164850** | **20425** | **139516** | **18.16%** |
| 17 | **Pramerica Life Insurance Limited.** | | | | | | | | | | |
| | Individual Single Premium | 0.10 | 1.54 | 0.19 | 7.26 | -78.82% | 5 | 2013 | 21 | 313 | 543.13% |
| | Individual Non Single Premium | 10.28 | 84.53 | 14.11 | 120.26 | -29.71% | 3099 | 18759 | 4494 | 30051 | -37.58% |
| | Group Single Premium | 11.43 | 48.57 | 22.45 | 233.63 | -79.21% | 0 | 10 | 6 | 49 | -79.59% |
| | Group Non Single Premium | 0.00 | 0.00 | 0.00 | 0.00 | --- | 0 | 0 | 0 | 0 | --- |
| | **Total** | **22.73** | **156.05** | **39.76** | **430.07** | **-63.71%** | **3109** | **20945** | **4544** | **30831** | **-32.07%** |
| 18 | **Reliance Nippon Life Insurance Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 9.94 | 38.25 | 4.37 | 35.87 | 6.66% | 154 | 1106 | 138 | 1064 | 3.95% |
| | Individual Non Single Premium | 103.77 | 582.06 | 101.44 | 635.39 | -8.39% | 19018 | 130652 | 18780 | 149570 | -12.65% |
| | Group Single Premium | 0.00 | 0.00 | 0.00 | 0.71 | -100.00% | 0 | 0 | 0 | 0 | --- |
| | Group Non Single Premium | 19.80 | 83.30 | 8.05 | 39.22 | 112.38% | 5 | 22 | 0 | 13 | 69.23% |
| | **Total** | **134.67** | **712.24** | **114.08** | **724.26** | **-1.66%** | **19185** | **131820** | **18921** | **150676** | **-12.51%** |
| 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 | 307.55 | 1724.13 | 208.86 | 1237.18 | 39.36% | 5296 | 32388 | 3575 | 24106 | 34.36% |
| | Individual Non Single Premium | 1584.89 | 6405.66 | 1490.24 | 7157.32 | -10.50% | 206240 | 1063178 | 196037 | 1129393 | -5.86% |
| | Group Single Premium | 402.06 | 6035.14 | 337.70 | 4243.38 | 42.22% | 35 | 120 | 13 | 69 | 73.91% |
| | Group Non Single Premium | 0.51 | 11.32 | 2.14 | 8.11 | 39.63% | 0 | 2 | 0 | 0 | 8 |
| | **Total** | **2322.44** | **14438.41** | **2071.41** | **12787.13** | **12.91%** | **211585** | **1095957** | **199678** | **1154085** | **-5.04%** |
| 21 | **Shriram Life Insurance Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 6.61 | 37.37 | 4.01 | 28.21 | 32.47% | 156 | 1054 | 161 | 1530 | -31.11% |
| | Individual Non Single Premium | 62.22 | 317.58 | 55.74 | 318.66 | -0.34% | 34585 | 179152 | 27533 | 186740 | -4.06% |
| | Group Single Premium | 26.75 | 94.69 | 16.53 | 144.92 | -34.66% | 1 | 3 | 0 | 5 | -40.00% |
| | Group Non Single Premium | 0.00 | 0.00 | 0.00 | 0.00 | --- | 0 | 0 | 0 | 0 | --- |
| | **Total** | **106.31** | **525.74** | **77.32** | **502.62** | **4.60%** | **34784** | **180298** | **27694** | **188285** | **-4.24%** |
| 22 | **Star Union Dai-Ichi Life Insurance Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 23.07 | 127.75 | 14.80 | 63.37 | 101.61% | 446 | 2468 | 267 | 1378 | 79.10% |
| | Individual Non Single Premium | 98.47 | 424.08 | 75.54 | 395.91 | 7.11% | 13194 | 61091 | 9275 | 56135 | 8.83% |
| | Group Single Premium | 22.09 | 90.94 | 13.32 | 57.69 | 57.64% | 0 | 2 | 0 | 0 | --- |
| | Group Non Single Premium | 0.09 | 0.96 | 0.21 | 1.28 | -24.66% | 0 | 0 | 0 | 0 | --- |
| | **Total** | **156.92** | **728.30** | **106.08** | **547.07** | **33.13%** | **13643** | **63574** | **9542** | **57526** | **10.51%** |
| 23 | **Tata AIA Life Insurance Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 69.14 | 487.85 | 54.20 | 320.25 | 52.34% | 389 | 2953 | 290 | 1989 | 48.47% |
| | Individual Non Single Premium | 361.57 | 2061.53 | 333.73 | 1757.64 | 17.29% | 41792 | 300351 | 56162 | 321989 | -6.72% |
| | Group Single Premium | 4.08 | 16.05 | 2.73 | 31.21 | -48.58% | 0 | 1 | 0 | 0 | --- |
| | Group Non Single Premium | 2.26 | 44.68 | 7.33 | 44.97 | -0.64% | 2 | 43 | 1 | 55 | -21.82% |
| | **Total** | **440.67** | **2644.37** | **399.02** | **2172.77** | **21.71%** | **42215** | **303534** | **56471** | **324155** | **-6.36%** |
| | **Private** | | | | | | | | | | |
| | Individual Single Premium | 1417.11 | 8894.46 | 969.67 | 6326.51 | 40.59% | 17207 | 132800 | 18402 | 154877 | -14.25% |
| | Individual Non Single Premium | 5258.99 | 27243.63 | 5146.60 | 29242.05 | -6.83% | 719305 | 4613277 | 739977 | 4851270 | -4.91% |
| | Group Single Premium | 2612.97 | 20831.79 | 1703.38 | 18136.93 | 14.86% | 122 | 723 | 124 | 887 | -18.49% |
| | Group Non Single Premium | 24.56 | 212.14 | 21.96 | 121.04 | 75.26% | 38 | 239 | 15 | 263 | -9.13% |
| | **Private Total** | **10037.72** | **61041.96** | **8217.81** | **57296.08** | **6.54%** | **737110** | **4751434** | **758924** | **5011454** | **-5.19%** |
| 24 | **Life Insurance Corporation of India** | | | | | | | | | | |
| | Individual Single Premium | 1885.89 | 23007.18 | 1232.04 | 17885.07 | 28.64% | 86023 | 679742 | 57823 | 664794 | 2.25% |
| | Individual Non Single Premium | 2773.98 | 17494.63 | 2721.99 | 20368.16 | -14.11% | 2195465 | 10853231 | 1829014 | 14877746 | -27.05% |
| | Group Single Premium | 9328.42 | 84046.71 | 10404.89 | 72025.66 | 16.69% | 102 | 271 | 120 | 900 | -69.89% |
| | Group Non Single Premium | 326.95 | 5016.21 | 2480.20 | 26231.28 | -80.88% | 799 | 4763 | 234 | 1940 | 145.52% |
| | **Total** | **14345.70** | **130004.43** | **16861.98** | **137034.91** | **-5.13%** | **2284675** | **11554067** | **1889248** | **15564458** | **-25.77%** |
| | **Grand Total** | **24383.42** | **191046.39** | **25079.79** | **194330.99** | **-1.69%** | **3021785** | **16305501** | **2648172** | **20575912** | **-20.75%** |

# Glossary


### Level Premium Insurance

Life insurance policy for which the cost is equally distributed over the term of the premium period, remaining constant throughout.

### Life - Endowment

Insurance that pays the same benefit amount should the insured die during the term of the contract, or if the insured survives to the end of the specified coverage term or age.

### Life Settlements

A contract or agreement in which a policyholder agrees to sell or transfer ownership in all or part of a life insurance policy to a third party for compensation that is less than the expected death benefit of a policy.

# Poll

**Do you think 74% hike in FDI limits will significantly boost Indian Insurance Industry**

Yes

No

Can't say

**Results of Poll in our January 2021 Issue**

**Do you think the IRDA's intiative to launch standard products in various segments will lead to growth of the sector.**

| | |
|---|---|
| Yes | 100 |
| No | 00 |
| Can't say | 00 |

***You may send your views to :***

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

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GO BEYOND.
WITH REASSURANCE.
Ratings
• Claims Paying Ability: "AAA(In)" by CARE
• 11th Ranking as per S&P Global ratings 2019.
Gross Premium
₹51,030 Crore
Net worth (with Fair Value Change Account)
₹35,425 Crore
Total Assets
₹116,196 Crore as on 31.03.2020
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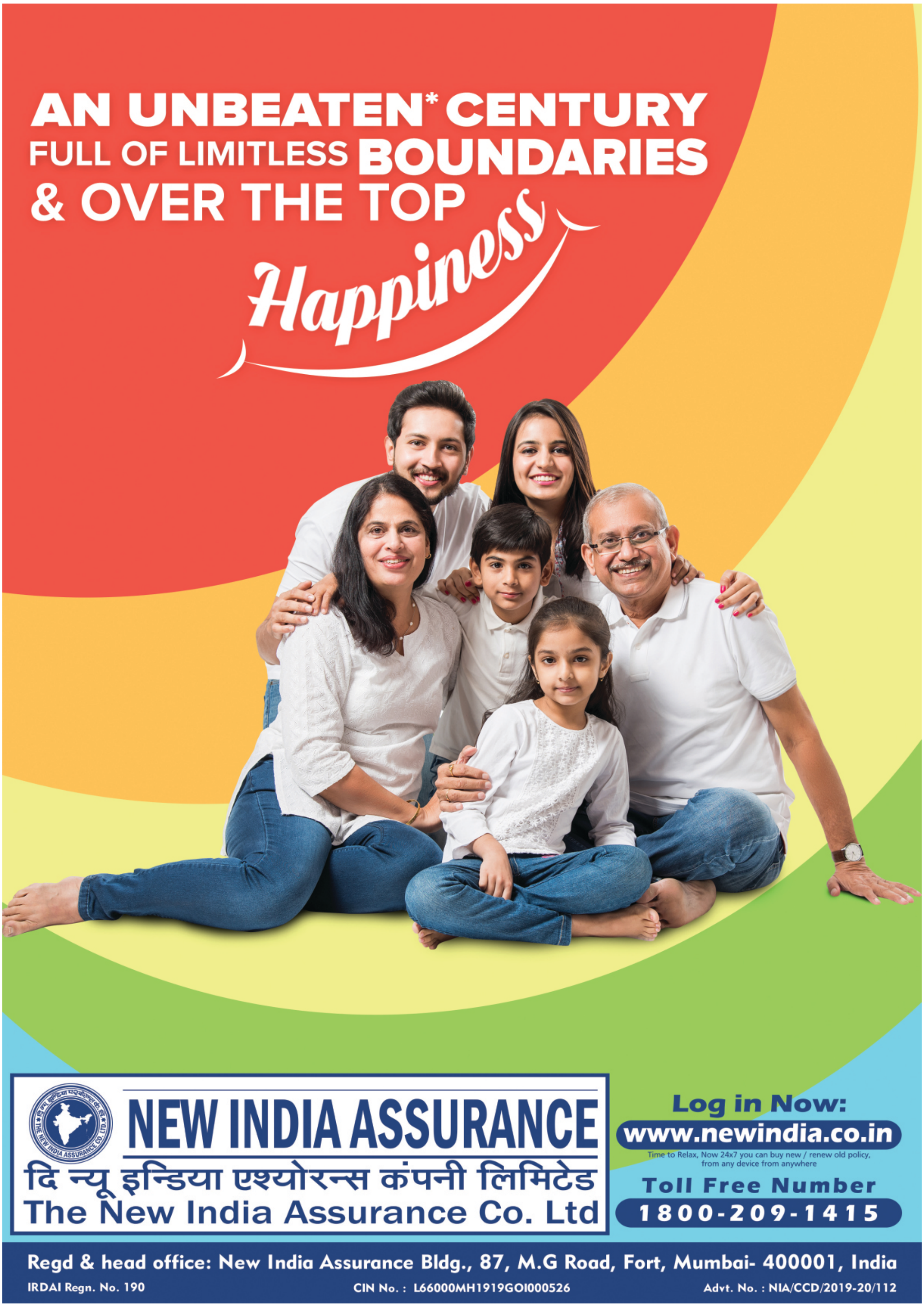


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