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# THE INSURANCE TIMES

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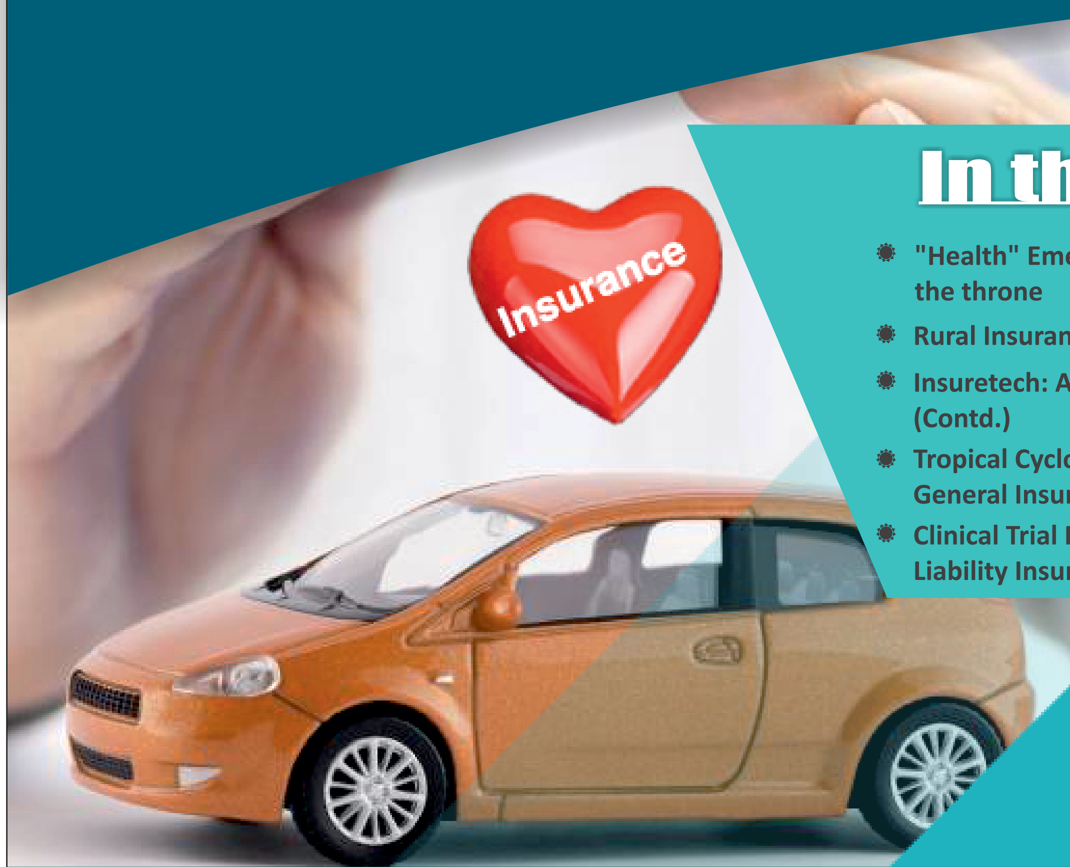


## In this issue





FOUR DECADE IN PUBLICATION

41 YEARS SINCE 1981

DEDICATED SERVICE TO THE NATION

*"Our market share grew, outpacing industry growth yet again and we continue to maintain our leadership in protection, having registered the highest growth in the last two years."*

**Naveen Tahilyani**
Director and CEO
Tata AIA Life Managing

*"Our aspiration of doubling the value of new business (VNB) growth by 2020-23 is guided by APE growth or overall topline premium growth. We need to typically grow at 25 per cent to 28 per cent on VNB annually for next two years."*

**Amit Palta**
Chief Distribution Officer
ICICI Prudential Life Insurance

*"there is no actionable Tropical Cyclone Risk Assessment at the location where an individual has assets or wants to build one. If an individual gets the Risk Assessment Report at his location then he can make a well informed decision to build the assets which can withstand the fury of the Tropical Cyclone."*

**Shreenivas Vasudeo Kulkarni**
Panel Expert / Consultant
Unity Geospatial LLP

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# The Insurance Times

Vol. XXXXI, No. 06, June 2021 ISSN - 0971 - 4480



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

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

While we recovered from First wave of Covid-19 and got bit relaxed in first quarter of 2021, the second wave hit the country hard. The intensity of second wave was quite severe and got everyone off-guard. The lockdown around the country derailed the economy and its impact was felt in all sectors. Last year health insurance sector gained a lot with selling of Covid specific policies and other insurance products. However the burnt was felt in health insurance as well as life insurance sector this year due to rising claims.

As per reports the second wave of Covid has pushed up claims for life insurance companies by 5-10 times for April 2021. This follows 1.9 lakh Covid-related deaths since April 1, 2021, which is 17% higher than lives lost to the pandemic in the entire FY21. The health insurance industry also suffered due to rising number of claims due to Covid. So far, almost Rs 24,000 crore worth of claims have been paid under health insurance due to COVID-19-related hospitalisation and associated expenses, according to General Insurance Council data.

There has been lot of complaints of overcharging by the hospitals for Covid claims. Finance Ministry must now think of some regulator body for hospital sector to standardise rates otherwise Health insurance industry will continue to bleed. Health Insurers are already demanding price revision in Covid specific products. The claims experience in this portfolio has not been good.

Mr Subhash C Khuntia retired as Chairman, IRDAI recently. The post is still lying vacant. There are many contenders for this post including people from industry as well as bureaucrats. During the pandemic time Government should take a quick decision and finalise the appointment for chairman soon.

The overall insurance industry has also been affected due to pandemic and lockdown in various states. Hopefully situation should improve from July 2021, but still we need to keep fingers crossed as third wave is expected to hit the country soon.

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## Features

# General Insurance News

## Edelweiss General Insurance employees can now work from anywhere

Edelweiss General Insurance has launched a work-from-anywhere (WFA) policy for its employees.

This will be a hybrid work model that aims to empower and enable employees with their choice of workspace while ensuring optimum work productivity.

The insurer said in a statement that although employees were physically distanced due to COVID-19, its digital operating model ensured each one of them was well engaged and connected, with access to all necessary work infrastructure.

With the introduction of this policy, employees will have the flexibility and convenience to work from anywhere in India. Employees whose physical presence is not required in the office will be able to work from anywhere permanently, even once offices begin to reopen.

Melvin Gladstone, Chief HR Officer, Edelweiss General Insurance said, "The last one year has presented an opportunity to analyse and understand more creative and productive ways of working and engaging. For EGI, WFA is an investment and commitment to employee happiness and well-being. With this flexible model, we have ensured that safety of our employees is not compromised, while work productivity is also maintained."

This is not the first company to launch this policy. Companies like Aegon Life and Grant Thornton have launched similar policies for their employees.

## General insurers' gross direct premium rises 11 pc to Rs 12,316 cr in May 21

Gross direct premium of non-life insurance companies rose 11.4 per cent on a yearly basis to Rs 12,316.50 crore in May 2021, data from Irdai showed. All the 32 non-life insurers' gross direct premium stood at Rs 11,061.02 crore in May 2020.

Among these, the 25 players in the general insurance sector registered nearly 7.2 per cent growth in premium collection during the month at Rs 10,822.77 crore as against Rs 10,098.30 crore in the year-ago period, as per the data by the Insurance Regulatory and Development Authority of India (Irdai).

The six standalone private sector health insurance companies registered a jump of 66.6 per cent in their gross premium at Rs 1,406.64 crore in May 2021, as against Rs 844.13 crore earlier.

On a cumulative basis, the gross direct premium of all the non-life insurance companies grew by 17.5 per cent to Rs 29,626 crore in April-May 2021-22, as against Rs 25,212.55 crore in the same period of the previous fiscal.

## Crisil affirms Oriental Insurance's rating; says company targets 5%-10% growth

Credit rating agency CRISIL Ratings Ltd affirming AAA/Stable rating for Oriental Insurance Company Ltd's Rs.750 crore subordinated debt said the insurer plans to grow at 5-10 per cent this fiscal.

The rating agency said the insurer is predicting the growth over the near to medium term on the premise that the second wave of the pandemic should tail out by the end of Q1 2022.

The business growth will be driven by motor, health and fire segments. Oriental also plans to run down its loss making crop portfolio to about 10 percent of the total premium base, CRISIL said.

The rating agency also reaffirmed the insurer's corporate credit rating at AAA/Stable.

According to CRISIL, the rating on the hybrid instrument is centrally based on forbearance granted by Insurance Regulatory and Development Authority of India (IRDAI) to Oriental Insurance from adhering to provisions 3(vii) and 5(vii) of Insurance Regulatory and Development Authority of India (Other Forms of Capital) Regulations, 2015, for this specific subordinated debt issue of Rs. 750 crore.

The forbearance allows the company to service the interest or coupon payments to the investors in the issue throughout the life of the instrument, irrespective of solvency ratio.

IRDAI has also granted forbearance against provision 14 of the regulation and has allowed the company to issue subordinated debt to the extent of 25 per cent of its net worth as on September 30, 2018, CRISIL said.

## HDFC ERGO General Insurance partners with Visa to provide specialized insurance policies

HDFC ERGO General Insurance, announced its partnership with Visa, the leader in digital payments. The partnership will provide curated insurance covers for Visa's business cardholders.

To start with, the partnership will offer two insurance products - Business SurakshaClassikandmy:Credit Personal Accident Insurance group policy: 1. Business SurakshaClassik policy will provide small traders and shop owners a safety mechanism from accidents due to Fire, Floods, Earthquake, Burglary, Cash in kept in a safe, among others with enhanced add-ons under the Fire section like spontaneous combustion, waiver of under insurance up to 15 per cent, increased limits for architect/surveyor fees and removal of debris. 2. my:Credit Personal Accident Insurance group policy is broadly divided into two different insurance offerings that can be customized, namely - Accident Shield and Permanent Disability plan.

Under Accident Shield, the sum assured will be provided to an individual (or family of an individual) if the insured sustains an injury due to an accident which shall within twelve months of its occurrence is the sole and direct cause of death. In case the insured is permanently disabled due to an accident then the Permanent Disability benefit will cover the individual as per the sum assured under the plan.

Speaking about the partnership Mr. AnkurBahorey, President - Bancassurance Business, HDFC ERGO General Insurance Company said, "Traditionally SME owners have given limited attention to business risk management, which often makes them vulnerable towards several factors such as theft or Act of God, unforeseen health conditions, loss of income due to reasons beyond their control etc. They also need to consider employee benefits, assets & liability management and; most important;

family protection. We believe SMEs now need to draw up a prudent financial strategy to navigate through such unplanned & unfortunate incidents. With this association, we will deliver solutions as well as a sense of security to SMB owners and their respective employees." "Small businesses are amongst the most adversely impacted by the pandemic and Visa remains committed to helping them navigate and thrive in the new normal.

These bespoke plans have been built with the needs of MSMEs in mind and aim to ensure the financial wellbeing and security of our cardholders and their businesses," said Manish Daswani, Head - Business Solutions, India and South Asia, Visa.

## Rs 1,820 crore crop insurance credited to 15 lakh farmers

Chief Minister YS Jagan Mohan Reddy released Rs 1,820.23 crore under the YSR Free Crop Insurance scheme benefiting 15.15 lakh farmers, who suffered crop loss in Kharif 2020. Speaking on the occasion, Jagan reiterated that his government was committed to the welfare of farmers and development of agriculture and allied sectors.

Addressing farmers across the state through videoconference, the Chief Minister said he was fortunate to help the farmers and added that the state would prosper only when the wellbeing of farmers, farmhands, agriculture and allied sectors was taken care of. Pointing out that 62 per cent of the state population is dependent on agriculture and allied sectors, Jagan said besides ensuring food security, the sector was providing the highest number of jobs.

## Paytm strengthens its insurance broking portfolio

Paytm Insurance Broking Private Ltd (PIBPL), said it has introduced car and bike insurance products on its platform.

The company has partnered with 14 insurers to launch this on its platform.

Through partnerships, the company will also offer 14 add-on options for cars and six add-on options for two-wheelers, including zero depreciation, invoice cover, roadside assistance and engine protection for customers on its platform.

The platform offers services to help vehicle owners avail insurance without uploading any documents before purchasing the policy.

Payments for these insurance products can be done through Paytm's payments stack including - Paytm Wallet, PaytmPostpaid, Paytm UPI, net banking, debit and credit card.

PIBPL also offers discounts on own damage cover of up to 80% on select vehicles.

"Insurance continues to be an underserved segment in India. Paytm hopes to change that by making accessibility and affordability a priority. We are focused on making the whole process of buying and renewing both car and bike insurance simple, seamless and completely digital," said a Paytm spokesperson.

The board of Paytm parent, One97 Communications Ltd, recently approved an investment of Paytm Insurance Broking Pvt. Ltd., according to a recent notice sent to shareholders.

## Insurance broking licence for Policybazaar

Policybazaar received approval from IRDAI to operate as an insurance broker. While Policybazaar is one of the largest online distributors of health, motor and term life insurance the broking licence allows it go far beyond its present operations. "As a web aggregator, we were already among the top ten distributors of insurance.

We can now provide a wider range of products to a wider range of customers and engage with them offline," said Yashish Dahiya. The company can now sell all types of insurance plans including property insurance to businesses ranging from small shops to companies. It can engage with customers offline, and it can also assist clients in claims servicing.

Policybazaar's distribution accounts for nearly 25% of India's life covers, and over 10% of India's retail health business. It accounts for roughly half of all internet-based insurance purchases in the country and has been doubling its business annually.

The insurance broking licence has been granted to Policybazaar's parent PB Fintech. With the web aggregator business merging into the broking entity, the company will be the largest retail broker from its first day of operations. While brokers do not take any insurance risk on their books, the changed status would mean that Policybazaar would have to make a significant investment in building up points of presence in different cities.

## Bajaj Allianz General Insurance wins IDC Financial Insights Innovation Awards 2021


BAGIC'S 'Digi-Enroll' initiative has won 'IDC Financial Insights Innovation Awards 2021 - BEST DIGITAL INSURER IN ASIA'.

In 2021, IDC continues to recognize the best Asian financial services institutions whose business objectives were realized through the novel application of process innovations. This award highlights the innovation quotient of an organization, salutes the inspiration behind it, and recognizes an innovation-based mind-set among the BFSI eco-system.

Digi-Enroll is a 100% digital & end-to-end automated platform for enrolling 2.5 million Group Medi Claim (GMC) customers & endorsements, adding & deleting GMC members with innovative AI & ML integrated, Data Intelligence Platform. Leveraging the unique innovative 3D techniques of Design, Data & Digital.

IDC Financial Insights assists financial service businesses and IT leaders, as well as the suppliers who serve them, in making more effective technology decisions by providing accurate, timely, and insightful fact-based research and consulting services. International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology market. IDC is a subsidiary of IDG, the world's leading technology, media, research, and events company

Heartiest Congratulations to the team!

# IRDAI News

## IRDAI moots 'Model Insurance Village' concept to boost insurance in rural India

In order to boost insurance penetration in rural areas, IRDAI has mooted the concept of 'Model Insurance Village' (MIV). As part of this, IRDAI has asked insurance companies to set up MIVs in 500 villages across the country in the first year and gradually scale this up to 1,000 villages in the subsequent two years. In these model villages, insurance companies will have to work towards covering the entire populations and their properties, farms, machineries, vehicles and different village-level services, among others.

The idea of this initiative is not only to boost insurance penetration but also ensure that people in the rural areas start understanding the concept of insurance and its benefits. "The efforts in selected villages need to be continued for a minimum period of three to five years so as to make the insurance benefits visible to the community," IRDAI said.

IRDAI has stated that insurance companies need to study the risk profile of villages, their insurance needs and design their products accordingly. Besides, they will also have to engage insure-tech as well as fin-tech firms for support in product design and implementation of the concept using technology at all the levels of insurance processes from marketing, servicing, loss assessment to claims settlement.

IRDAI has suggested that to make the premium affordable, financial support from governments as well as institutions such as NABARD and CSR funds must be explored. Insurance companies have been advised to tap various initiatives of the rural development ministry as well as network of SHG members and bank correspondent Sakhis (BC Sakhis) for insurance product distribution and servicing. "At present 11,189 BC Sakhis are present in 11,552 villages of 330 districts of 18 different states," it added. Insurance companies have been told to explore tie-ups with different farm input suppliers, financial institutions, rural services providers to target distribution of small ticket, short duration or tailored products.

## IRDAI looking for agency to manage its grievance redressal centre

IRDAI is looking for an agency to manage its multi-media grievance redressal centre with a view to address complaints of the insured public against insurance companies. IRDAI had set up a consumer affairs department (CAD) to oversee compliance of insurers and intermediaries with respect to Protection of Policyholders' Interests Regulations. It will also empower consumers by educating them on grievance redressal mechanisms.

To provide alternative channels to receive complaints against insurers, it has set up the IRDAI Grievance Call Centre (IGCC) that receives complaints through a toll-free telephone number and by e-mail. It also registers complaints apart from furnishing the status of the resolution. The agency will be required to manage its IGCC by providing the state-of-the-art call centre solution based on IP Multimedia platform for seamless handling of channels (telephone calls, e-mails and letters) with unified administration and reporting as well as having the integrated components in a single platform, said the request for proposal (RFP) for IGCC Services.

The entity, the RFP said, should be able to take over the operations from the current service provider. According to the RFP document, the duration of the contract will be initial for three years and further extendable for two years on a year on-year basis.

The regulator said the IGCC is envisaged to be a true alternative channel for the insured public consumers by offering comprehensive tele-functionalities (both manual and IVR) to all insurance consumer segments. It serves as a 12 hours X 6 days' service platform, offering multiple languages and integrating channels. "It is envisaged that the IGCC would not only attend to phone calls and e-mails but also complaints forwarded by the consumer affairs department of the authority, subject to internal procedures, complaint registration process and other process requirements," it added.

## Regulator in talks with government for NPS overhaul

The pension regulator is in talks with the government for an overhaul of the National Pension System (NPS) — including changes to the tax regime, allowing insurance agents to hawk the scheme and launching systematic withdrawal plans as well as annuities indexed to inflation to offer higher returns — PFRDA chairman Supratim Bandyopadhyay told.

While implementation of some of the changes has already begun, others such as allowing investors to park their entire corpus into systematic withdrawal plans (SWPs) will require amendments to the law. Currently, NPS subscribers can withdraw up to 60% of the corpus at the time of their retirement and the remaining has to be used to purchase annuities that will fetch them income for the rest of their lives.

With annuities offering 5-6% return in a falling interest rate regime, many investors do not see it as an attractive proposition, prompting Pension Fund Regulatory & Development Authority (PFRDA) to seek inflation-indexed annuities from the insurance regulator IRDAI. The matter is currently being examined by a committee. In the meanwhile, for those with a corpus of up to Rs 5 lakh, rules will be eased to allow to complete withdrawal of their money.

“The notification will be issued in the next few days. An investment of Rs 2 lakh will not get you much via annuities,” Bandyopadhyay said. Separately, PFRDA has suggested to the government that the annual tax benefit of Rs 50,000 for NPS investment should be doubled. “We are suggesting that the pension coming from annuity should be made tax-free up to a certain level, say, Rs 10 lakh a year. It should be either tax-free or lower tax may be charged... Today, a monthly income of Rs 60,000-70,000 may look decent but 10-15 years down the line, it may not even meet your basic needs. So, indexation and taxation can play a role,” he told.

The changes come at a time when several individuals are looking to park a part of their provident fund contribution in other long-term saving instruments after the government changed the tax rules to make the interest on employee contribution over Rs 2.5 lakh taxable. While NPS was introduced for the private sector nearly 12 years ago, its assets under management (AUM) are under Rs 1 lakh crore, compared to a Rs 7.5-lakh crore corpus with insurance companies. Bandyopadhyay said

PFRDA is also looking to register individuals as points of presence (PoPs) or to be part of the distribution network and is willing to pay a higher commission to expand the base. Currently, banks and institutional entities act as PoPs and are paid Rs 200 to get a new customer and 0.2% of the investment as commission. “The effort has been to keep the overall cost structure low. It has helped subscribers, but a time has come to encourage the distribution channel to improve the coverage and expand the corpus. Today, the threat of dying early is slowly going away and it is taken over by the risk of living long.

We will try to see what best we can give to our distribution partners but I am not sure if we can manage the kind of returns that the insurance industry gives,” the pension regulator said. Already, fund management fees for fund managers have been increased and PFRDA is looking to expand the number from seven to 10 with the process expected to start at the end of the month. Besides, going forward, licences will be available on tap.

## IRDAI remains headless amid raging pandemic

IRDAI has turned headless after chairman S C Khuntia retired on May 6 without a successor being appointed. While the office has remained vacant in the past, the current situation could throw challenges as the industry is in the thick of the Covid battle and IRDAI has to make snap decisions over health claims. The government may appoint an acting chairman in the interim. However, those holding temporary positions do not take policy decisions.

The post is not expected to be filled up anytime soon as the government has set May 29 as the deadline for aspirants to send in their applications. Even last time, when Khuntia was appointed as IRDAI chief in May 2018, the regulator was headless for over two months after T S Vijayan retired. The lack of urgency shown by the government in ensuring the appointment of a successor promptly, given the current situation, came in for considerable flak from the industry.

Meanwhile, the Banks Board Bureau recommended the appointment of Mini Ipe and B C Patnaik for the position of managing directors of Life Insurance Corporation. The board also recommended Inderjeet Singh and Suchita Gupta for the position of chairman in United India and National Insurance, respectively. “At the time of the pandemic, certain ‘stern’ decisions have to be taken, which only the chairperson can take with ease,” an industry insider said. ❑

# LIC of India News

## LIC has now become tenth-most-valuable insurance brand globally

Life Insurance Corporation (LIC) - has emerged as the third strongest and the tenth most valuable insurance brand globally, according to a report by Brand Finance Insurance 100 2021, a London-based brand valuation consultancy firm Brand Finance. According to the report, the total value of the world's top 100 most valuable insurance brands declined by 6 per cent from $462.4 billion in 2020 to $433.0 billion in 2021.

However, LIC's brand value increased by almost 7 per cent to $8.65 billion. There are five Chinese insurance companies in the top 10 most valuable insurance brands globally, with Ping An Insurance emerging the world's most valuable insurance brand, despite recording a 26 per cent drop in brand value.

The US has two companies in the top 10, while France, Germany, and India have one insurance company each in the list. As far as the strongest insurance brands are concerned, Italy's Poste Italiane leads the pack, followed by Mapfre of the US and LIC of India.

## LIC-CSL, IDBI Bank launch RuPay prepaid gift card 'Shagun'

LIC Cards Services Limited (LIC-CSL) joined hands with IDBI Bank to launch launched contactless prepaid gift card ‘Shagun’ on RuPay platform. This card is meant to expand the gift card market with an intent to promote cashless ways of gifting and present a wide range of end-use choices while preparing for the foray into e-gift card market.

The Shagun card will initially be available to LIC and its subsidiaries and associates for official use and will be used to facilitate awards and special rewards during official conferences and functions. It will be introduced in the open market in coming months via a digital platform, LIC-CSL said.

The Shagun Gift Card offers flexible loading amounts, ranging from Rs. 500 to Rs. 10,000 and validity of 3 years. Benefitting from the the wide acceptability of RuPay, the Shagun gift card can be used at millions of merchant outlets and e-commerce websites in India, LIC-CSL noted.

"The card will provide users the freedom to make purchases at various merchant locations including departmental stores, petrol pumps, restaurants, jewelry stores, apparel stores, etc. They can also shop online, pay utility bills, book tickets for air, rail,bus, and so on through various mobile wallets and E-commerce portals or Apps using this card," the LIC subsidiary said in a statement.

Cardholders can use contactless tap-and-go feature of the Shagun gift card at a compatible Point of Sale (PoS) terminal and make digital payments without having to enter the PIN for purchases up to Rs. 5,000. The card comes pre-wrapped, ready for gifting, and also has the provision to include personalised messages for the recipient. The Card can also be easily linked to ‘m-passbook’ mobile app giving real-time access to transaction history, card balance, etc.

## LIC IPO: Centre plans to raise up to Rs 25,000 cr from over 24 anchor investors

The Centre is mulling to draw in a clutch of anchor investors to pump in up to Rs 25,000 crore in the shares of Life Insurance Corporation of India (LIC) in its IPO (Initial Public Offering).

LIC will also undergo a change in its

board structure and adopt new accounting standards before its initial share sales.

The anchor investors will be invited "after the embedded valuation exercise is done" and the IPO pricing is "ready", a source told.

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LIC will also undergo a change in its board structure and adopt new accounting standards before its initial share sales.

The anchor investors will be invited "after the embedded valuation exercise is done" and the IPO pricing is "ready", a source told.

There may be over two dozen (24) anchor investors in LIC's IPO, another source added. A mere 10% stake in the country's largest insurer is assessed to be worth at least Rs 1 lakh crore, which is remarkably high for the Indian equity market.

The anchor investors will purchase a portion of LIC's shares, meant for qualified institutional buyers (QIBs). "If anchor investors pay a certain amount and the market is ready to pay more than that on the day of IPO, the anchor investors will have to bring in the extra amount to match the market price. If the market shows a demand of less, we don't have to refund the extra amount to anchor investors. This is the benefit of having anchor investors," the source further told the publication.

Meanwhile, the state-run insurer is "aligning" its compliance processes with listing norms and will make changes at the "constitutional level". The LIC board, presently, is not as per the prescribed SEBI norms. (Mint)

## Government gives nine-month extension to LIC chairman

The government has given a nine-month extension to LIC chairman M R Kumar till March next year in view of the insurer's proposed initial public offer towards the end of the current fiscal. In her budget speech 2021, finance minister Nirmala Sitharaman said the initial public offer (IPO) of LIC would be floated in 2021-22 as part of the ambitious Rs 1.75 lakh crore disinvestment target. The government has approved the proposal of the department of financial services for extending the term of Kumar from June 30, 2021 till March 13, 2022, the date when he completes three years, sources said.

The sources said the rules under the Life Insurance Corporation Act, 1956, have been amended to provide extension beyond 60 years in view of the ongoing preparation for the IPO, they added. Kumar was to retire this month upon attaining the age of 60 years.

## IPO-bound LIC warns against misuse of its iconic logo

The country's largest public sector insurer, Life Insurance Corporation of India (LIC) has issued a public warning over the unauthorized use or misuse of its iconic logo by anybody.

According to its Twitter handle, the LIC has barred any websites, publishing houses or digital entities from publishing its logo without the prior permission.

The 65-year-old LIC, which is soon going for its IPO, has warned stringent legal or civil action against any person found misusing its official logo, in a post on Friday.

The simple but logo consists of a flame symbolizing 'life' with two shielding hands of 'life insurance' indicating its protection, with the Sanskrit legend below it - "Yogakshemam Vahmyaham", derived from the Bhagwad Gita, and the LIC headquarters at Nariman Point in south Mumbai is also named 'Yogakshema'.

The LIC warning on social media states: "LIC Public Alerts - Unauthorized use of LIC's Logo. LIC logos cannot be used in any website, publishing material and digital post. Strict legal action - civil and criminal - will be taken against such person."

## LIC hikes stake in UBI to over 5%

The Life Insurance Corporation of India (LIC) has hiked its stake to 5.06% in state-run Union Bank of India with acquisition of nearly 2% additional stake in the bank.

Earlier, the LIC held 3.09% stake in UBI, representing 19,79,23,251 equity shares of the bank, as per a regulatory filing of LIC sent to exchanges through Union Bank of India recently.

However, on May 20, LIC increased its stake to over 5% after picking up 14,78,41,513 shares of the bank in a preferential allotment. ❑

# Health Insurance News

## Flipkart introduces wellness and care initiatives for its staff

E-commerce major, Flipkart has revamped its existing policies and introduced new wellness and care initiatives for its full-time employees in India, as the pandemic continues to pose challenges.

The company has introduced an unlimited medical insurance cover for all its full-time employees, including its supply chain staff, in the country. This insurance is expected to cover all medical expenses and cost of hospitalization, without any upper limit and without employees paying premium for it.

"The unlimited medical cover for all full-time employees, including supply chain staff, covers any and all unfortunate circumstances that require medical treatment. This is irrespective of the cost of treatment. For example, if someone needs cancer treatment that may cost Rs. 1 crore, it will be covered," explained a Flipkart spokesperson.

In addition to this, the company has also enhanced its medical cover policy for employees. Flipkart has introduced mental wellness cover for all treatments, advance procedures, non-medical expenses, and critical illness cover with lump sum payment.

## FM asks Insurance Companies to Settle Claims Faster

Finance Minister NirmalaSitharaman asked insurers to accelerate the disbursement of pendingcovid claims.

Amid rising claims owing to the ravaging Coronavirus pandemic, Finance Minister Nirmala Sitharaman held a review meeting with heads of insurance companies, under the Pradhan MantriGarib Kalyan Package (PMGKP) insurance scheme for health workers fighting the infection.

According to official sources, she asked insurers to accelerate the disbursement of pending claims under the Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY).

During the meeting which was held virtually, the Finance Minister noted that under the PMGKP scheme, a total of 419 claims have been paid as on date, amounting to Rs. 209.5 crore disbursed in the account of their nominees.

To address the issue of delays arising out of states sending documents, Ms Sitharaman said that a new system has been put in place whereby a simple certificate from the District Magistrate (DM) and endorsed by the nodal state health authority will be sufficient to process these claims.

A total of 4.65 lakh claims have been paid amounting to Rs. 9,307 crore under PMJJBY. Since the beginning of the pandemic that is April 2020 onwards till date, 1.2 lakh claims have been paid amounting to Rs. 2,403 crore, at a disposal rate of 99 per cent.

Appreciating the recent efforts made by insurance companies and banks in speedy processing of claims, she said that insurance company officials should continue being sympathetic while providing services to nominees of dead policy holders, especially during pandemic period.

## 20 lakh 'golden cards' issued under PM health insurance scheme in Jammu

The Jammu and Kashmir Health Department till now has issued over 20.24 lakh 'golden cards' under the Ayushman Bharat-PMJAY-Sehat scheme in the Jammu division to provide a yearly health insurance cover of up to Rs. 5 lakh, an official said.

The Ayushman Bharat-Pradhan Mantri Jan ArogyaYojna (AB-PMJAY), a universal health insurance scheme, was launched on December 1, 2018, to provide coverage to about 3.17 lakh below poverty line (BPL) families in the Jammu division.

With a view to provide universal health coverage, the AB-PMJAY-Sehat scheme was conceived and rolled out in the Union Territory in convergence with the AB-PMJAY scheme from December 26 last year, Financial Commissioner for Health and Medical Education AtalDulloo said.

"Till date, 20.46 lakh golden cards have been issued. At least one member of 6.68 lakh families has been issued golden card in the Jammu region," he said.

It provides health insurance cover of up to Rs. 5 lakh per family per year on floater basis to 7.14 lakh additional families of the Jammu division, Mr. Dulloo said.

Thus, about 10.31 lakh families in the division are currently availing benefits under the scheme, he said.

As many as 92 hospitals have been empanelled by the government under the scheme, Mr. Dulloo said.

As a part of Ayushman Bharat programme, 599 health and wellness centres (HWCs) have been set up in the Jammu division to provide comprehensive primary health care, including universal screening of common non- communicable diseases such as cancer and diabetes, he said.

## Tiger Global leads $15.6 mn round in health insurance startup Plum

Tiger Global led a $15.6 million investment round in group health insurance company Plum.

Previous investors Sequoia Capital India's Surge, Tanglin Venture Partners, Incubate Fund and Gemba Capital also participated in the Series A round. The startup had raised $5 million in earlier rounds last year.

Angel investors Kunal Shah (founder of Cred), Gaurav Munjal, Roman Saini and Hemesh Singh (founders of Unacademy), LalitKeshre, Harsh Jain and Ishan Bansal (founders of Groww), Ramakant Sharma and Anuj Srivastava (founders of Livspace), and Douglas Feirstein (founder of Hired) also participated in this round.

Plum said it would use the fresh fund for engineering, business development and operations. The company is building insurance products for businesses with seven employees or less and cannot afford to pay annual premiums. Plum is additionally looking at building deeper API integrations with leading insurers such as ICICI Lombard, Care Health, Star Health and New India Assurance.

"Plum aims to reach a milestone of 10 million lives insured by 2025, by changing the employee health insurance space. With Plum, we are making the process transparent, affordable and easy, using tech at scale. The adoption of health insurance by startups, SMEs and corporates is increasing exponentially, and is further accelerated by the ongoing Covid-19 pandemic," said Abhishek Poddar, co-founder and chief executive officer of Plum.

The group health insurance market in India, which is almost 50 per cent of the total $3.5 billion health insurance market, has seen an annual growth of about 25 per cent in the last few years and is doubling every three years. Group health insurance products cover about 90 million Indians. They are expected to cover more than 500 million Indians by the end of this decade.

Plum, founded by Poddar and Saurabh Arora in 2019, aims to accelerate adoption of health insurance in India by making it accessible, affordable and usable for employees. It has over 600 organisations such as Groww, Unacademy, Twilio, CleverTap, UrbanLadder on-board.

"As India's healthcare insurance industry rapidly expands and transforms, Plum is well positioned to make comprehensive health insurance accessible to millions of Indians. We are excited to partner with Abhishek, Saurabh and the Plum team as they scale their leading tech-enabled platform to employers across the country," said Scott Shleifer, Partner at Tiger Global.

## Navi General Insurance launches monthly subscription-based health insurance

Navi General Insurance has introduced a monthly subscription (EMI) based insurance product instead of paying the annual premium upfront to make health insurance affordable.

Navi General Insurance is a wholly owned subsidiary of Sachin Bansal-led Navi Technologies. The insurance policies can be purchased at EMIs starting as low as INR 240 per month, said the company. Navi offers health insurance cover ranging from INR 2 Lakh to INR 1 Cr for individuals and families. The company claims that it has a claim settlement ratio of 97.3% and a network of 10,000+ cashless hospitals across 400+ locations in India.

"Health insurance coverage in India is extremely low, as many people believe buying health insurance is not just complex and cumbersome, but also unaffordable. With ever-rising medical and healthcare costs, Navi's subscription-based option for buying health insurance will help to make this important insurance cover more affordable and more accessible to many more customers," said Ramchandra Pandit, MD and CEO, Navi General Insurance.

Navi had acquired Mumbai-based insurance company DHFL General Insurance for INR 100 Cr ($14 Mn) in January 2020.

Overhauling traditional insurers to adopt more digital channels and data-driven approaches is essential in a country where insurance penetration is abysmally low at 3.7%, according to the latest Economic Survey. While traditional insurers have depended on a network of agents to push products and drive sales, pandemic-induced lockdowns and social distancing norms have been the perfect trigger for digital insurance channels.

This has also prompted everyone from leading fintech unicorns and recent startups to experiment with different insurance delivery models to tap into the post-Covid demand for this product. In fact, the Insurance Regulatory and Development Authority of India (IRDAI) has also, in recent times, introduced measures to improve delivery of digital insurance products.

## Health insurance claims shoot to Rs 22,955 crore

Due to covid second wave, with the number of infections rising rapidly across the country, claims made under health insurance for Covid have shot to Rs 22,955 crore with 14.82 lakh customers submitting hospital bills as on May 14.

However, insurance companies have settled only claims of 12.33 lakh customers for about Rs 11,794 crore so far, according to figures compiled by General Insurance Council. The claims of over 2.5 lakh customers involving Rs 11,161 crore are yet to be cleared, the figures show.

These are claims made by customers for Covid treatment under all insurance schemes, including two specifically for Covid, since April 2020.

Among states, Maharashtra leads with 5.35 lakh people submitting claims worth Rs 6,896 crore as of May 14, followed by Gujarat, Karnataka and Delhi (see chart). These five states account for 65 per cent of the total claims.

While the average Covid claim amount was Rs 154,808 as of March 2021, the average amount settled worked out to Rs 95,622 per person on an all-India basis. Among states, Telangana topped in amounts settled with a person getting Rs 125,260 for hospitalisation and treatment, followed by Delhi with Rs 121,540 per person.

With cases and claims spiking, complaints have emerged of some insurance companies refusing to renew or offer new Covid policies to customers, prompting the Insurance Regulatory and Development Authority of India (IRDAI) to step in.

"It has come to the notice of the Authority that some of the insurers are not offering Corona Kavach and Corona Rakshak Policies to the customers, and some insurers are not renewing such policies," the IRDAI said in a letter to insurance companies.

## Covid patients pay 40% medical cost from pocket

Covid-19 patients are paying as much as 40 per cent of treatment costs from their pocket despite health insurance. Insurers have been selling short-term COVID-specific policies -- Corona Kavach and Corona Rakshak -- in bulk since last year.

Low premium, as specified by insurance regulator IRDA, made these policies affordable. However, the second wave of Covid-19 has led to a massive spike in the number of insurance claims. Around 50 per cent of such claims are getting rejected while those whose claims are being processed are receiving only 60 per cent of the amount.

A big reason behind a difference in insurance claims and settlement amount, and rejection of a large number of claims, is unpreparedness of insurers who did not anticipate such a large influx of claims. The exclusion of the overhead consumables, including PE kits, masks and gloves, from the policy and different treatment protocols have also forced patients to bear additional costs at their own expense.

Even if a patient's policy is eligible for cashless settlement, the insurance companies are not offering it. They have to pay the full amount themselves and file the reimbursement later. Even Finance Minister NirmalaSitharaman has taken cognizance of it. She has spoken to the IRDAI chief to look into the matter. Besides, in some cases, the private hospitals are charging much higher prices than what the government has prescribed and the insurance companies are refusing to pay those.

Moreover, they are rejecting renewal of such policies despite the regulator having told insurers to renew these policies up to September 30. As per the IRDA rules, selling and renewing Corona Kavach policy is mandatory for all insurers, while it's an option in cases of Corona Rakshak policies.

State-wise data on Covid insurance claims till May 14 shows total 14.82 lakh Covid insurance claims worth Rs 23,000 crore have been made, out of which 12.33 lakh claims worth Rs 11,700 crore have been settled so far.

Also, patients are facing at least two-three week lag in the processing of claims and settlement. This has also caused disparity in claims and settlements. ❑

# Private Life Insurance News

## Bharti AXA Life Insurance expects 20% growth in business

Bharti AXA Life Insurance expects 20 per cent growth in business during the current fiscal backed by higher demand for protection and guaranteed plans amid the Covid-19 induced pandemic. The company had witnessed a four per cent growth in business premium at Rs. 2,281 crore in FY21.

According to Parag Raja, MD & CEO, Bharti AXA Life, the life insurance industry is estimated to grow 12-15 per cent during the current fiscal, as against a single digit growth it had clocked in FY21.

"The current pandemic has forced consumers to shift their mindset when it comes to life insurance as a product category. Pre covid, people generally bought life insurance for tax saving or for some for sort of obligation, but the current humanitarian crisis has forced people to start thinking about this. Our estimate is that the life insurance industry should grow by 12-15 per cent during the current fiscal and we want to outperform the industry growth," Raja told.

The company's assets under management grew by 36 per cent and renewal premium grew by 10 per cent in FY-21, which indicates that customers have understood the need for staying invested in insurance products, he said. Close to Rs. 1,500 crore out of the total premium of Rs. 2,281 crore was renewal premium.

In FY21, Covid-related claims accounted for nearly 16 per cent of the total 2,874 claims registered. In value terms, Covid related claims accounted for nearly 21 per cent of the total payout of around Rs. 180 crore. However, in the second wave there has been a sharp rise in claims.

"In the second wave we have already received 60-70 per cent of last years' Covid claims in the first two months," he said.

## Insurers make COVID-19 vaccination mandatory for term life insurance

Max Life and Tata AIA are asking for COVID-19 vaccinations for those purchasing term life insurance, a move influenced by similar measurers by some global insurers.

Max Life is issuing term life insurance covers to individuals aged above 45 only after producing final COVID-19 vaccine certificates, Tata AIA is giving policies only to those who have received at least one dose, across all age groups.

"To ensure the highest degree of financial protection to our policyholders, we ensure their interests are protected at all times," a Tata AIA spokesperson told.

"Our practices and policies reflect emerging realities. We continue to stay consumer-focused as well as prudent in our practices," the spokesperson said.

This policy means that many who have not yet taken the vaccine will be unable to buy term life insurance.

Only 18.95 crore have taken their first shots, and 4.66 crore people have taken both doses of a COVID-19 vaccine, according to the Union health ministry's latest update.

Max Life spokesperson, however, said the company "continues to issue new term life policies to those who have not received the Covid 19 vaccine."

## Max Life Insurance posts 19 pc jump in FY21 APE

Max Life Insurance said its individual annualised premium equivalent (APE) grew by 19 per cent to Rs 4,907 crore in the financial year ended March (FY21).

The gross written premium increased by 18 per cent to Rs 19,018 crore with the company's embedded value totalling Rs 11,834 crore.

The operating return on embedded value (RoEV) was at 18.59 per cent, including non-operating variances RoEV at 22.4 per cent impacted by COVID-19 provisions.

The value of new business was at Rs 1,249 crore, up 39 per cent and total assets under management grew 32 per cent to Rs 90,407 crore in FY21.

"In a tough year, we outpaced the private life insurance industry on the back of exceptional digital agility, distribution excellence, and product innovation strength," said Prashant Tripathy, Managing Director and Chief Executive Officer of Max Life Insurance.

"A balanced product mix of traditional savings-cum-protection plans, unit-linked plans, and pure protection products delivered robust sales growth and margin expansion, in turn enabling highest-ever overall sales and value of new business."

## Bharti AXA Life Insurance appoints Rahul Bhuskute as Chief Investment Officer

Bharti AXA Life Insurance announced the appointment of Rahul Bhuskute as chief investment officer effective 1st June, 2021.

Prior to joining Bharti AXA Life, he had a long stint with the ICICI Group in London and Mumbai leading significant verticals in Asset Management and Corporate & Investment Banking.

Rahul Bhuskute is a tenured investment professional with over decades of experience in creating and scaling up significant investment portfolios in Asia and Europe. Prior to joining Bharti AXA Life, he had a long stint with the ICICI Group in London and Mumbai leading significant verticals in Asset Management and Corporate & Investment Banking. His work experience spans investments in bonds, loans, convertibles, equity-linked instruments and credit derivatives in investment-grade, growth capital, special situations and distressed debt. In his last stint, he led the creation of a private equity platform focused on investing in distressed assets and special situations at ART Special Situations.

## Life Insurers witness surge in Covid claims

The current wave of Covid has pushed up claims for life insurance companies by 5-10 times for April 2021. This follows 1.9 lakh Covid-related deaths since April 1, 2021, which is 17% higher than lives lost to the pandemic in the entire FY21. "Life insurers, while making Covid reserves last year, assumed 50-100% higher Covid-related deaths for FY22. Our analysis shows that reserves made by them can cover 1.5-2x the Covid-related deaths in FY21," said a report by Macquarie.

The 5-10 times increase in the number of death claims is based on enquiries with life insurance companies and industry bodies by Macquarie. The report says that worry for investors is there could be a significant impact on embedded value for life insurance players. The embedded value is a measure used to determine the worth of a life company that factors in future liabilities based on actuarial assumptions.

Of the three listed life insurers - HDFC Life, ICICI Prudential Life Insurance and SBI Life, Macquarie Research has projected 2%, 3% and 4% impact, respectively, on embedded value should Covid-related claims for FY22 be four times of FY21. The balance sheet impact of pandemic deaths is protected to a certain extent from the reinsurance that a life company purchases.

While reinsurers have committed to cover the policies already sold, they are being careful in underwriting new covers. Some reinsurers have withdrawn from providing covers, while others have raised their rates. "The bigger worry for us could be the possible impact on VNB (value of the new business) margins, as reinsurance companies bear the bulk of the pain since more than 70-80% of retail individual protection is usually reinsured. As a result, reinsurance rates could go up, affecting VNB margins," the report said.

"While near term outlook could be challenging, we are structurally positive on life insurance players and believe a 20% VNB CAGR (compound annual growth rate) is sustainable over the longer term," Macquarie research analyst Suresh Ganapathy said in the note.

The other impact of the pandemic is that life insurance companies out of concerns for employees' health are going a bit slow on soliciting new business. At the same time, companies have been cautious in respect of prospective customers' health.

## DPIIT notifies 74 per cent FDI cap in insurance sector under automatic route

The Department for Promotion of Industry and Internal Trade (DPIIT) has notified the government's decision to increase the foreign direct investment (FDI) limit in the insurance sector under the automatic route to 75 per cent from 49 per cent earlier.

According to a press note issued by the department, the decision will take effect from the date of FEMA (Foreign

Exchange Management Act) notification. The Insurance (Amendment) Bill, 2021, was passed by Parliament in March.

The Bill amended the Insurance Act, 1938. FDI in the insurance sector was increased from 26 per cent to 49 per cent in 2015. The announcement for hiking the FDI limit was made in the Union Budget 2021-22 on February 1.

The new arrangement is expected to benefit 23 private life insurers, 21 private non-life insurers and seven specialised private health insurance companies.

## ICICI Prudential Life Insurance optimistic about growth opportunities

ICICI Prudential Life Insurance is optimistic about growth opportunities this fiscal despite the second wave of the Covid-19 pandemic that has impacted many lives and livelihood.

"Our aspiration of doubling the value of new business (VNB) growth by 2020-23 is guided by APE growth or overall topline premium growth. We need to typically grow at 25 per cent to 28 per cent on VNB annually for next two years," said Amit Palta, Chief Distribution Officer, ICICI Prudential Life Insurance, adding that margin expansion now has limited scope for growth.

Palta said the insurer registered its best ever month in March 2021, but growth was impacted from the second-half of April as the Covid-19 case load spread.

However, there has been improvement in the last few weeks of May.

According to IRDAI data, ICICI Prudential Life Insurance registered a 38.55 per cent growth in first year premium in the first two months of the fiscal upto May 31, 2021 though it declined by 3.93 per cent for the month of May 2021.

Palta said he expects growth to continue based on the additional width in distribution the insurer has set up, a positive environment and the momentum in insurance sales that was seen from the second half of 2020-21.

The insurer added over 100 partnerships last fiscal, which it believes will help distribution and spur growth.

In terms of bancassurance partnerships, it tied up with IndusInd Bank, AU Small Finance Bank, IDFC First Bank, RBL Bank and NSDL Payments Bank. It also tied up with distributors including PhonePe and Wealth India Financial Services as well as insurance broking entities -BSE EBIX and Magnum Insurance Broking.

## Tata AIA Life Insurance FY21 total premium up 34% to Rs 11,105 cr

Tata AIA Life Insurance (Tata AIA Life) said its total premium income grew by 34 per cent to Rs 11,105.09 crore in fiscal 2021 as against Rs 8,308.51 crore in FY20.

It registered a 26.9 per cent jump in individual weighted new business premium (IWNBP) income to Rs 3,416 crore in FY2020-21 as against Rs 2,692 crore in FY20, the insurer said in a release.

The total renewal premium income has also witnessed a 37 per cent growth compared to the last financial year and increased from Rs 5,066.49 crore to Rs 6,961.36 crore, it said.

"We kept up the momentum of our business even in the most disruptive year. Our market share grew, outpacing industry growth yet again and we continue to maintain our leadership in protection, having registered the highest growth in the last two years," Tata AIA Life Managing Director and CEO Naveen Tahilyani said.

Total assets under management (AUM) grew by 47.16 per cent to Rs 46,281 crore in FY21 from Rs 31,450 crore in the last fiscal.

The 13th month persistency remained at 88.28 per cent despite the adverse impact of the Covid-19 pandemic, the release said.

During the year, 98 per cent of its policies were submitted digitally. The self-service ratio for policy-holders also went up to 91 per cent from 85 per cent in FY20.

## Bajaj Allianz Life Insurance declares bonus of Rs 1,156 crorefor policyholders

Bajaj Allianz Life Insurance has declared bonuses amounting to Rs 1,156 crore to its policyholders. This includes a special one-time bonus of Rs 315 crore, which is over and above the regular bonus.

The company said in a statement that this will benefit nearly 1.2 million (11,99,612) policyholders. This is the 20th consecutive year the company has declared a bonus.

The bonus declared by the Company is for the policies of all participating products, which are in-force for full sum assured as on March 31, 2021, and for which customers are paying premiums regularly. The one-off special bonus and the regular reversionary bonus are payable at the time of maturity or death of the policyholder.

Tarun Chugh, Managing Director and Chief Executive Officer, Bajaj Allianz Life Insurance said, "We are sure that this one-off special bonus will not only make customers happy, but will encourage several of our customers to stay invested in their Life Goals." Bajaj Allianz Life has a Claims Settlement Ratio of 98.48 percent for FY21. ❑

# International News

## US's largest insurance companies reportedly paid $40 million to ransomware hackers

CNA Financial, one of the largest US insurance companies, paid $40 million to free itself from a ransomware attack that occurred in March, according to a report from Bloomberg. The hackers reportedly demanded $60 million when negotiations started about a week after some of CNA's systems were encrypted, and the insurance company paid the lower sum a week later.

If the $40 million figure is accurate, CNA's payout would rank as one of the highest ransomwarepayouts that we know about, though that's not for lack of trying by hackers: both Apple and Acer had data that was compromised in separate $50 million ransomware demands earlier this year. It also seems like the hackers are looking for bigger payouts: just this week we saw reports that Colonial Pipeline paid a $4.4 million ransom to hackers. While that number isn't as staggering as the demands made to CNA, it's still much higher than the estimated average enterprise ransomware demand in 2020.

Law enforcement agencies recommend against paying ransoms, saying that payouts will encourage hackers to keep asking for higher and higher sums. For its part, CNA told Bloomberg that it wouldn't comment on the ransom, but that it had "followed all laws, regulations, and published guidance, including OFAC's 2020 ransomware guidance, in its handling of this matter." In an update from May 12, CNA says that it believes its policyholders' data were unaffected.

According to Bloomberg, the ransomware that locked CNA's systems was Phoenix Locker, a derivative of another piece of malware called Hades. Hades was allegedly created by a Russian group with the Mr. Robot-esque name Evil Corp.

## Global insurance protection gap widens to $1.4 trillion in 2020

According to Swiss Re Institute, the global insurance protection gap widened to a new high of $1.4 trillion in 2020 due impacts from the COVID-19 pandemic, Artemis reported. Global insurance resilience is expected to rebound in 2021 due to increased awareness of risks, while anticipated recovery in global economic growth is also expected to improve the macroeconomic resilience.

Swiss Re Institute has published its Resilience Index, which shows that the COVID-19 pandemic reduced global macroeconomic resilience by close to a fifth in 2020.

Global economic growth is expected to recover strongly in 2021, after the pandemic-induced recession in 2020, thee reinsurance firm said, which it expects will help to build macroeconomic resilience again.

However, Swiss Re warns that "there will not be a return to pre-COVID-19 levels of resilience in 2021."

The global insurance protection gap reached a new high of around USD 1.4 trillion in 2020, Swiss Re's analysis shows, however the reinsurance firm believes that global insurance resilience will return to growth in 2021, citing increased risk awareness as a key driver.

JérômeHaegeli, Swiss Re Group Chief Economist, explained, "Our study clearly shows that economic resilience pays off. Advanced regions benefitted from both stronger levels of macroeconomic resilience and health insurance resilience than their emerging counterparts. However, to restore macroeconomic resilience and drive long-term growth, deep structural reforms are needed.

"The global pandemic has accentuated the gap between the rich and poor. It has laid bare the need for governments to focus on rebuilding and promoting social cohesion. Social equity - and at its heart, creating equal opportunities for all - will be a defining feature of a more resilient world.

"The global insurance protection gap reached a new high of USD 1.4 trillion. Closing this gap would both support long-term economic stability and increase society's capacity to absorb shocks. Making insurance more widely available and affordable will be essential. But re/insurers and leaders in business and government must make resilience a shared priority."

Swiss Re believes that structural reform is essential to rebuild resilience around the world, saying this can, "build long-term growth prospects and replenish macroeconomic resilience."

Swiss Re notes that the pandemic has driven people to, in some cases, think differently about insurance and risk protection.

"For many people, the COVID-19 experience has highlighted the importance of risk protection covers," the reinsurance firm explained.

Interestingly, out of the insurance resilience areas measured by protection gaps, it is catastrophe insurance that remains the largest.

Swiss Re said that, "Global natural catastrophe resilience remains the lowest of all, with the global index reading at 24% in 2020, meaning that 76% of these protection needs around the world are uninsured."

That demonstrates the significant opportunity to provide more efficient risk capital and reinsurance to support expanding coverage of global catastrophe risks, a key area the insurance-linked securities (ILS) market could assist with.

## Life insurance industry in Japan to remain below pre-COVID-19 levels until 2024

The life insurance industry in Japan is forecasted to recover from 2021 onwards and increase at a compound annual growth rate (CAGR) of 1.8% during 2020-2024. However, it will still be lower than 2019 figures, according to GlobalData, a leading data and analytics company.

GlobalData has revised Japan's life insurance forecast in the aftermath of COVID-19 outbreak. As per the latest data, Japan's life insurance industry is estimated to decline from JPY31.4 trillion (US$288.2bn) in 2019 to JPY28.3 trillion (US$264.6bn) in 2020, in terms of gross written premium (GWP).

PratyushaMekala, Insurance Analyst at GlobalData, comments: "Despite the economy registering an annualized 11.7% growth in the last quarter of 2020, it contracted by 4.8% in 2020. Emergency measures introduced by the government and unfavorable economic environment impacted consumer spending, including life insurance."

According to the data released by the Life Insurance Association of Japan, 6.74 million new business individual insurance policies were sold during April-September 2020, registering a year-on-year decline of 35.6%. Stringent containment measures impacted sales through broker and agent channels that mandate face-to-face interactions. Sales representatives remain the dominant channel for life insurance policy sales in Japan with nearly 50% share.

In addition, persistent negative rate in domestic market and decline in interest rate in overseas markets have created an uncertain business environment for life insurers. As a result, insurers have reduced or temporarily suspended sales of foreign-currency denominated policies.

To mitigate the impact of the pandemic, life insurers have launched online platforms to generate sales. Leading insurers such as Meiji Yasuda Life Insurance and Dai-ichi Life Holdings launched online sales of life insurance policies post the onset of the pandemic. Insurers are also expanding the coverage of their products by providing COVID-19 hospitalization and death benefits, in addition to the pre-existing benefits.

Increased awareness of health and life insurance amid the pandemic has led to a spike in the demand for COVID-19 specific insurance products in 2020. Taiyo Life Insurance revealed in April 2021 that the sales of its COVID-19 insurance product launched in September 2020 exceeded 100,000 policies, indicating significant demand.

Ms. Pratyusha concludes: "The resurgence of the COVID-19 pandemic has dampened the growth prospects of the Japan life insurance industry. Momentum in vaccine rollout and government's measures to support the revival of economy will aid the demand for life insurance in 2021." ❑

# "HEALTH" EMERGED AS KING BUT "MOTOR" OWNS THE THRONE

Disruptions that have taken place as fallout of the covid-19 pandemic have reflected themselves in many ways. Change is the only constant and for the insurance industry, change is nothing new. The industry is dynamic and changes with the changing trends and demands of consumers. Even in these trying times, when Covid numbers are breaking all records, the IRDAI has brought about several consumer-friendly changes in the insurance industry.

The need for health insurance was all the more emphasized when Covid struck and people were increasingly being hospitalized. Though normal health plans covered Covid, they excluded the cost of consumables which was high in Covid treatments. That is why IRDAI directed health insurers to launch Covid specific health plans and then Corona Kavach and Corona Rakshak were born. These plans exclusively cover Covid and fulfill the short term coverage needs of individuals against the dreaded Corona virus. IRDAI asked insurance companies to boost their online sales so that policyholders can buy policies without stepping out from their homes. As a result, more and more insurance plans are being sold online for ease of buying.

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The KYC verification has also gone online as companies are resorting to video calls and image uploads of KYC documents for verification purposes. Keeping affordability in mind, IRDAI made health insurance premiums more pocket-friendly by introducing the installment mode of payments. Now, health insurance plans are allowing individuals to pay their premiums in easy installments rather than in lump sum. This change has two benefits.

One, individuals would be able to afford a comprehensive health insurance plan with an optimal sum insured level. Two, the popularity of health insurance would increase thereby increasing their penetration too. General Insurers are benefiting from an uptick in retail health insurance that grew by 31% y/y over 4mFY21 leading to a 13% rise in total health insurance. This segment forms 14% of premium & is key to rise in total premiums. Moreover, claims have been manageable (estimated 10-15% y/y falls) as rise in Covid-claims is offset by lower normal claims.

For the first time in India's insurance sector, the health business has beaten the motor vertical to become the biggest non-life industry segment, boosted by a rise in standard Corona virus plans. On the other hand, a slump in vehicle sales has affected motor insurance. IRDAI data showed that while motor insurance premiums saw a 15.7 percent decline, health insurance premiums saw a 13 percent YoY growth in the April 1-August 31 period. For the general insurance industry, premium collections remained muted for the period with just a 3.6 percent YoY rise to Rs 73,968.26 crore. The health insurance business contributed Rs 22,903.44 crore.

Till now, the motor insurance segment, driven primarily by the mandatory motor third-party insurance, has always been the largest business segment in the general insurance sector. However this year, Covid-19 played spoilsport. On the other hand, a slump in vehicle sales has affected motor insurance. When it comes to third-party cover, it includes insurance for new vehicles as well as renewals. The reality is that customers are not renewing their vehicle insurance since remote working is the new normal. This has severely affected motor premiums.

The concept of long term motor insurance plans was unveiled in 2018 when IRDAI mandated new vehicles, bought on or after 1st September 2018, to have a mandatory long term third party cover. With that change came long term comprehensive plans which offered long term coverage for third party liability and own damage cover. These plans have, however, been withdrawn from 1st August 2020. Though long term third party coverage would still be mandatory for new vehicles, long term own damage cover has been withdrawn. Vehicle owners can, therefore, buy bundled plans with a long term third party cover and one year own damage cover.

| | Motor Insurance (Rs. Cr) | Motor Growth (%) | Health Insurance (Rs. Cr) | Health Growth (%) |
|---|---|---|---|---|
| Public Sector insurers | 8121.34 | -18.55 | 10829.44 | 11.57 |
| Private Sector insurers | 14132.36 | -14.02 | 12074 | 14.26 |
| Standalone health insurers | NA | NA | 6096.46 | 28.85 |
| **Industry Total** | **22253.7** | **-15.73** | **22903.44** | **12.97** |

## Standardized insurance products to improve penetration:

The Regulator has announced a number of standardized insurance products for term life, health, residential property and small businesses, to increase insurance penetration in the country. Standardizing insurance products will help first-time buyers purchase a plan without having to pore over documents or make comparisons. Only 79% of four-wheelers and 36% of two-wheelers have mandatory third-party insurance. Of the total dwelling units in the country, only 0.9% are covered by insurance and 62% of healthcare expenditure is paid out of pocket. Despite the temporary negative impact on the insurance industry of the Covid-19 pandemic, the industry will move towards its long-term average growth rate of 12% for life, 18% for general, and 25-40% for health insurance.

Health insurance can emerge as key growth driver in post Covid-era. Low penetration of health insurance is evident from the fact that over 60% of medical expenses are personally incurred by patient. Only 10% of the population has taken commercial insurance (i.e. outside Govt. plans). This segment is sized at over Rs 500 bn in India and over the next five years we see this more than doubling. ICICI Lombard could be a key beneficiary of this uptick, and we expect this segment to be key growth driver.

## Health insurance premium shoot up 40-70%:

Health insurers have hiked their premiums for medical insurance plans by 40-70% following regulatory directives for them to broaden coverage over more illnesses. In addition, exclusions in health insurance policies will be completely standardized. Previously, the exclusions were not fixed across the insurer and varied from one insurer to another. Insurers say the hikes are necessary as the IRDAI has asked them to cover a range of conditions excluded previously. Regulatory changes in the past one year have made it mandatory for insurers to cover Covid-19, HIV/ AIDs, artificial life maintenance, mental illness, mental disorders, age-related degeneration and internal congenital diseases.

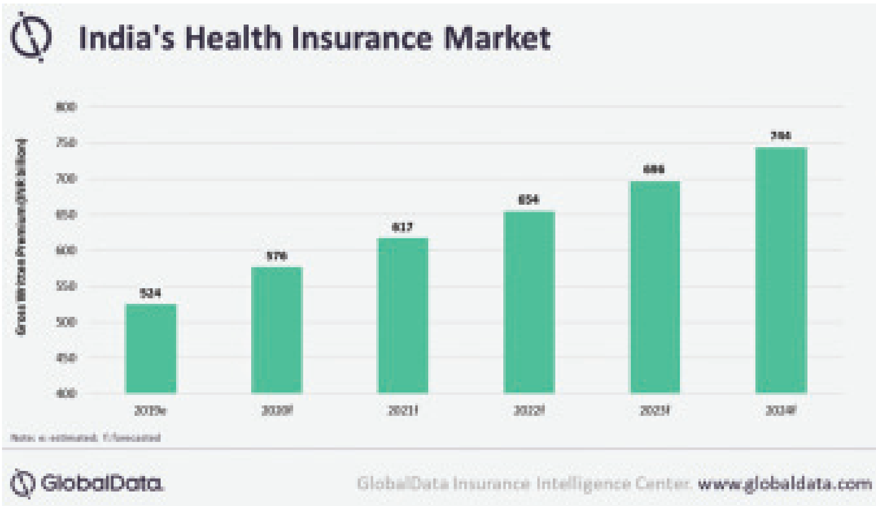
The Regulator had approved the new premiums. It is not like insurers are arbitrarily deciding to increase rates. However, it is argued that insurers are raising rates by pricing policies at the highest end of the rate band approved by the regulator, instead of pricing them mid-range. Another industry trend is the change in age-band pricing. Previously, the age bands which determine premiums payable were, for instance, 25-35, 35-45, 45-55. As policyholders crossed an age bracket, there would be a price increase. But increasingly, the market has been flooded with new products, which have narrower age brackets of five years.

In the entire non-life sector, standalone health insurers have seen the largest gains due to Covid-19 awareness and allied policy purchase. Data reveals that health insurance premium income rose 12.97 per cent to Rs 22,903 crore in the April-August period, overtaking auto business as the largest insurance segment. These insurers saw a 29 percent YoY increase in health premiums to Rs 6,096.46 crore. Star Health Insurance was the largest insurer in this segment with a growth rate of 45.45 percent YoY in the April to August period, with premiums touching Rs 3,182.26 crore.

Aditya Birla Health Insurance saw a 93 percent YoY growth in health premium to Rs 409.03 crore in this five-month period. Another factor that led to the growth in health insurance has been the availability of more products. A Rs.20 lakh health insurance cover for a 30 year old may cost around Rs. 13,000 for one year. A new digital health and wellness market place, Vital is offering monthly subscription plan for health insurance just like you pay your monthly EMIs or pay for your Netflix subscription on a monthly basis.

## Colour codes to decide health insurance plans:

To make health insurance more customer friendly, medical plans offered by a general insurer or standalone health insurer will soon carry a colour code each. The colour codes will indicate the level and degree of complexity of the product. To determine whether a health plan is simple or complex, a set of scores will be given to the product based on the terms and conditions of the insurance policy. Factors like the number of optional covers, percentage of co-payment, waiting period, permanent exclusions, number of treatments, and simplicity of terms will be considered in determining a score for the product. The higher the number of optional covers and percentage of co-payment, the higher will be the score. Products with a score of 2 or less will be classified green, more than 2 and less than 4 will be orange, while those above 4 and up to 6 will be red. Where there are multiple options for a certain health plan, the average of the options shall be considered. For example, if a health product has two options of 10% and 20% co-payment, then the average co-payment shall be 15%.




## Telemedicine and online consultation under health policy:

Telemedicine was a developing concept in India but Covid pushed the concept to the forefront as the nation went under lockdown and social distancing became the norm. Telemedicine includes offsite medical consultations done through telephones, video calls, online chats, etc. As telemedicine became popular in the post-Covid world, the Regulator asked insurers to cover the medical costs incurred on telemedicine if their health plans offered coverage for doctor's consultations. So, now, health plans have become all the more inclusive as they cover telemedicine costs too. With a surge in the number of Covid-19 cases across the country, the IRDAI has instructed insurers to settle claims for telemedicine and online consultation under health insurance policies. As the Covid-19 pandemic continues to spread across the country, people increasingly prefer online consultation with doctors rather than hospital visits. A number of hospitals have also started offering nursing services at the homes of their patients.

Over the past few months this trend has been increasing which has prompted the insurance regulator to take steps that will be beneficial to insureds. The regulator has requested insurers to allow claim settlement for telemedicine consultation wherever normal consultation with a medical practitioner is allowed under the terms and conditions of the policy. The insured person taking telemedicine consultation from a doctor will be allowed to claim the expenses under the health insurance policy if it covers outpatient department expenses or if telemedicine consultations are a part of pre- or post-hospitalization expenses.

The Regulator has advised insurers to allow telemedicine wherever consultation with a medical practitioner is permitted under the terms and conditions of the policy, and where they are following guidelines given by the Medical Council of India. The provision of allowing telemedicine is part of claim settlement policy of the insurers and need not be filed separately with the authority for any modification. However, the norms of sub limits, monthly or annual limits of the product shall apply without any relaxation.

## COVID-19 claims form 40% of total health insurance claims:

One analysis of claim costs (normal & Covid-linked) shows that blended impact for the sector seems manageable. So far (5mFY21), the overall claim incidence for the sector should be 10-15% lower than normal claims (despite 13% growth in premiums) because the rise in claims due to Covid has been offset by lower claims for normal medical costs. In FY20 sector paid Rs 330 bn worth of health-insurance claims implying that for 5m FY21 the normalized claim payment would have been Rs 140 bn (assuming no growth).

Against this, insurers would have paid Rs 120 bn (including claim of Rs 26 bn towards Covid) - which is a 10-15% decline. It's relevant to note that while claims paid are based on actual payouts, 'claims incurred' (i.e. charged to P&L) is subjective & insurers have taken divergent policies. ICICI Lombard seems to have been conservative whereas PSU insurers and some standalone health insurers seem a bit aggressive about reserving for health insurance claims. Health insurance claims from Covid-19 are rapidly growing and as at end of September 2020 they were 40% of the total claims of the Indian general insurers. Covid-19 claims have been steadily increasing from 8% in May 2020 to 23% in July 2020 to 34% in August 2020 and now 40% in September 2020.

As cases rise and reliance on private healthcare increases these are likely to rise further. This is scary - Covid claims now nearly form half of total health industry claims. One must remember that non-Covid claims have also been increasing. In March and April when the lockdown was severely enforced, we saw people postponing planned surgeries like a cataract operation or knee-cap surgery. But in September, non-Covid claims rose because of the pile-up; caused by people postponing necessary treatment in the first half of the lockdown. Industry analysts are concerned that the rising Covid claims could put more pressure on the books of general insurers, particularly the four public sector general insurers.

## Health portfolio loss ratio could increase by 10%:

Initially, there was a misconception that Covid-19 claims won't be paid under health insurance. Later, the regulator clarified that Corona virus treatment would be covered, and there has been an uptick in policy purchase. Indian insurers have received 349,000 claims for over $736m from Covid-19 patients as of 5 October 2020 according to data made available by IRDAI. The general insurers had settled 217,000 claims amounting to $297m up to 5 October 2020. If claims continue to rise then the loss ratio in the health portfolio could increase by 8%-10% solely due to the ongoing pandemic.

During the financial year 2019-20, Indian health insurance had received premium income of $7bn, a growth of 13.41% compared to the previous financial year 2018-19. As such, claims arising from Covid-19 are around 10.5% of the health insurance premiums received during 2019-20. Typically, every year loss ratio for the retail health policy is around 65%-70% while for the group health policy its around 90%-100%. But this year due to the pandemic we expect loss ratio to further go up by 8%-10% for the insurance companies on account of the pandemic.

The average claim size reported for Covid-19 health insurance is $2,127. The average claim size, however, varies from one state to another. Moreover, as the number of active cases goes down, insurers expect claims to go down in the days to come. With the number of active cases going down in India, we have seen doubling of claims going up from 16 days to 31 days. This indicates slowing of growth rate. If things continue to remain under control in the next few days, we might see lesser number of Covid-19 claims going forward. Globally, 42 vaccines are undergoing human trials right now, with another 151 in the pre-clinical stage.

In India, three vaccines-by Serum Institute of India, Bharat Biotech International and Zydus Cadila-are in human trials, and half a dozen more are in pre-clinical stage. Serum Institute's candidate is in phase 3 trial, while the other two are in phase 2. At least one candidate is expected to get nod by December-end or early next year, and commercialization may begin by June 2021. While vaccines take at least five years to develop, Covid candidates are going through all three phases of trials in a year. India has become the second-most affected country in the world after the US, in terms of Covid-19 cases.

## Need to slice health insurance claims data for more clarity:

The moment of truth for a health insurance product is when a policyholder raises a claim. So in rating insurance policies for customers, claims data becomes an important parameter by which to assess an insurer. Policyholders' rates insurers on the basis of their performance on claims settlement, time taken to settle claims and complaints related to claims.

While this helps in ascertaining the performance of an insurance company on a macro level, it may not give a clear picture to the end consumers for two reasons: the numbers are adulterated with group claims and claims settlement rate does not give customers an idea about the out-of-pocket expenses they may have to bear despite having insurance. Claims data needs to be cleaner and sharper. Now that the pandemic has popularized health insurance, customers, advisers and even policymakers need to look at claims more carefully.

Public disclosure documents, therefore, need to dedicate more space to claims and distil the usual entries of claims reported, settled, rejected and outstanding for the retail bucket and also capture the leakages (or the out-of-pocket expenses) from the claims filed. Slicing the data for retail is only one step and may still not reflect the true picture, if the retail bucket comprises defined benefit health plans, which pay the entire sum assured. The other type of health plan is indemnity policy that pays for hospitalization up to the sum insured. Critical illness plans come under the defined benefit category as they pay the sum assured if the policyholder contracts a defined illness. But such policies define the severity of an illness which can lead to claims rejection if the customer does not understand the nuances which is often the case.

For instance, critical illness plans that cover cancer specify the severity of the ailment and usually exclude early-stage cancer. Although defined benefit plans may not form a huge proportion of an insurer's health portfolio, segregating this bucket from indemnity will make the data sharper. Higher rejection rate in the pure retail indemnity bucket, for instance, sheds light on the sales practices of the company, among other things. Also, within the retail bucket, it would help if claims are further segregated for the insurer's own plans and Regulator's mandated standard offering Arogya Sanjeevani.

## The pace of Motor Insurance business:

The motor insurance business of insurance firms declined by 15.73 per cent during the period April-August 2020 amid relaxation announced by the state governments in the Motor Vehicle Act and the slowdown in the business due to the Covid pandemic. According to IRDAI data, total motor business premium fell to Rs 22,253 crore in the five months ended August 31, 2020 from Rs 26,406 crore in the year-ago period. About Rs 1,850 crore declines was reported by four PSU general insurers only.

The overall degrowth (in motor) is the result of drop in premium mobilization in commercial vehicles where the fall in sales of new vehicles has been steep. In September 2019, we saw a huge increase in motor business which was primarily fuelled by the two wheeler and standalone TP policies for private cars due to the Motor Vehicle Act. Most of the cases were break-in insurances and were due for renewals. At Digit, we had seen a 500 per cent growth in policy issuance especially in the two wheeler segment.

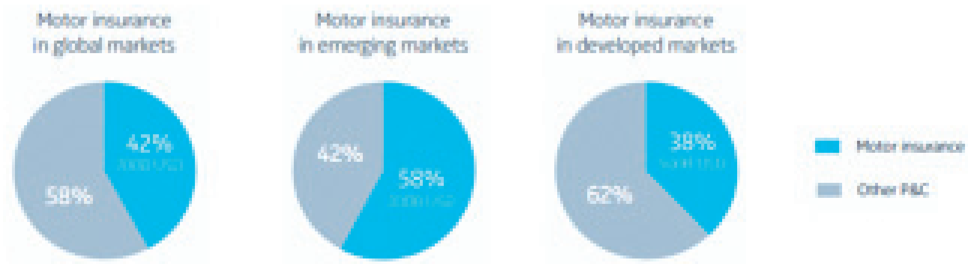
GI Council, which is a representative body of insurance companies formed by Insurance Act 1938, said motor insurance policies have to be renewed at the earliest. The Council said the, The MoRTH letter on August 24, 2020 advising state governments over the validity of vehicle papers only extends to fitness certificates, permits, driving licenses, and registration certificates. Here are the new rules:

1. Carrying vehicle license, registration certificate, insurance documents etc., will not be required from October if these documents are validated through government portal.
2. The documents can be uploaded on Digi-locker or m-

Parivahan. Both these apps are available in any play store. One can register through their mobile number.

3. Revoking driving license will also happen digitally.
4. Records of license being disqualified etc., will be digitally stored.
5. E-challans will be issued on the portal.
6. Drivers can only use mobile phones for route navigation while driving.

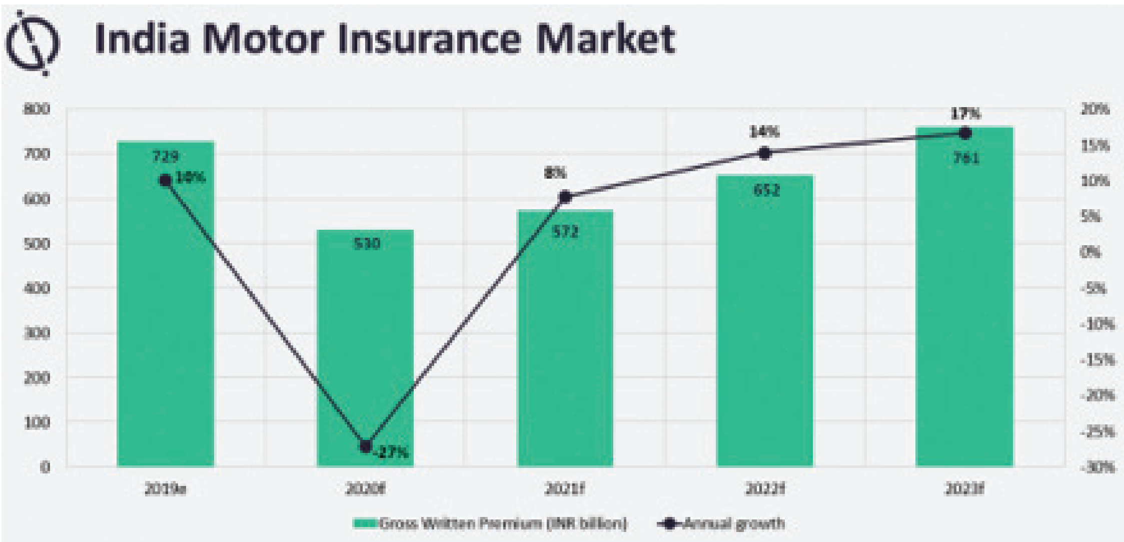
These changes, to be effective from October 1, 2020 were brought in by the Motor Vehicles (Amendment) Bill, 2019.




## No slump in motor insurance business:

Motor insurance is the largest business portfolio for general insurers. The Regulator released business figures which indicate a substantial growth in the premium income underwritten by general insurance companies in September. Premium income rose to Rs.20,145.46 crores in September from Rs.14,463.60 during the same time last year. Overall, general insurers witnessed a growth of 16.84% compared to last year. Major chunk of general insurers' revenue is drawn from the sale of motor insurance policies.

However, passenger vehicle sale continued to disappoint with a plunge by almost 24% in September. General insurance companies seem to be enjoying the spike in the sale of motor insurance policies. After the amendments to the Motor Vehicles Act, not having a third-party motor insurance attracts a fine of Rs.2,000 for the first offence and a fine of Rs.4,000 for the second offence.




The high penalty is contributing to the increasing sale of motor insurance at a time when the automobile industry is struggling. August to September, the sale of motor insurance saw a significant rise because there's a high penalty now.

The penalty is actually higher than the cost of insuring a two wheeler so this has brought a large number of uninsured vehicles within the insurance net. Own damage and third-party insurance, both have seen equal boost. Insurers haven't taken a hit due to drop in automobile sale only because older vehicles have now come under the ambit of mandatory insurance. This could be a one-time high because motor insurance is bought for three and five years so the premium numbers may not continue to remain this strong a year from now.

Till now, the motor insurance segment, driven primarily by the mandatory motor third-party insurance, has always been the largest business segment in the general insurance sector. When it comes to third-party cover, it includes insurance for new vehicles as well as renewals. The reality is that customers are not renewing their vehicle insurance since remote working is the new normal.

This has severely affected motor premiums. Regulatory data showed that while motor insurance premiums saw a 15.7 percent decline, health insurance premiums saw a 13 percent YoY growth in the April 1-August 31 period. For the general insurance industry, premium collections remained muted for the period with just a 3.6 percent YoY rise to Rs 73,968.26 crore. The health insurance business contributed Rs 22,903.44 crore.

However, with relaxation by the state governments, this effect faded away in October 2019 itself. Now with the pandemic and lockdown restrictions in select cities, the renewal ratio of this business is expected to remain low. Apart from this due to the MV Vehicle Act, the minimum claim size has increased and we expect it to automatically increase by 5 per cent each year.

| Insurers | Motor Insurance Premium | | | | | (In Crores) |
|---|---|---|---|---|---|---|
| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Acko | -- | -- | -- | -- | 0.82 | 75.32 |
| Bajaj Allianz | 2699.85 | 2918.38 | 3277.29 | 3567.44 | 4152.67 | 4857.03 |
| Bharti AXA | 1052.27 | 1093.52 | 1019.91 | 1104.70 | 1073.87 | 1143.00 |
| Cholamandalam | 1249.71 | 1279.09 | 1667.61 | 2165.48 | 2640.73 | 3001.08 |
| DHFL | -- | -- | -- | -- | 0.00 | 21.11 |
| Edelweiss | -- | -- | -- | -- | 0.00 | 26.90 |
| Future Generali | 706.35 | 828.10 | 927.85 | 903.00 | 1037.34 | 1143.47 |
| Go Digit | | | | | 74.71 | 854.53 |
| HDFC ERGO* | 1004.06 | 1051.65 | 1174.30 | 1097.88 | NA | NA |
| HDFC Ergo(earlier L&T) | 3213.80 | 3415.81 | 4149.81 | 4541.81 | 2306.60 | 3059.97 |
| ICICI Lombard | 1761.73 | 2141.97 | 2407.14 | 2973.31 | 5249.47 | 6423.53 |
| IFFCO Tokio | -- | -- | -- | -- | 3002.38 | 3261.25 |
| Kotak Mahindra | 137.53 | 204.86 | 301.94 | 725.22 | 139.37 | 197.60 |
| Liberty Videocon | 97.01 | 192.16 | 274.47 | 409.08 | 553.78 | 754.70 |
| Magma HDI | 388.49 | 401.19 | 334.48 | 340.31 | 413.42 | 746.55 |
| Raheja QBE | 0.65 | 0.42 | 5.43 | 28.92 | 51.83 | 76.96 |
| Reliance | 1444.65 | 1642.54 | 1660.53 | 1962.65 | 2484.49 | 2856.74 |
| Royal Sundaram | 1022.46 | 1159.43 | 1273.91 | 1704.23 | 2026.51 | 2075.87 |
| SBI General | 465.33 | 538.65 | 707.94 | 680.79 | 978.17 | 916.10 |
| Shriram | 1481.04 | 1461.31 | 1666.41 | 1835.56 | 2040.59 | 2252.45 |
| TATA AIG | 1074.03 | 1224.58 | 1411.36 | 2020.01 | 2813.99 | 3791.34 |
| Universal Sompo | 231.75 | 251.30 | 315.77 | 392.64 | 647.29 | 699.36 |
| **Private Total** | **18030.69** | **19804.97** | **22579.79** | **26521.95** | **31688.03** | **38234.86** |
| National | 4838.97 | 5177.48 | 5664.60 | 6321.67 | 7024.02 | 6164.28 |
| New India | 4604.61 | 5366.01 | 6177.29 | 7600.67 | 9094.89 | 8846.68 |
| Oriental | 2638.63 | 2861.70 | 3150.64 | 3743.64 | 4357.48 | 4535.20 |
| United | 3709.85 | 4169.17 | 4728.54 | 6062.60 | 7081.69 | 6741.33 |
| **Public Total** | **15792.06** | **17574.36** | **19721.07** | **23728.58** | **27558.08** | **26287.49** |
| **Grand Total** | **33822.75** | **37379.33** | **42300.86** | **50250.53** | **59246.11** | **64522.35** |

The provisional gross written premium (GWP) income by 34 non-life insurers within India for FY 2019-20 is Rs. 1,89,301.76 crore, of which the GWP under the motor portfolio within India for 2019-20 (for both motor own damage and motor third party) is Rs. 69,208.14 crore. So, on an average, India's motor premium per month is Rs. 5,767.34 crore. Lesser people have renewed their vehicle insurance this year. The insurance industry is living up to its responsibilities to the economy during this unprecedented crisis by making life less miserable for millions of policy-holders and their families struggling for liquidity, and small businesses and traders with no revenues, all of whom are hard-pressed because of the pandemic.

Customers are of the opinion that the vehicle may not be used for some time in the future due to lockdown or the ongoing Corona scenario. And this majorly happened in Q1. Q2 seems better than Q1 for sure. Brand new vehicle sales took a huge hit in Q1 and have started to pick up now. From August 1, the 3+3 and 5+5 motor policies for brand new vehicles have been discontinued. As a result the ticket size of insurance policies for brand new vehicles has taken a bit of hit and this impact will be seen in the coming months as well. The month of September is also expected to show a drop as last year a lot of people purchased due to MV Act and fines.

This year many customers from this segment aren't renewing their policies is the absence of policing on that front. Lockdowns are the best-case scenario for insurers as there are fewer vehicles on the road, meaning fewer accidents and fewer claims. Fewer claims mean extra profits. Insurers are better off than before because of this crisis and, therefore, there is a compelling necessity to offset the above risk-free premiums based on the claims cost saved during the lockdown. Despite the gradual revival of the economy, motor insurance business recovery is expected to be stretched. The pressure on new vehicle sales is likely to continue until 2021, resulting in sluggish growth in motor insurance premiums.

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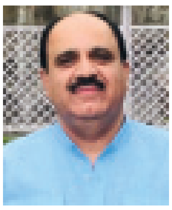
# RURAL INSURANCE IN URBAN HANDS

No financial compensation from insurance sector against the massive damages caused due to recent cyclone storm in coastal parts of India, has exposed the outreach of insurance services in rural India. With more than Rupees 2 lakh crore annual premium income, Indian general insurance industry, operating through 4 public sector insurers and 30 private insurance companies, have so far, not been able to penetrate even more than 3 percent of country's population. The fact already within the knowledge of government and the insurance regulator, prefer to do away with penalties imposed on insurance companies rather than to ensure their outreach to vast rural India.

Tall claims by the authorities on success of their various welfare insurance schemes launched for the benefit of public, have actually failed to deliver any tangible relief to the downtrodden, which precisely got exposed during the recent wrath of cyclone storm in more than 4 states of the country. Together with the improvement in insurance services through enhancing cost conscious competition, much needed stress is equally required to be laid on extending its reach down to rural India also.

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Private insurers, mostly confining their operations to urban India, aim at making hefty profits while as public sector insurers, currently struggling for their survival, both defeating the actual purpose of delivery of insurance services to the public. Lack of trained manpower at rural level with unaggressive marketing strategy, Public sector companies equipped with about 100 rural insurance products, have not been able to make any substantial dent in rural market.

Earlier government insurers had even engaged the services of the specialists exclusively for uplifting rural insurance portfolio but with the passage of time, its very purpose got diluted when due to their efficient competency, their services were utilized for other marketing activities defeating the concept of their basic recruitment. While as merely insuring motor vehicles moving around rural locations is being misrepresented by private insurers for achieving their business targets, set for servicing rural sector by the regulator.

Even insurance regulator in India too has failed to create much needed insurance awareness among the masses and so is the prime objective of government of the day. Recent cyclone catastrophe, depriving the poor masses from the real benefit of insurance facility, serve as an eye opener for the government and the insurance regulator. Authorities need to reactivate their existing policies, in order to forcefully implement the penetration of insurance service down to actual India. By concentrating on about Rupees fifty thousand crore direct tax and GST revenue generating industry, government can no longer linger on the fulfillment of social obligations by the insurance sector, that is also affecting our socio economic growth. It will be appropriate for the operators to expand insurance services rather than to encourage their spending under Corporate Social Responsibility as mandatory provision put up by the government.

Now the time has come, that insurance sector in India needs to be recognized as an industry, so as to fulfill its social objective and deliver the real benefit of insurance to its public rather than to restrict it as a profit making source. Even under present scenario, insurance in reality, be it life or non life, is so alien in rural India, that one still hear the versions like "Scooter ka LIC karna hai". Operational network of the operators, specifically active manpower equipped with updated infrastructure deep in to rural and under developed pockets, need to be strengthened making them time bound accountable to achieve the set objectives, that should be monitored at brief intervals in order to make it an immediate reality. Due representation to rural youth need to be given not only to address the problem of developing rural insurance portfolio by making it a successful massive public participation employment generation programme but also to address their socio economic development need. ❑

## General insurance industry in India to reach US$36.4bn in 2024

The general insurance industry in India is projected to grow from INR1.9 trillion (US$27.7bn) in 2019 to INR2.9 trillion (US$36.4 bn) in 2024, in terms of gross written premium (GWP), according to GlobalData, a leading data and analytics company. GlobalData has revised India's insurance forecast in the aftermath of the COVID-19 outbreak. As per the latest data, Indian general insurance industry is expected to grow at a compound annual growth rate (CAGR) of 8.7% over FY2019-2024, driven by economic recovery expected over the second half of 2021.

Deblina Mitra, Insurance Analyst at GlobalData, comments: "The Reserve Bank of India (RBI) has maintained the country's GDP estimates at 10.5% for FY2022 despite the second wave of COVID-19 spread. Improvement in domestic demand and increased investment activity is expected to aid in the economic recovery."

Motor insurance, which accounted for one-third of general insurance business in 2019, is expected to grow by 4.7% in 2021. The current decline in auto sales due to the re-imposition of lockdown at the federal level is expected to be short-lived. With pick-up in vaccination drive, economy is expected to recover over the second half of the year. This will restore demand for auto sales and motor insurance.

Property insurance, which accounted for 28% of general insurance business in 2019, is expected to grow by 10% in 2021, primarily driven by price increase. In 2020, fire insurance premiums were increased by up to 25% after GIC Re increased reinsurance rates. According to GlobalData's Global Insurance Database, personal accident and health (PA&H) insurance, which accounted for 29% of general insurance premium in 2019, is expected to remain strong and grow at a CAGR of 14.2% over the next five years.

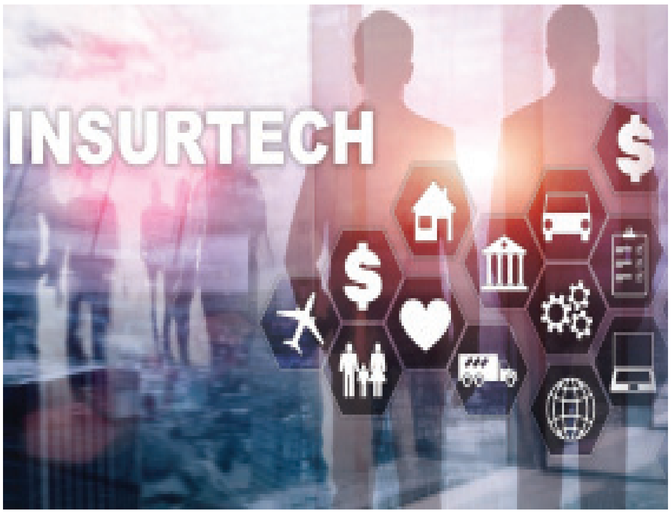
Increased health awareness and demand for COVID-19 specific insurance products contributed to its strong retail sales last year. Additionally, the extension of 'sale and renewal' of COVID-19 specific health insurance products until September 2021 and the launch of standard personal accident insurance 'SaralSurakshaBima' from 1 April 2021 are other positive developments that will further contribute to the demand for PA&H insurance.

Ms Mitra concludes: "The second wave of COVID-19 has dampened the recovery momentum in general insurance business. However, its impact is expected to be short-term as vaccine roll-out picks up pace in the second half of 2021. As a result, general insurance business is anticipated to recover strongly in 2021."

Continued from last issue

3rd Prize Winner : Technical Paper Writing Contest 2020

# INSURETECH: A TOOL FOR INSURANCE PENETRATION




## Internet of Things

With the traditional view, the general insurance industry is always viewed as an industry, which financially compensates individuals and organizations for losses incurred by them. However, the biggest challenges faced by insurers are claim valuation. The process is very tedious for almost all the insurers because of the amount of data that needs to be analyzed before paying a claim. Customers also face long processing times, especially after dealing with a financial loss. Furthermore, there is always a high probability of fraudulent claims, which necessitates a rigorous validation process. IoT can be helpful in eliminating such issues. IoT sensors can be used to track key parameters on an insured person or object. If the object of insurance is a person, they can be given wearable devices that track basic health parameters over time. In the event of an insurance claim, the recorded data can help prove allegiance to clauses in the insurance policy. In the case of auto insurance, a car that is insured is fitted with sensors and on-board diagnostics (OBD) systems to monitor the performance of the car.

These parameters will help the insurer to assess the premium that the driver will have to pay, with lower premiums for safe drivers. In the event of an accident, this data can be relayed immediately to the insurer and to the emergency services for a timely response. The insurers can immediately validate the case and pay the insured amount to the customer. This tech-centric approach is highly reliable for legitimizing claims and eliminating the possibility of fraud. The above mentioned is an example of reactive way of dealing with IOT. We can also use this as proactive way. For example, in motor insurance, the data on the vehicle's real-time position and performance, traffic and weather data, the driver's behavioral data, will all be processed through machine learning algorithms. This will lead to the prevention of accidents through valuable feedback to the driver on his driving and vehicle maintenance.

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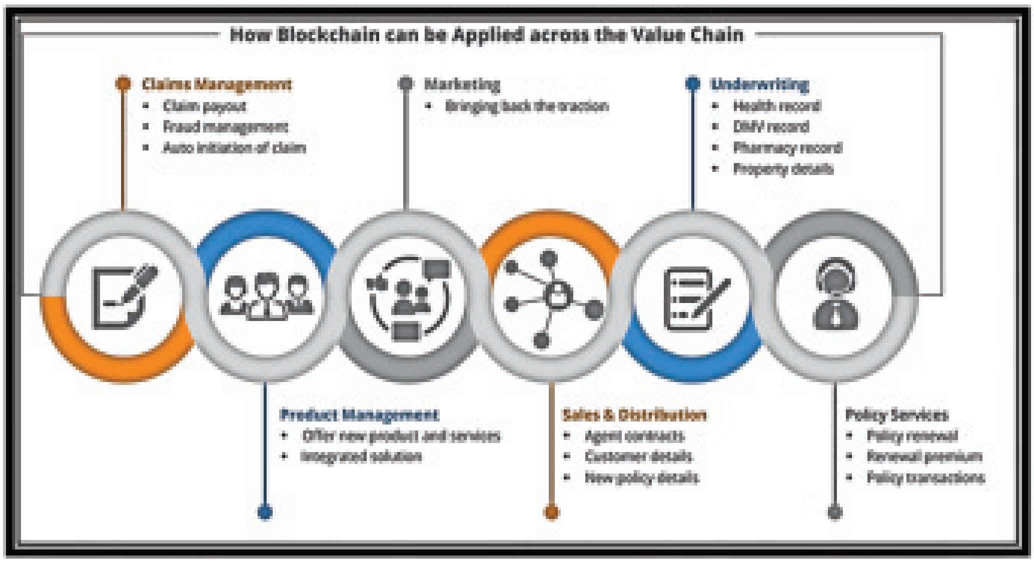
## Blockchain Technology

Blockchain is a technology, which can save anything from assets to electronic cash. It has defined ledger that can record transaction, track fraud, reduce and cut cost from underwriting and claims. Blockchain can influence existing business model. However, on the other side of the page, it has many benefits such as in help in reducing human error, detecting frauds claims, increase efficiency, better communication between various insurance departments and many more. Distributed Ledger Technology (DLT) can be useful in sharing data with each block contains a hash (a digital fingerprint or unique identifier), time-stamped batches of recent valid transactions, and the hash of the previous block. The previous block hash links the blocks together and prevents any block from being altered or a block being inserted between two existing blocks. In this way, each subsequent block strengthens the verification of the previous block and hence the entire blockchain. The method renders the blockchain tamper-evident, lending to the key attribute of immutability. In this, anyone can write and new blockchain and anyone can see it in that connected network. The claims process will become more transparent.

It has been adopted by the insurance industry as blockchain has improved transparency and reduced processing times: Tokyo Marine, a Japanese P&C insurer, tested blockchain for marine cargo insurance certificates. It reportedly reduced the time it took a shipper to receive an insurance certificate by 85 per cent. Insurers can unlock trapped value by combining blockchain with other technologies, too. Accenture has developed a blockchain-based proof of concept that leverages data from smart sensors to enable smart-vineyard insurance. Bajaj Allianz recently launched a blockchain-based travel insurance app Travel Ezee, which pays out claims automatically when there are flight delays. Like for example, if you have a travel insurance and you are going to the airport,  and suddenly you get the information that your flight has been cancelled. Now there is no need to lodge a manual claim and fill up a  claim form, the claim amount will reach your account as soon as your airline operator informs you about delay or cancellation of your flight.

Some of the key blockchain use cases explored by insurers across the globe include death claims management, reinsurance contract management, parametric products (event-based insurance products) and identify authentication. Roughly, 60% of the insurers interviewed said that blockchain adoptability would increase in the market, especially when the ledger is owned and moderated by a third party like the regulator or reinsurer.




## Predictive Analytics

It is a tool used in collecting and analyzing data from various sources. This technology helps in managing the risk more efficiently and effectively. It predicts the behavior of the insured with the help of big data. Data can be collected from various sources like smart devices, agents, customer quotation, geographical tracing devices, criminal records, credit history, etc.

It also helps in determining fraud claims. It analyzes various factors in determining the type of loss for example location, sum insured, tenure of the policy, age, income, nature of injury, education etc. This will help in scoring the claims with the help of flags or numbers based on the chances of risk involved. This will give second chance for claimant to assess the claim of any with the help of similar outcome that happened in the past. It is also helpful in expense management and trend analysis. This kind of technology helps in collecting, analyzing and accessing the data.

For Example, Mutual Liberty Insurance investing in various technologies to manage the risk. They invest in infrared cameras to better understand and access the extend of damages.

## Artificial Intelligence and Machine Learning

Text Analytics and Natural Language Processing are two of the major AI changing the way insurance companies provide client services. Customer mobile apps and websites are now equipped with chatbots that can hold a meaningful conversation with the client any time of the day. Audio, Video and Images are also helping in claims processing and enhance customer satisfaction in a faster way. It is used during the time of inspection and system can automatically assess the risk and can convey the rates and charges to cover the risk.

AI-powered claims could also fight against one of the most costly elements of the insurance industry: fraudulent claims, which cost the industry more than $40 billion a year. Instead of relying on humans to manually comb through reports to catch inaccurate claims, AI algorithms can identify patterns in the data and recognize when something is fraudulent.

Several customer interaction functions can be conducted through AI-based chatbots and voice/speech recognition algorithms. Most leading Indian insurers such as Bajaj Allianz, ICICI Lombard, and Shriram General have deployed chatbots for servicing and other customer functions.

## Telematics Insurance

Telematics is a device, which monitors the vehicle by using GPS system. Telematics is derived from Telecommunication and information processing. It helps in providing information to insurance companies. The information can be recorded by a device called black box. Various components of black box are GPS receiver, SIM card, Engine Interface also it use various algorithm for GPS logging. A vast amount of data can be collected using black box like speed of the vehicle, distance, time travelled, battery voltage, engine data, number of vehicle on road, weather condition, type of road etc. This can be installed in various motor vehicle like school buses, commercial vehicle, trucks etc. This information is then stored in cloud.

There is an open system telematics which is capable of integrating other devices also like mobile apps, hardware accessories etc. Telematics helps in improving customer services, adjust premiums for insured, efficient decision making while underwriting, optimize the maintenance of vehicle, it can provide accident information, safe-unsafe areas, level of risk involved etc.

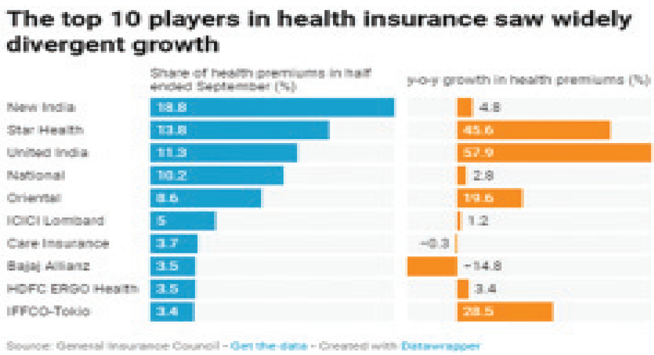
## Drone Technology

Insurance industry is already deploying and expanding the potential of commercial drones. In Insurance, drones are used for better risk management through improved data collection and other one is reduced operational costs through improved efficiency and effectiveness related to claims.

It has features of capturing high quality pictures from bird eye-view and recent advancement in drones involved audio video facility, which has made easier for insurance companies to assess risk where it is impossible to visit by physically.

It is mostly used in agricultural purpose to collect information on crop conditions. Drones can help in predicting claims more effectively. It can improve the speed with which customers receive settlements and give claims managers a better sense of where and how many staff should be deployed. This can be used at all department of insurance from underwriting to claim settlement.

Drones can be used to collect information about a property before a policy is issued by capturing data on property features that make it less vulnerable and this can facilitate personalized premiums as well.



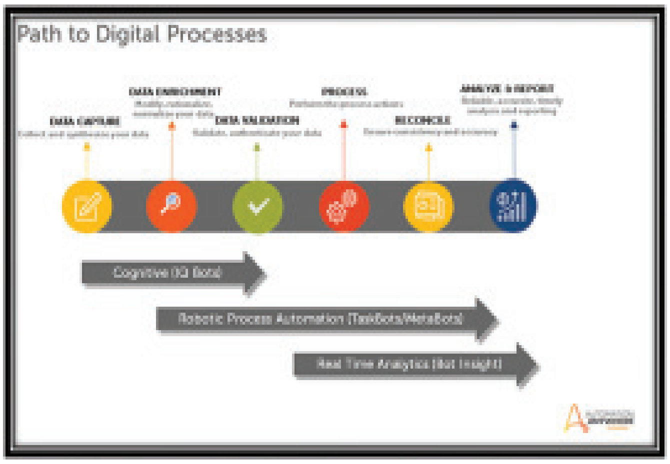

## Robotic Process Automation (RPA)

RPA (Robotic Process Automation) is a tool, which can help any organization to automate the task which consume a lot of time and which are repetitive in nature. As the insurance industry is developing very fast and process becoming more dynamic and complex therefore it is also becoming challenging for the back off staff to manage their task and work is becoming monotonous for them. In addition, manual work increases the chances of error by 60%. RPA can perform task like data entry, capturing, copying, pasting, analyse the risk percentage, flagging the high-risk business etc. RPA will carry out the job more effectively, efficiently and consistently.

**Underwriting:** RPA can be useful right from the underwriting level as it can help in making the policy itself by analyzing the quotation and can also assess the risk by grading/ crediting the risk level of the quotation by using previous data. RPA can collect the data from multiple sources and scan the similar type of risk based on various factors.

**Claims Management:** By using RPA, claims can be assessed automatically by using previous records of similar case. It also helps in calculating claims efficiently. It will help in improving claims registration process. It can help in sharing of daily report with the management.

**Client Servicing:** It will help in quick issuance of policy and faster claim settlement, and for company, it will provide efficient data management.

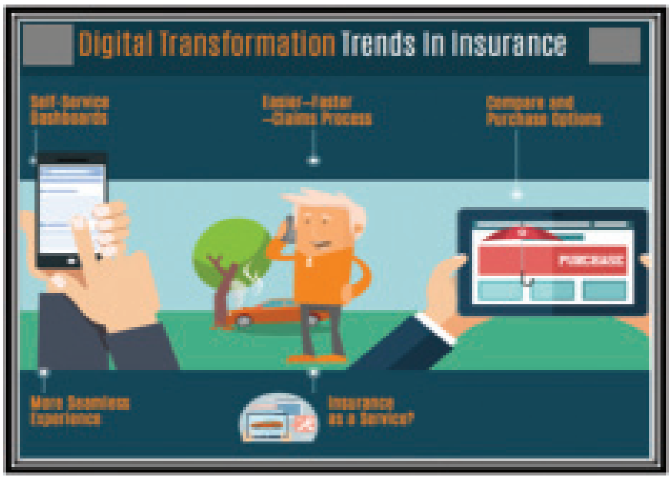



***Source: Automation Anywhere***

## Digital Offices and Innovative Insurance Products

Innovation can come in different forms, from policy disbursement to claim and settlement, enhancing customer experience, while being an enabler to achieve scale. It is also enabling insurers to move ahead and create digital offices, where salespersons could sell insurance policies via mobile and complete the processes within minutes and hours, instead of the numerous days that it used to take earlier.

Insurance product development companies are designing innovative products like Cycle Insurance, Dengue Insurance, Daily Commuter Insurance, etc. Giving wider options and flexibility to customers to choose as per their needs and specifications is spicing up the insurance market. This is simplifying the products and making them reach to customers like never before. Insurance companies are not only dependent on bancassurance, agency or direct sales channel to sell these products, but also some of the channel like web aggregators, Amazon, Flipkart are creating collaborative approach to sell products in untapped market segment. In the next five years, an estimated 500 million first-time internet users are expected to come online via mobile: The Next Half Billion. India has a young, growing middle class, with an increasing awareness for the need of protection and retirements planning, which will support the growth of Indian insurance.




## *Role of Government Sponsored Socially Oriented Insurance Schemes*

- Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)
- Pradhan Mantri Suraksha Bima Yojana (PMSBY)
- Life Cover under Pradhan Mantri Jan Dhan Yojana (PMJDY)
- National Health Protection Scheme

Government is also working as a catalyst and launched few social welfare schemes like Pradhan Mantri Jan Dhan Yojana (PMJDY), Pradhan Mantri Suraksha Bima Yojana - PMSBY (for accidental death and disability) and Pradhan Mantri Jeevan Jyoti Bima Yojana - PMJJBY (to cover life). More importantly, the government has pushed insurance as a risk management mechanism as Crop Insurance through Pradhan Mantri Fasal Bima Yojana (PMFBY) taking insurance to all the farmers.

At present around 40 per cent farmers are covered under PMFBY and it is expected that by the next 3-4 years 60-70 per cent of farmers are going to be covered through this crop insurance scheme thereby addressing the major problem of 'rural distress', which India has been facing over the decades. As 20 per cent of the premium in the non-life sector is funded and driven by the government, the challenge for the insurance sector is to manage these insurances well, delivering value to the rural beneficiaries and making the schemes sustainable

## Role of IRDA in Increasing Insurance Penetration (Through Insurtech)

Motor insurance is mandatory as per Motor Vehicles Act but about 60 to 70% of two-wheelers and 20% of cars are uninsured despite it being mandatory. This happens mainly due to lack of reach and distributor interest in pursuing small-ticket premiums. "Consumer surveys show that while most consumers want to insure their bikes, they are currently clueless about where to find an insurance agent or insurance branch office to get this done.

IRDAI has also allowed insurance intermediaries such as brokers to sponsor the training and certification of POS agents. "With increased use of digital mode... there was increased focus on point of sale products and simple to use channels to increase penetration of general insurance products in sub-urban and rural areas, IRDAI too has taken initiatives to innovate with distribution channels like Point of Sales (POS) and Common Service Centers (CSC), so that simple pre-underwritten products with lesser/minimum sum insured could be sold in villages and other small towns and cities.

The technology has played a very important role in appointing POS and CSC agents. Most of the Insurers have done an API Integration with these Common service centers to ensure fast issuance and delivery of insurance policies. Through the use of technology now Insurers can appoint POS agents very quickly, They can pass their exams very easily through the use of insurer's mobile app.

Some of the Insurers have started providing training to staff of schools and colleges, NGO's, post offices, banks, panchayats, other trusted villagers and local language speaking people engaging them for solicitation of insurance products in their respective areas. We know that insurance has been largely a 'Push' product. Innovative seamless distribution and servicing of Insurance products to rural areas and to the majority of households is the key to penetrate these markets.

New IRDA's Regulation allows Insurers to solicit business through the Insurance self-network platform of an intermediary.

Insurance self-network platforms: denotes the online portals (websites) and mobile applications for selling and servicing of insurance policies.

The majority of insurance products in India are sold through agents and the customers always see it as a 'push' product. Many times, the distributors push products without explaining the benefits and limitations of the policy, leading to a high dissatisfaction ratio amongst the customers, but now at the time of issuance of Insurance policy, IRDA has

made it mandatory for insurers to share proposal form, Policy wordings and other relevant documents with insured. As per New e-commerce guidelines, insurer has to share OTP with Insured to get his acceptance on the proposal. Insuretech has played an important role in delivering OTP, soft copy of proposal form and policy wordings to insured.

## Who can operate such platforms?

All insurers and intermediaries such as corporate agents, Brokers, IMFs and Web Aggregators etc. can operate such platforms. Permission of IRDAI is required for operating on such platforms. Products, which are approved under File and Use, can be sold through self-network platforms.

If we go into the era of pre-internet times, we can easily remember the hassles that we had to go through to purchase an insurance policy but today, things have changed for the better with the boom of the Information Technology in insurance sector, Instead of having to hire local insurance agents or go to any insurer's office, one can simply go and access the website of a recognized insurance web aggregator Like Policybazzar, Policyx to compare various insurance policies offered by different insurers. Customer can see all the competing features, costs and coverage displayed on a single screen.

## Insurtech Advantages:

**Cost Reduction:** With the help of insurance technology, insurance companies have started using various innovative means to decrease the overall cost base required for risk cover in insurance. This is being done specifically by addressing and mitigating the moral hazard and morale hazard aspects to customer behavior and through that, reducing instances of preventable claims.

**Better Customer Experience:** Consumers often complain about lack of understanding and transparency while buying insurance, insurance technology has introduced Customer ease in buying insurance, Now Customer can purchase insurance policy instantly through digital mode.

Insurance technology is trying to replace traditional agent's job wherein his main job was to explain policy exclusion and other important by using a mix of technology and in-house experts.

Product the customer will be willing to buy based on the past digital interactions of the customer. In addition, with big data capabilities, based on customer behavior, the website can be customized in real time, leading to enhanced customer experience.

**Customer Segmentation:** Advanced analytics techniques can greatly help in arresting customer churn. Predictive modelling techniques can help predict customers who are likely to surrender their policies in near future. With such insights, the marketing team can prioritize their interactions.

**Employee Productivity:** Big data infrastructure can significantly boost employee productivity by providing them the right data at the right time fore.g., if an agent can access all previous interactions between the prospect and the firm, s/he will be better equipped to convert the prospect.

**Fraud Detection:** Big data capabilities has enabled insurers to store huge data volumes obtained through its own sources and through third parties. This data is getting used to detect various fraud indicators, fraudulent customers, agents, employees, hospitals, doctors, drug stores, etc.

**Customer Service:** Customer service can be greatly enhanced by using a combination of big data and advanced analytics capabilities. Techniques such as text analytics on unstructured customer email data can identify common pain point themes so that they can be addressed proactively.

**Way Forward:** The rise of digital technologies in insurance has forced insurers to look at remodeling their current products. The traditional 'one product for all' approach will not work well in the future.

Insurers will have to offer low-priced products for specific and need-based coverages like for example (usage-based insurance) a pay-per-mile motor insurance product with price determined on miles that one drives or an event-based insurance. These products are designed to cover only a specific event. For example, a customer might be interested in personal accident coverage while taking a lengthy ride share. Insurers could also look at finding ways to bundle and create customized packages or product offerings for the appropriate customer segments. Many insurers across the globe are bundling group benefits with accident and health coverages. Product packaging also holds a lot of potential for the SME insurance market, given its diverse segments.

To increase the low insurance penetration in India, Insurers should also look at developing new products for new-age risks like the liability risks associated with using digital services across the sharing economy and liability/physical damage risks associated with the use of drones or smart devices.

Insurers should also explore Aadhaar-based biometric authentication for faster customer onboarding and cashless payment processing gave the rise of mobile payment modes (Paytm, UPII, etc.). They can also look to integrate with digital data sources/aggregators such as third-party digital lockers used with government or medical records for automated data entry. Insurers should also look at collaborating with established digital players in the rural segment and leverage their established digital platforms for insurance distribution. For example, insurers could consider integrating with digital TVs, mobile apps and bank ATM technologies and leverage those platforms for their selling and operations.

Indian insurers must increase their focus on restructuring talent pools and upskilling their human resources. Skills are clearly a fundamental factor in creating new digital services. Insurers must therefore identify the right skills required and should look to leverage digital tools such as social media sites to attract today's younger workforce.


## Conclusion

With the rapid use of smartphones, the majority of Indian population is now tech-savvy. The modern Indian is a digital native and has variant lifestyle needs. By 2020, India will be the youngest country in the world with an average age of 29, so it is vital that insurers start considering the unique needs of this demographic. Modern Indian youth are not interested in those policies, which do not speak to their lifestyle. The traditional way of providing insurance cover may no longer yield optimum results. The traditional offline model is broken, difficult, and expensive. Digital partnerships, which allow the insured to see and protect their risks, will lead. It is very much clear that the problem of low insurance penetration can only be solved through the use of insurance technology. For eradicating the problem of low insurance penetration, It is very important that customers are protected and treated fairly and provided the right and quality products according to their needs.

Technology-led disruptive ideas are essential in changing the face of insurance business and can make a huge impact on Insurers. "According to a Boston Consulting Group (BCG)-Google report, by 2020 every three in four policy purchases will be influenced by the digital channel. Insurance is a highly competitive industry and not traditionally known for innovation, changes in demographics and business models are creating significant new opportunities for insurance companies to defend market share and increase revenue and margins. The need to innovate, and to do so quickly, is now deemed critical by most of the insurance companies.

By 2020, about 315 million Indians in rural areas will be connected to the internet, compared to around 120 million at present, according to a study by BCG: The Rising Connected Consumer in Rural India. Technology has played an important role in giving boost to several sectors like e-commerce. However, in e-commerce, the current IRDAI's regulations do not allow discounts when selling insurance. IRDAI; the regulator should allow differential pricing for products sold through insurance self-network platforms.

The latest regulations issued by IRDAI on e-commerce has removed tedious processes such as physical signatures, by bringing in digital signatures and other authentication methods like one-time passwords. IRDAI should also launch "Insuretech Sandbox" to facilitate pilot trails on Insurance technology. This Insurtech Sandbox should allow Indian insurers to experiment with new technology without the need to achieve full compliance with the IRDAI's usual regulatory requirements. Under the Sandbox initiative, pilot trials of Insurtech applications should be conducted in a controlled environment with sufficient safeguards for policyholders.

One must understand and be aware of insured's risk for providing desired coverage. Insurance is and will continue to be a push-product. No one wakes up excited that they are going to buy insurance today, but insurers should change that perception. If customer has a fitness goal, so he should get a policy with their gym membership. If customer is commuting between Delhi and Noida for his new job, insurer should have policy to cover the commute. The future of insurance distribution lies in creating that context.

In short, we can say that future of insurance in India is very bright and big thanks go to the Government of India for their digital initiatives like "Make in India" and "Start-up India". The credit also goes to the regulator (IRDAI), who has brought new e-commerce guidelines, POS concept and concept of Web Agregators. The above-mentioned initiatives have played a very important role in increasing insurance penetration in India.

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# TROPICAL CYCLONES - A CHALLENGE TO INDIAN GENERAL INSURANCE INDUSTRY

Tropical Cyclone is a hazard experienced on sea coasts in the tropical regions of the earth and is known to man for many centuries. They have caused catastrophic havocs in terms of loss of human lives and damage to the assets on the coasts.

India is blessed with a long coast of 7516.5 kilometers covering both the east & west coast. The sea ports are gateways to international trade resulting in port cities with large population and creation of huge capital assets. Mumbai developed into commercial capital of India since it was a port city. Similarly port cities on the east coast such a Chennai, Vishakhapatnam, Paradeep, Haldia while Gujarat has well developed ports growing very rapidly. Refineries and downstream plant complexes are generally located in & around the port cities. The population of the port cities is ever increasing and so there are consumer industries to meet the growing needs of ever increasing population. About 80 cyclones hit coasts ion the tropical regions of the earth every year and about 6% hit Indian coast. Thevulnerability of the port cities therefore is increasing with no tools available to assess & quantify the risk of Tropical Cyclone and to control it to acceptable/insurable level.

A lot of data is available in terms of regions prone to Tropical Cyclones, their intensities & frequencies. The effort however is directed towards predicting the Tropical Cyclone track and giving early warnings and to save lives. The human losses are reduced substantially in the 21st century. Thanks to the satellites and the early warning systems developed by meteorological offices world over and the disciplined evacuations carried out by the local governments. But the Tropical Cyclones continue to cause enormous economic damages/losses.

However, there is no actionable Tropical Cyclone Risk Assessment at the location where an individual has assets


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B. E. (Electrical), AIII (Indian Insurance Institute, Mumbai), ACII (The Chartered Insurance Institute, London), DIPSM (British Safety Council, London)

or wants to build one. If an individual gets the Risk Assessment Report at his location then he can make a well informed decision to build the assets which can withstand the fury of the Tropical Cyclone and would enable him to come back to normalcy within a short period of time or alternatively can opt to shift the location or to transfer the risk at acceptable level to Insurers.

But the challenges before the Insurance companies are very high. A Tropical Cyclone catastrophe can pose a problem of underwriting viz. premium to be charged may not be reflecting the risk exposure.Also since this is a catastrophic event, Insurance companies may be exposed to number losses/claims in one catastrophic cyclone event which can result in affecting the balance sheet of Insurance companies adversely and sometimes wiping out the capital. On the other hand conservative approach in Underwriting such as applying high tariff rates may make many Insured not to opt for the cover while only those Insured opting for it are exposed to the peril, leading to selection against Insurer.

There are three types of catastrophic hazards in a Tropical Cyclone viz. High Winds/Gust Winds in kilometers per hour, Flash Floods caused by heavy downpour in a short time causing damages by high velocity of water, its depth& duration and Storm Surgeswashing out assets near the sea coast causing heavy life and property losses. We are not able to stop the Tropical Cyclones nor can we stop economic development. But what we do then?

The only option left is we assess the risk we are exposed to and make efforts to reduce/mitigate it.

First step is to know the risk. Where you are located or plan to put up your assets (identified by Latitude/Longitude), to know the exposure to the following hazards precisely:

- Velocity of wind in kilometers per hour,

- Quantity of rainfall in centimeters. Not millimeters.
- Height of Storm Surge in meters and its depth inland

Second Step is to know how many Tropical Cyclones may hit your client location and also to know their intensities in the next ten (10) years.

The above two steps will enable Insurance companies to Underwrite an individual risk based on realistic Maximum Probable Loss (MPL) estimate and also to plan Reinsurance strategy on accumulated MPLs to face the Tropical Cyclone catastrophic hazard.

Unity Geospatial LLP has developed a web application 'TROPCYC' is now available for use at the click of the mouse. But it has to be on sound foundation, reliable to meet the need of the Insurers.

## Data

Tropical Cyclone data in the form of Tracks of Cyclones of India Meteorological Department (IMD) from the year 1891 to till date and also published reports of (IMD) on Tropical Cyclones were studied and the data collected from them meticulously. From the year 1990 data & tracks of cyclones & reports are available on the website of IMD while the report & Tracks of Cyclone available in paper format in the library of the IMD at Pune. IMD reports were available from the year 1948 onwards up to the year 1989 were available in paper form. However IMD reports from the year 1891 to 1947 were not available though the Tracks of Cyclones are available and are used.

### *Tropical Cyclones which*

- Hit the Indian Coast only are considered. Those cyclones which dissipated over the sea or weakened before hitting the coast are not considered.
- Depressions & Cyclonic Storms which do not cause significant damages to reasonably built structures are not considered in the analysis but are included in the study.
- Tracks of Tropical Cyclones with intensities of 'Severe to Super Cyclonic' storms and higher intensities are only considered in the study.Wind Speeds, Rainfall & Storm Surge data is derived from IMD reports.
- Storm Surge Zones as defined & published by Indian National Center for Ocean Services (INCOIS) - ESSO at Hyderabad on their website are used. INCOIS - ESSO is an Indian Government authority to issue warnings on Tsunami caused by Earthquakes and Storm Surges

caused by Tropical Cyclones. INCOIS - ESSO does not give penetration of sea water on land during the storm surge and the same is inferred from IMD reports.

## Data Analysis

1. With GIS based data analysis, we have developed Web-based application, this application enables marking of the location of the client correctly using its Longitude/ Latitude.
2. Four damage zones viz. Red Zone (with high wind speeds & Flash Floods), Yellow, Blue and Green (No hazard) Zones are marked on the coast of India using the Tracks of Cyclones and radial damage distances from tracks of cyclones are derived from the paper "Some Characteristics of Surface Wind Structures of Tropical Cyclones over the North Indian Ocean", Journal of Earth Sciences, 124, 1573 - 1598.
3. Storm Surge zones are marked on the coast of India as defined by INCOIS on the coast line and sea water penetration on land is as given in IMD reports.
4. Probable decadal frequency of Tropical Cyclones & their intensities for zones identified by IMD are worked out using Stastical method.

## Web Application (Software)

The website TROPCYC developed by Unity Geospatial LLP has classifies coast of India into Red (Extremely hazardous zone), Yellow, Blue & Green Zone (No hazard Zone) and produces a Report on "Risk Assessment of Tropical Cyclone" (see sample copy of the report) at the client location identified by using Longitude & Latitude. The report tells the Insurer:

- Whether the location of the client falls under Red/ Yellow/Blue/Green zone. It also tells the client wind speed & rainfall he should expect during a cyclone event.
- How many cyclones & their intensities that may hit the client location in next ten (10) years.
- Describes in general vulnerability of the property and loss prevention tools available.
- The report supports the above by giving full history of weather disturbances and also major cyclones that hit the location from the year 1891 till today in a tabular form.

## Maximum Probable Loss (MPL) Estimates

MPL is used for Underwriting and Reinsurance in Insurance

business by whole of the General Insurance Industry world over. Looking at the parameters of the Tropical Cyclone at the client location as given by the Risk Assessment Report of the web application the Insurance companies can fine tune their MPL Estimates to realistic levels. In our view Insurance Companies must analyze claims paid during latest 5 or 6 cyclones using our zones to arrive at realistic MPL Estimates.

## Integration of the Web Application with Insurance Company Portals

### *a) Underwriting*

In today's world everything is on line. Hence the integration of the web application with the computer portals of Insurance Companies is essential. It would give the Risk Assessment Report for client location & its MPL Estimate which when linked with forecast of Tropical Cyclones in the next 10 years would recommend optimum premium for the client and this can be done from any of the offices of Insurer.

### *b) Reinsurance*

Web application, similarly will produce highest accumulation of MPL Estimate on a real time basis and help plan Reinsurance Strategy.

In addition to working out MPL & Accumulation of MPL Estimates the integrated web application would provide following services:

- Insurance Company can underwrite their Tropical Cyclone business from any of their offices.
- Loss preventions and customer education can be done effectively.
- In case of a cyclone, the application would produce list of clients likely to suffer damages and it also can list the clients who would suffer severe damages. This can help

the Insurance Company to arrange the Loss Adjusters and support the worst affected clients financially in a calamity.This would go a long way in getting loyal& satisfied customersand marketing in future with mouth publicity at no costs.

❖ Early sending of the Loss Adjusters to the clients would also help in reducing exaggerated/ fraud claims.

### *c) Loss Prevention*

Loss prevention is an important aspect of service to the Insured. It is duty of Insurers to pass on the lessons learnt in the past cyclones to their clients to reduce losses and keep the risks at acceptable levels -a service to the whole Indian Society. Insurers can advise on following areas:

❖ To strengthen the structures and in particular roofing systems which are suffer heavy damages by high velocity winds of the Tropical Cyclones/Hurricane. To avoid top heavy or asymmetrical structures.

❖ To open up & clean the natural drainage channels on the ground to allow flow of water smoothly to avoid flash floods.

❖ Storm Surge - To relocate to safer location.

❖ To prepare a disaster management plan for actions to be taken when the cyclone warnings are issued by the authorities and one after the cyclone to return to normalcy within the shortest time. Plan must take into account the total disruption of all services viz. no food, water, communications, rail/road/air traffic, banking, repair facilities etc.

Global Warming and Climate Change are real issues facing the world. According to IMD there is 32% rise in Tropical Cyclones hitting India. Arabian Sea is becoming fast hotbed for the Tropical Cyclones and can have a tremendous impact the west coast of India. There is also a rapid intensification

of cyclones difficult to give early warning to the communities.

The need of the hour is a web application like TROPCYC which gives at the click of the mouse Risk Assessment to help do business of insurance professionally to protect their clients as well as keep their business on sound principals and profitable.

## Tropical Cyclone Risk Assessment Report

### Client and Location Details

| | |
|---|---|
| Name (Individual/Company) | Unity Geospatial |
| Head Office Address | Pune |
| Contact Number | +91-9623558539 |
| E-mail | contact.tropcyc@ unitygeospatial.com |
| Value of Property | 40,00,000 |
| Facility Description | Industry area |
| Property Type | Industrial |
| Operational Status | Occupied |
| Property Address | West Bengal |
| Establishment Date | 2018-01-16 |
| Location(Latitude) | 21.87 |
| Location(Longitude) | 88.18 |

## Potential damages by a cyclone

### *Wind & Flood Damage Exposure*

### The Client location falls under the Red Zone of the Wind hazard

The above location falls under the Red Zone which is the central core of the Tropical Cyclone and includes Eye Wall region of the Cyclone where highest wind speeds and rain fall occurs. The most probable Cyclone in this region is Very Severe Cyclonic Storm (VSCS of IMD Scale) with wind speeds between 119 Kms./hour to 166 Kms./hour (Category 1 of Saffir-Simpson Scale). Though Extremely Severe Cyclonic Storm (ESCS - Wind Speeds 167 Kms./hour to 221 Kms./hour) and Super Cyclonic Storms (SuCS - Wind Speeds 222 Kms./ hour & above) are rare in the north of Indian Ocean, 8 ESCS & 3 SuCS have hit the east coast of India in the past 72 years viz. from the year 1948 to year 2020. The high rainfall in a short duration results in large quantity of water flowing at high speeds on the ground causing flash floods & heavy damages to property and life. The rainfall may be on an average 30 to 40 Cms. in 24 hours and can be as high as 80 Cms. in extreme cyclone events.

### *Storm Surge*

### Very High Hazard Zone 1

The above location falls under Very High Risk Zone 1 (VHRZ) of the Storm Surge and the above location may experience storm surge waves with a height of 10 to 13 meters above the normal sea tide level. The height of the storm surge may increase by the height of normal sea tide at the time of cyclone hitting the land above the sea water storm surge of 10 to 13 meters.

## History of weather disturbances that hit the location

The weather disturbances recorded by the Indian Meteorological Department (IMD) that hit West Bengal zone since the year 1891 to 2019 are as follows :

| Weather Disturbance | Number of Events |
|---|---|
| Depressions / Deep Depressions | 110 |
| Cyclonic Storms | 22 |
| Severe Cyclonic Storms | 20 |
| Very Severe Cyclonic Storms | 4 |
| Extreme Severe Cyclonic Storms | 0 |
| Super Cyclonic Storms | 0 |

## Probability and intensity of cyclone hitting the location

In the next 10 years the cyclones of following intensities may hit the above West Bengal location :

| Cyclone Intensity (IMD) | Sign | Wind Speed (km/hr) | No. of Cyclones |
|---|---|---|---|
| Severe Cyclonic Storm (SCS) | SCS | 88 to 117 | 1 |
| Very Severe Cyclonic Storm (VSCS) | VSCS | 118 to 166 | 1 |
| Extremely Severe Cyclonic Storm (ESCS) | ESCS | 167 to 221 | 0 |
| Super Severe Cyclonic Storm (SuCS) | SuCS | 222 & Above | 0 |

*Note: Super and Extremely Severe Cyclonic Storms are rare events and cannot be predicted accurately.*

## Vulnerability

Wind and Flood Damages

### *Structures that are completed and occupied :*

- All non-engineered structures with roofing systems made of metal/ACC sheets/tiles/gable ends would be total loss.
- RCC structures with RCC roof may suffer damages but may not collapse.
- Well engineered structures with roofing systems made of metal/ACC sheets/tiles/gable ends may suffer partial damages.
- Well engineered RCC structures with RCC roof may withstand the forces of wind.
- Non-symmetrical/fancy architectural structures may suffer heavy damages.
- Top heavy structures such as water tanks supported on single column, chimneys may collapse.

*Note - However in all the above structures, rolling shutters/ doors/windows/glass parts/external walls of glass in modern commercial buildings would get heavily damaged by wind forces/gale winds/flying debris and also facilities installed in the open or on roof such as solar heating/power systems/ Towers etc. may get totally damaged and may have to be replaced by new ones after the cyclone.*

### Building under Construction/Plants under Erection:

- Building under construction/Plants under erection are yet not completed and hence do not have the full strength and therefore may suffer heavy damages.
- Cranes which may collapse and other equipments on site may suffer heavy damages.

### Disruption of services:

There will be disruption of electrical, telecommunication, rail, road, water services due to heavy damages by wind forces. There may not be any local support available for repairs/reconstruction services in this difficult times. It may take a month or so to come back to normalcy, if not more.

## Flood Damages:

Property/contents at the ground floor level and basements would suffer substantial damages. The extent of damage would depend on velocity, depth & duration of the flood water at the site. Also the susceptibility of the contents to water damage would be critical.

## Agriculture:

- There are a large number coconut, betel nut etc. plantations and other fruit bearing trees e.g. mangoes etc. on the Indian coast and would suffer very heavy damages. The farmers may have to start from scratch again. There would be a loss of income for 10 years or so apart from debris removal cost and new plantation costs.
- Damage to crops depend on the time of cyclone hitting the land and damages can vary substantially, depending on whether it is sowing time or harvesting time.

## Storm Surge Damages

- Storm Surge may shake the foundation of buildings leading to total loss. Hotels and resorts are located on the sea fronts and may suffer heavy damages.
- Storm surges cover a large area and contaminate agricultural land. Desalination is required to be done to make the land fit for agriculture and involves considerable cost & time.

# Loss Prevention

## Wind Damages

Structures may be designed to stand wind forces assuming that Eye of the cyclone may pass over the above location. Though Eye region is quiet with no wind and rains, Eye wall surrounding the Eye has highest wind speeds with gale winds and heaviest rain fall. Further ahead of the Eye the winds blow in one direction while they are in exactly opposite direction after the Eye passes over the structure. This results in twisting of the structure causing very heavy damages.

## Flood Damages

It is necessary to carry out a location study to ascertain the damage potential. Past records of floods can help in recommending suitable loss prevention measures specific to the location and in preparing a Disaster management plan. Critical machines/equipment need special protection.

## Storm Surges

The construction of the properties may be avoided. If unavoidable then special precaution must be taken while constructing and also in operation. The past experience shows that highest life losses occurred in the storm surges.

# History of weather disturbances that hit the location

Severe Cyclonic Storms and Higher Intensity of Tropical Cyclones

This location falls under the Zone(IMD) West Bengal. Since 1891 to 2020 this location has faced the following Tropical Cyclonic Storms causing damages and disruption to the communities within 272 km range :

| Cyclone Name | Cyclone Life Cycle | Date of Landfall | Sustained Wind Speeds (km/hr) | IMD Scale | Saffir-Simpson Scale | Munich Rewind Hazard Zone | Rainfall (cm) | Storm Surge (m) |
|---|---|---|---|---|---|---|---|---|
| WB November 1901 | 24 to 27 Nov. 1901 | 26-11-1901 | 88 to 117 | SCS | 0 | Zone 0 | No Data Available | No Data Available |
| Contai 76 | 08 to 13 Sep. 1976 | 11-09-1976 | 130 | VSCS | 2 | Zone 0 | Heavy | 3 |
| Aila | 23 May to 26 May 2009 | 25-05-2009 | 111 | SCS | 0 | Zone 0 | 25 + | 2 to 3 |
| Amphan | 16-05-2020 to 21-05-2020 | 2020-05-20 | 185 | VSCS | 1 | Zone 1 | 7 to 21 | 5 |
| WB September 1937 | 26 to 30 Sep. 1937 | 28-09-1937 | 88 to 117 | SCS | 0 | - | No Data Available | No Data Available |
| WB July 1913 | 30 to 30 July 1913 | 30-07-1913 | 88 to 117 | SCS | 0 | Zone 0 | No Data Available | No Data Available |
| WB May 1932 | 23 to 25 May 1932 | 24-05-1932 | 88 to 117 | SCS | 0 | Zone 0 | No Data Available | No Data Available |

# CLINICAL TRIAL PROCESS & CLINICAL TRIAL LIABILITY INSURANCE

## What is this Clinical Trial Requirement?

It is obvious that-

1. Commercial advantage to the firm that produces the first approved Vaccine/ Drug for a disease.
2. There is thus dramatic increase in the number of clinical trials worldwide to fight against this pandemic.
3. Hence, the demand for risk management measures and availing the Clinical Trial Liability Insurance has been amplified.
4. The clinical trials have largely been sheltered from liability suits unlike other industries.
5. The norms are changing now for the immense & urgent requirements for the vaccines.


*About the author*

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## History of litigation against the Clinical Trials Industry:

1. There has been significant increase in such litigation during the recent past.
2. The most well known suit was filed against the University of Pennsylvania by the family of Jesse Gelsinger, an 18 year old man who died participating in 1999 in a gene therapy trial.
3. These are not isolated incidents.
4. In the days to come, we may expect such litigations in India also connected to trials for vaccines.

## The opportunity & potential in India:

1. India has become a favourable outsourcing destination for IT and host of other activities and the latest to join is clinical trial industry with the targeted populace of 136.64 Crores to be served for vaccination phase by phase.
2. India has to alter its drug and cosmetics rule under pressure from WTO, multinational drug companies and clinical research organization.

3. Foreign drug companies and others have started conducting trials in India for new vaccines at the same time that the trials of the same phase are being conducted elsewhere.
4. This change is expected to fuel the growth of clinical trial industry in India.
5. Testing new drugs in US and other Western countries is becoming difficult for various reasons, like-
   - Strict regulations existing
   - Elaborate safety norms to be adopted
   - Compensation requirements are reasonably high
   - Illiteracy & ignorance of populace like India - is absent there
   - Strict judicial environments are Prevailing
   - Huge population and dire individual need / urge for vaccination is absent (i.e. not like India)
   - Recruitment of research subjects - expensive and slow
   - R & D activities of big global drug and pharmaceutical companies are thus getting affected.

Hence, these Clinical Trial Processes are being outsourced to the developing countries like India, Thailand, etc. as China is being now out of control.

## Country attractiveness index for conducting trials:

Here the five key areas are -

a. Availability of patients / research subject
b. Cost
c. Relevant expertise
d. Regulatory environment
e. Infrastructure.

India easily fulfills these requirements and hence is the most favourable destination for such clinical trials.

## What is a clinical trial process?

It is basically -

a. Clinical trials are people based studies as opposed to animal or lab based for testing new vaccines / drugs and procedure.
b. Medical research studies involving people
c. To test the efficacy of a drug by testing it in human beings.
d. To test the safety and effectiveness of new treatments/ procedures

1. Clinical trials involves -
   a. Treatment trials (new drug or combination of drugs, new approaches or line of treatment)
   b. Prevention trials (Better ways of preventing disease or disease from returning)
2. Clinical trials answers two important questions
   a. Is the new treatment safe?
   b. Is the new treatment effective?
3. Such studies are vital to the development of new treatments for disease such as Cancer
4. It helps the doctor to learn what is safe and effective in treating disease.
5. Today, vaccines, drugs and medical devices must go through several phases of clinical trials before being approved for use.

A Clinical Trial may include -

1. Treatment trials;
2. Prevention trials;
3. Diagnostic trials;
4. Screening trails;
5. Quality of life trials.

## Exposure to clinical liability suit:

From liability stand point there are four parties involved in clinical trials:

1. The sponsor Company testing its new product / procedure
2. The clinician that actually conduct the study on behalf of the sponsor
3. Clinical Research Organization (CRO) that helps the sponsor manage the study
4. The institution where the study is actually carried.

## Phases of clinical trials:

A clinical trial is conducted in four phases. These studies are focused on human being - the first requirement here is to involve people as participant in the trials through application of newly invented vaccine/drug and simultaneously ensure the physical safety of those people engaged in the process against the administration of the vaccine/drug.

Each phase is designed to answer certain question, while trying to ensure the safety of the people taking part. The phases involved are -

**Phase -I:** In Phase I, it tests the safety of the product, determination of safe dosage and identification of side effects. In Phase I of Clinical Trials, researchers test a new drug or treatment in a small group of people (20-80) volunteers for the first time to evaluate its safety, determine a safe dosage range, and identify side effects.

**Phase-II:** In Phase II of Clinical Trials, the experimental vaccine/drug or treatment is given to or a procedure is performed on a larger group of people (100 to 300) to further measure the effectiveness and to further evaluate its safety.

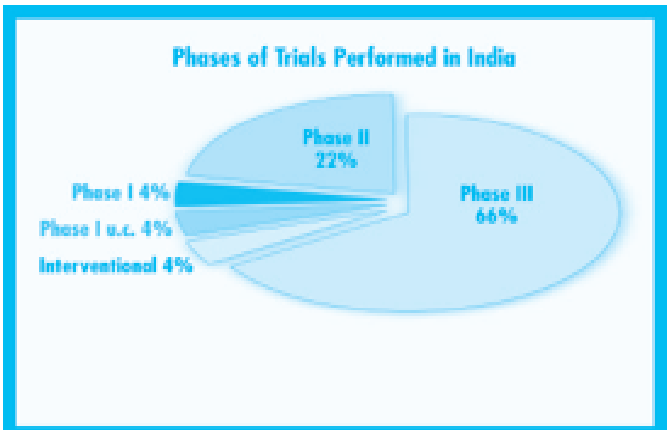
**Phase-III:** Phase III studies, the study drug or treatment is given to large groups of people (1,000-3,000) to confirm its effectiveness, monitor side effects, compare it to commonly used treatments, and collect information that will allow to check that trial demonstrate large scale efficacy of the product and is conducted on more & more individuals in many places across the country at the same time.

**Phase-IV:** After the vaccine/drug is approved, treatment or medical procedure is marketed; the testing continues to provide additional evidence of efficacy, effects on various populations, effect with long term use, etc. the drug or treatment to be used safely. Phase IV studies continue testing the study drug or treatment to collect information about their effect in various populations and any side effects associated with long-term use.

Now the issue arises -

1. Phase I - Is the treatment safe?
2. Phase II - Does it work?
3. Phase III - Is it effective or better than what is already available?
4. Phase IV - What else do we need to know?

## Basically findings during the starting of this 21st century shows -




India is home to over 16,000 hospitals and 500,000 doctors, making it an ideal country in which to conduct clinical trials. (Source: Robert Maguire, MD)

**Now india emerges as the focus for 1st trial as free volunteers are easily available.**

## What is informed consent?

Informed consent is the process of learning the key facts about a clinical trial before the subject volunteer decides whether or not to participate in the trial. These facts include:

1. Why the research is being done?
2. What the researchers want to accomplish?
3. What will be done during the trial and for how long?
4. What risks are involved in the trial?
5. What benefits can be expected from the trial?
6. What other treatments are available?
7. The fact that the subject has the right to leave the trial at any time.
8. Each party involved in the clinical trial has legal and moral responsibility towards the human subject.
9. The parties involved in clinical trial have real & significant exposure to liability because the trial involves testing humans. Generally, the target of litigation is clinical investigators and the research institution involved. Companies that sponsor the trial are also exposed to the risk of litigation - improper disclosure, conflict of interest, violation of good clinical practice. Compliance of regulatory standard and best practices are the essential requirements. In today's litigation society, after all, parties will be sued, regardless of whom or what caused the injury or death.

## How to limit exposure to liability suit?

It is possible ensuring & resorting to the following aspects -

a. Parties to the clinical trial must sign clinical trial agreement to ensure the investigators' commitments to conduct the trial in accordance with the protocol, relevant rules and regulation and to take care of other concerns.

b. Company must establish and maintain a policy of adherence to the required clinical trials protocol.

c. Company must do everything to minimize the risk of law suit.

d. The company must not stray from safety norms.

e. The company must ensure fulfillment of informed consent rules

f. The sponsoring company obviously needs Clinical Trial Liability Insurance in addition to General Liability & Product Liability

g. Clinician needs Professional Indemnity Insurance

h. Clinical research organization needs Error & Omission Policies

i. Financial Conflict of interest between the sponsor and investigator (Equity Stake / Propriety interest).

## Terms used in clinical trials:

a. Clinical trial - Test carried out on human subjects to verify safety, efficacy of a therapeutic product.

b. Trial subject - Patients or healthy person taking part in a clinical trial

c. Clinical test protocol - detailed rules, formalities and procedures to be followed for a particular trial. This is required to be submitted to FDA (Food & Drug Administration) before any clinical trial is started in USA

d. Informed consent document - This is required to be signed by every human subject in a clinical trial. It details all the known or reasonably foreseeable risk of the study and other relevant factors.

e. Institutional Review Board (IRB) each clinical trial is also reviewed by IRB of the hospital, clinic where trial is conducted.

f. External IRB's also utilized to bring more transparency

g. The Board reviews the protocol and consent document to ensure the participant's rights are protected and such other considerations are taken care of.

h. Ethics Committee - The clinical trial must pass through the ethics committee which examines it on various parameters, e.g. trial design, clinical protocol, etc.

i. Placebo - A pill / medicine prescribed for psychological reasons but having no physiological effect.

j. P.I. - Principle Investigator.

## Clinical trials liability insurance:

Now let us discuss about the Clinical Trials Liability Insurance for those organizations those who conduct the Clinical Trial Processes.

## What does clinical trials insurance cover?

Basically Clinical Trials Liability Insurance is simply a kind of legal liability insurance covering -

1. Liabilities may arise from death / injury (This is called Personal Damage) to the subject arising out of allegation of -
    1. Lack of care
    2. Insufficient / improper disclosures
    3. Conflict of interest
2. Claimants may include:
    1) Research subject (volunteers)
    2) Dependents of research subject in case of death
    3) Guardians of child subjects

1. The policy generally covers legal expenses also.
2. Some policies also provide coverage for material damage suffered by trial subjects in relation to the clinical trial
3. Insurance coverage exists for damages suffered from breaches of data protection in relation to the insured clinical trial.
4. The territorial limit for the policy is India but can be extended beyond India on request.
5. The territory is specified in the policy
6. Coverage may be extended for post trial liabilities (for 60 months)
7. These Policies are issued on claims made basis.
8. Policy may be issued as -
    i. Single trial policy, &
    ii. Multi trial policy - one policy covers several trials of the policyholders.

## Compensation payable in case of lapses:

The compensation for death or injury caused to the subject due to clinical trial would be as follows:

1. In case of injuries occurring in a trial subject, he/she shall be provided with free medical management as long as required to recover from the injury
2. In case the injury occurring to trial subjects is due to the clinical trial, subjects shall be also entitled to financial compensation, which will be over and above any expenses incurred due to medical management of the subject
3. In case of death occurring in the trial subjects, their nominees would be entitled to financial compensation, which will be over and above any expenses incurred due to the medical management of the subject.
4. All expenses of medical management and financial compensation, in case of trial-related injury or death, shall be borne by the sponsor of the clinical trial.

## Critical issues in clinical trial liability insurance:

There are several issues relating to clinical trial insurance that need to be addressed as below:

1. Cover for failure of investigational product to provide therapeutic effect. The insurance policy being offered specifically excludes cover for "non-efficacy of the product".
2. The revised notification increases the liability substantially, both in terms of compensation payable and the medical expenses which need to be incurred till the lifetime of the individual. While insurance companies are not averse to granting cover as per the revised compensation structure, they are reluctant to extend cover as proposed for the medical expenses.
3. There is reluctance of Indian & even for the overseas insurance companies to offer "worldwide jurisdiction" cover.
4. Obviously various cumbersome procedures are involved in offering multi-trial policy.
5. Stem cell therapy aspects are always required to be covered by a separate policy.
6. Absence of standard structured premium rates and standardized excess/deductibles that are applicable for this policy.

## General extensions available:

The following extensions are allowed (subject to the terms/ exceptions and conditions contained in the policy) -

1) **Indemnity to Principal:** As far as is necessary to meet the requirements of any contract or agreement entered into by the insured with any principal the insurance company will at the request of the insured treat the principal as though they were also the insured but only in respect of liability(as provided under the policy) arising out of the performance of such contract by the insured in connection with the business provided that the principal shall observe fulfill and be subject to the terms of the policy in so far as they apply.

2) **Cross Liabilities:** Where there is more than one insured is involved in the policy then this policy shall apply to each insured as though a separate policy has been issued to each provided always that the total liability of the insurer shall not exceed the limits of indemnity.

3) **Discovery:** In the event of the insurer:
   a) Canceling or refusing to renew this section for any reason other than -
      i) non-payment of premium;
      ii) any act of fraud or dishonesty;
      iii) non-disclosure of material fact;

or, b) agreeing to the renewal or replacement of this section but requiring to impose exceptions or conditions that are not contained herein;

or, c) increasing the premium by 300%or more;

The insurer will provide an indemnity to the insured subject to the terms , conditions and limitations of the policy in respect of any claim which is first made in writing against the insured and notified to the insurer during a period of twelve months immediately following the final period of insurance as if the claim had been made against the insured and notified to the insurer during the final period of insurance except where otherwise stated in proviso(v) below.

Provided always that:-

i) The indemnity will not apply where indemnity is provided by any other insurance or by virtue of extension (4) below.

ii) The total amount payable for all claims made during the final period of insurance and claims deemed to have been so made by virtue of the terms of this extension shall not exceed the limit of indemnity for the final period of insurance.

iii) In the event of (b) above the indemnity afforded by this extension shall apply only in respect of the exception(s) and/or condition(s) imposed.

iv) Such claims results from bodily injury or property damage happening on or before the retroactive date and prior to the end of the final period of insurance.

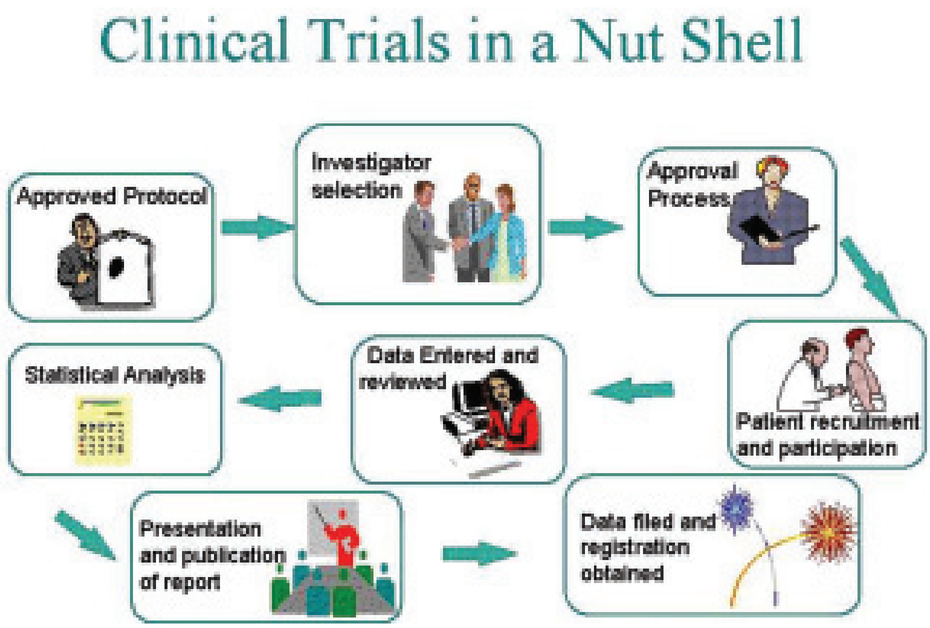
v) Any such claim in connection with occurrence which has given rise to any other claim first made and notified during any period of insurance may be deemed to have been made and notified on the date the first of those claim was made. Basically the indemnity afforded by this extension (subject to the proviso thereof) will also apply in the event of the cancellation or non-renewal of this section by the insured other than in circumstances connected with (a), (b) or (c) above. Provided always that in the event of such cancellation or non-renewal the period of twelve months specified above shall be reduced to a period of six months immediately following the final period of insurance.

4) Notification of event of circumstance: If during any period of insurance the insured shall give written notice to the insurer in accordance with condition that in the event of an accident including continuous or repeated injurious exposure to substantially the same general conditions which results in bodily injury or property damage or other contingencies neither expected nor intended from the stand point of the insured, the insurer may accept the liability of the claim or claims which may subsequently be made against the insured arising out of that event or circumstance regardless of when such claim may actually be made.

## Exclusions of the policy:

Exclusions are basically meant to exclude from the scope of cover all eventualities that cannot be attributed to and resulting from the participation in the clinical trial including:

1. Damages that do not exceed certain degree of adverse reaction that is to be expected from the trial drug.
2. Deterioration of the existing state of health which would have occurred without participant in the clinical trial.
3. Deliberate contravention by the trial subject of the express instructions of the investigators
4. War, radiation, etc. and such other standard exclusions
5. Fines, penalties, etc.




### *Reference:*

Different contemporary regulations, discussions & information as collected & collated from various text materials available on-line & in hard copies.

## Bharti AXA Life in bancassurance pact with Shivalik Small Finance Bank

Bharti AXA Life Insurance has entered into a bancassurance partnership with Shivalik Small Finance Bank for the distribution of its life insurance products through the bank's pan-India network of branches. This alliance is a part of the bank's various measures towards financial inclusion and acceleration of wealth creation for its customers. Bharti AXA Life Insurance will offer its suite of life insurance products, including protection, health, savings and investment plans, to customers of Shivalik Small Finance Bank across its 31 branches and digital network across the country. This alliance will enable over 4.5 lakh customers of Shivalik Bank to access the range of products offered by the company to provide financial security.

# Upcoming events in June 2021 at Birla Institute of Management Technology (BIMTECH)

## Commencement Day - 2021

Birla Institute of Management Technology, Greater Noida will be organizing its 34 th Commencement Day, on Friday, 25th June 2021 on a virtual platform for the new academic batch of PGDM 2021-23. This is an important event in the Institute's calendar every year.Each year, eminent personalities and opinion-makers are invited to address the students on a theme related to contemporary developments in the field of education and economy.

Students, as well as their parents from all parts of the country, participate in the commencement day function which set the beginning for the start of their new learning experience in their life at BIMTECH.

This year Shri. C P Gurnani, Chief Executive Officer and Managing Director, Tech Mahindra Ltd., has kindly consented to be the Chief Guest. Mr. Ronnie Screwvala, Co-Founder & MD, upGrad Education, India's largest online higher education company, has kindly consented to be the Guest of Honour.

The event will be graced by the presence of Chairperson, BIMTECH, Members of Board of Governing body of BIMTECH, Director, Deputy Director, Registrar, and the Faculty members.

The event is expected to see active participation from students, parents, guests, faculty, and alumni of BIMTECH. This uniqueevent will be held by the institute with full valour and enthusiasm even in an online mode.

## Orientation Day - Insurance Business Management Programme

BIMTECH Insurance Management Programme will be having its orientation programme for newly admitted students of batch 2021-22 on 27thJune,2021.

We have the privilege of having Mr. Amit Kalra who currently Managing Director, Head Global Business Services Bangalore at Swiss Re India as Chief Guest for the day for the event.

We also will be having guest of honour as Mr. Sainesh Dar - Regional Director - Chartered Insurance Institute, Central & South Asia on the occasion.

Both the eminent personalities will address out students and enlighten them with various aspects of insurance industry.

## International Webinar

We are happy to share that Prof. (Dr.) Abhijit Chattoraj, Dean (SWSS), Professor & Chairperson - Insurance Business Management Program, BIMTECH is a panelist in an International webinar which will be held on Wednesday 23 June 2021. The webinar is being organized by the Commonwealth Enterprise and Investment Council (CWEIC) in partnership with the Chartered Insurance Institute (CII) and the Commonwealth Insurance Forum (CIF). The thought-provoking webinar will coincide with the launch of CII's publication 'A Commonwealth Insured'.

The insurance and personal finance profession will play a pivotal role in helping economies around the Commonwealth bounce back from COVID-19. From protecting individuals and businesses to providing financial stability, the profession will be at the forefront of recovery.

A distinguished panel of insurance and personal finance leaders from across the world will examine how innovation by the insurance profession has helped to support the Commonwealth's development priorities - and speculate on some of the emerging opportunities for the decade ahead.

## Key themes will include:

- Supporting recovery from the pandemic.
- Establishing international robust standards of professionalism.
- Growing insurance accessibility through digitization and microinsurance.
- Increasing financial resilience through life and health insurance.
- Developing solutions for natural / climate catastrophes.
- Promoting inclusion: insurance professionals, customer relationships of Embedding principles for sustainable insurance.

### Introduced by Sam Cohen, CEO, CWEIC, and Chaired by Sian Fisher, Chief Executive, Chartered Insurance Institute, panelists will include:

- Prof (Dr) Abhijit Chattoraj, Dean (SWSS), Professor & Chairperson - Insurance Business Management Program, BIMTECH.
- Ekhosuehi Iyahen, Secretary-General, Insurance Development Forum.
- Richard Leftley, CEO, MicroEnsure.
- Gerald Lim, President, Singapore Insurance Brokers Association.
- John Neal, CEO, Lloyd's.
- EnitanSolarin, Managing Director, YOA Insurance Brokers.

# LEGAL

## Wife not entitled to insurance money if not contributed by deceased husband: Madras High Court

The wife will not be entitled to any legal share in the insured money, if her deceased husband did not contribute any premium, the Madras High Court has ruled. Justice S Vaidyanathan gave the ruling while passing interim orders on a petition from G Asha, wife of Ganesh Raja of Veppampattu in Tiruvallur district, recently.

The judge said he wants to know as to who had paid the premium in its entirety till the demise of Ganesh Raja, either her father-in-law or her deceased husband himself.

Till time the fact as to who had paid the premium to the insurance company and whether any single pie had been contributed by the deceased or not, is known, this court cannot decide the issue relating to the entitlement of the petitioner to claim a share in the maturity amount, the judge said. In case the deceased husband had not made any contribution towards premium, there is no justification on the wife's part to seek her share, he said. "It is no doubt true that wife, mother and children are class-I heirs of a male deceased and not the father.

But the heirship will not be taken into account for this type of contingency, in case the entire contribution is not made by the deceased and the same has been paid only by the father of the deceased." "In such circumstances, it is for the father of the deceased to decide to give the money in its entirety or in proportionate to any person, including class-I heirs," the judge added. It is needless to state here that if a deceased has already declared the nominee and if that person falls under the category of class-I heir other than father, then there may not be any problem in disbursement of the maturity amount.

In the present case, in case the woman's father-in-law is able to establish that only he paid the entire premium by way of NEFT/RTGS /Transfer, other than remittance by cash in the name of his son, then there is no justification on the part of the petitioner to seek for her share in the amount and she has no case at all, the judge said. He then directed the LIC to circulate this order to all its branches situated in Tamil Nadu and collect details of similar cases and produce them before the court on June 28, the next date of hearing by way of counter.

## Insurance company fined for deficiency in service

Not paying the maturity amount of a policy in accordance with the minimum amount guaranteed is deficiency in service. Stating this, the District Consumer Disputes Redressal Commission, UT, not only directed an insurance firm to pay the balance amount of Rs59,095 to a consumer, but also directed it to pay a compensation of Rs25,000 for deficiency in service and unfair trade practice.

Rajesh Garg, a resident of Sector 21, approached the commission after the company failed to give him the promised amount after the maturity of the policy.

In the complaint, Garg said he took a single premium policy from Bajaj Allianz Life Insurance Company Limited for Rs1 lakh on April 2, 2010. The policy was to mature on March 28, 2020. On maturity, the complainant was entitled to at least 170 per cent of the unit price payable on March 28, 2020. However, there was neither any response or credit of the amount by the due date.

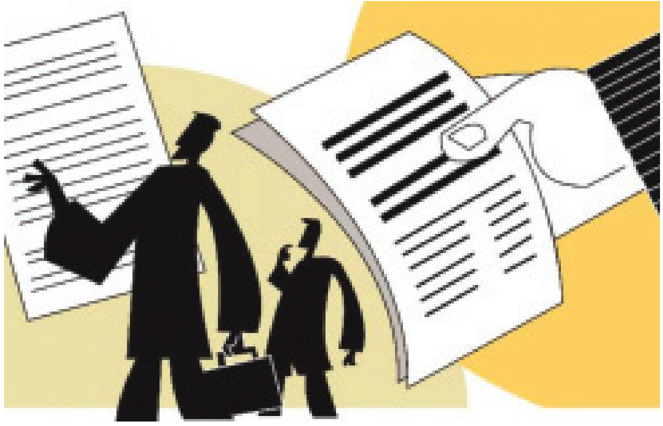
The company claimed that the maturity amount was calculated as per the stipulations in the policy and a cheque dated March 31, 2020, for Rs1,55,460 was prepared, but it could not be delivered to the complainant due to the lockdown. A fresh cheque was dispatched to the complainant, which was received by him on August 13, 2020. The firm denied any deficiency of service.

The complainant said the maturity amount had not been calculated appropriately and the payment of Rs1,55,460 was in contravention of the terms of the policy. According to him, a total of 9865.6675 units were allocated to him on March 31, 2010, and the maturity amount had been calculated by the company as per the number of units at the time of maturity i.e. 7148.3561.

After hearing the arguments, the commission noted that the firm had not given any justification or basis for reduction of the number of units from 9865.6675 at the time of allocation till the time of maturity. In view of the facts, the complainant is held entitled to receive Rs2,14,555. Since the complainant has already received Rs1,55,460, the company is liable to pay him the balance amount of Rs59,095.

The commission said the act of the firm in not paying the maturity amount in accordance with the minimum amount guaranteed at the time of inception of the policy amounts to unfair trade practice and deficiency in service. ❑

# IRDAI Circular



## Availability and Renewal of Standard Corona specific products

***525/IRDAI/HLT/CK/2020-21***

*Date: 06-05-2021*

1. It has come to the notice of the Authority that some of the insurers are not offering Corona Kavach and Corona Rakshak Policies to the customers, and some insurers are not renewing such policies.
2. In this regard, your attention is drawn to Clause 3 of Circular Ref No. IRDAI/HLT/REG/CIR/253/10/2020 dated 13.10.2020 which specifies that the insurers have the choice to allow renewal, migration and portability, as may be applicable, for these COVID specific standard health products (i.e "Corona Rakshak Policy", "Corona Kavach Policy" and "Group Corona Kavach policy").
3. In the wake of rising infection rates due to the second wave of the Covid-19, the insurable public require appropriate health insurance coverage and it is not correct to deny such coverage to the customers in this crucial time. All insurers are advised to ensure that wherever Corona specific standard products have been filed and approved by the Authority, the same should be offered to the customers according to the insurer's underwriting policy. Similarly, where the underlying corona specific product enables the insured to renew the policy as specified in the above referred circular dated 13.10.2020, insurers are advised to renew such policies subject to the underwriting policy of respective insurers.
4. As the pandemic has accentuated the need for health insurance, all insurers are advised to actively promote protection through health insurance so as to develop the much needed trust and goodwill of the general public.

***(Suresh Mathur)***
Executive Director

## Extension of time limit for filing of returns to the Authority and uploading the Public Disclosures on websites of insurers

***IRDA/F&A/CIR/MISC/ 126 /05/2021***

*Date:06-05-2021*

1. The insurers are required to furnish various regulatory returns and upload the Public Disclosures on their website pursuant the instructions issued by the Authority.
2. In view of the partial lockdown and the restrictions imposed by the various states to contain the spread of the COVID 19 pandemic, it has been decided that the time limit for furnishing all monthly, quarterly, half yearly and annual returns for the period ending on 31.03.2021 is extended by a period of 30 days. Further the time limit for ensuring compliance with the directions regarding Public Disclosures on websites by insurers, for the period ended on 31.03.2021, is also extended by a period of 30 days. The insurers may avail the additional time and ensure compliance with the requirements of all regulatory filing and uploading of the public disclosures.
3. All insurers shall continue to file the solvency position with the Authority on monthly basis within 15 days from the end of the respective month.

***(Dr. Mamta Suri)***
Chief General Manager (F&A)

## Norms on settlement of COVID-19 health insurance claims

***IRDAI/HLT/MISC/CIR/113/04/2021***

*Date:29-04-2021*

1. Reference is invited to Order dated 28.4.2021 passed by Hon'ble High Court of New Delhi in WP(C) No.5026 /2021 wherein IRDAI was directed to advise Insurers to communicate their cashless approvals to the concerned hospitals/establishments within a maximum time period of 30 to 60 minutes so that there shall not be any delay in discharge of patients and hospital beds do not remain unoccupied.
2. In this regard, attention is invited to circular ref.no. IRDAI/HLT/MISC/CIR/95/04/2020 dated 18.4.2020 wherein a fixed turnaround time (TAT) of two hours for granting both cashless pre-authorization and for final discharge of the insured patient was specified.
3. In the wake of prevailing conditions of COVID-19 cases in the form of second wave and in line with aforesaid directions of the Hon'ble High Court, the following directions are issued to all insurers:
   a. Decision on authorization for cashless treatment for COVID-19 claims shall be communicated to the network provider (hospital) within a period of 60 minutes from the time of receipt of authorization request along with all necessary requirements from the hospital.
   b. Decision on final discharge of patients covered in COVID-19 claims shall be communicated to the network provider within a period of ONE hour from the time of receipt of final bill along with all necessary requirements from the hospital.
4. Notwithstanding the above outer limits of timelines specified, the insurers are advised to process such requests promptly so that both authorisation for cashless treatment and discharge of the patient can be hastened to the maximum extent.
5. The Insurers shall issue appropriate directions to their respective Third Party Administrators for ensuring compliance with the timelines specified above.
6. These guidelines are issued under the powers vested with Regulation 27 (vi) of IRDAI (Health Insurance) Regulations, 2016 read with Section 34 (1) of Insurance Act, 1938.
7. The above instructions shall be in force with immediate effect.

***(DVS RAMESH)***
General Manager (Health)

## Communication on settlement of Health Insurance Claims

***IRDAI/HLT/MISC/CIR/102/04/2021***

*Date:23-04-2021*

1. There are reports of certain network providers (hospitals) charging high rates and insisting on cash payments from the policyholders for providing treatment to COVID-19 infected patients despite having cashless arrangement with Insurers.
2. In compliance with the provisions of Regulation 31of IRDAI ( Health Insurance ) Regulations, 2016, the Insurers, in case of "cashless claim" under a health insurance policy, are advised to ensure expeditious settlement of such claims on cashless basis in accordance to the Service Level Agreements ( SLAs) entered with hospitals.
3. While reviewing cashless requests the Insurers are also advised to ensure that the policyholders are charged as per the rates agreed to by network providers wherever applicable. Insurers are also advised to ensure that hospitals do not levy any additional charges for the same treatment other than those rates that are agreed with the insurers.
4. In order to ensure that all network providers extend cashless services to policyholders and to address any issues causing inconvenience to policyholders while availing cashless service, the Insurers are advised to put in place an effective communication channel with all the network providers for prompt resolution of grievances of policyholders. Insurers are advised to report levying of excess charges or denial of cashless facility to the respective State Governments for appropriate action.
5. All 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 expeditiously. Insurers are advised to issue suitable guidelines on this to all TPAs.
6. This has the approval of the Competent Authority.

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

# Performance Statistics - Non-Life Insurance

## GROSS DIRECT PREMIUM UNDERWRITTEN FOR AND UPTO THE MONTH OF APRIL 2021

*(Rs. in crores)*

| INSURER | For the month of April | | Upto the Month of April | | Market Share upto the Month of Apr. 2021 (%) | Growth over the corresponding period of previous year (%) |
|---|---|---|---|---|---|---|
| | 2021-22 | 2020-21 | 2021-22 | 2020-21 | | |
| Acko General Insurance Limited | 53.17 | 13.47 | 53.17 | 13.47 | 0.31 | 294.75 |
| Bajaj Allianz General Ins. Co. Ltd. | 1,014.51 | 885.91 | 1,014.51 | 885.91 | 5.86 | 14.52 |
| Bharti AXA General Ins. Co. Ltd. | 192.32 | 203.01 | 192.32 | 203.01 | 1.11 | (5.27) |
| Cholamandalam MS General Ins. | 322.44 | 241.00 | 322.44 | 241.00 | 1.86 | 33.79 |
| NAVI General Insurance Limited | 3.14 | 0.76 | 3.14 | 0.76 | 0.02 | 311.42 |
| Edelweiss General Ins. Co. Ltd. | 27.47 | 16.57 | 27.47 | 16.57 | 0.16 | 65.78 |
| Future Generali India Ins. Co. Ltd. | 281.59 | 329.52 | 281.59 | 329.52 | 1.63 | (14.54) |
| Go Digit General Ins. Ltd. | 245.85 | 89.96 | 245.85 | 89.96 | 1.42 | 173.29 |
| HDFC Ergo General Ins. Co. Ltd. | 997.53 | 713.80 | 997.53 | 713.80 | 5.76 | 39.75 |
| ICICI Lombard General Ins. Co. Ltd. | 1,766.27 | 1,395.59 | 1,766.27 | 1,395.59 | 10.20 | 26.56 |
| IFFCO Tokio General Ins. Co. Ltd. | 659.80 | 524.93 | 659.80 | 524.93 | 3.81 | 25.69 |
| Kotak Mahindra General Ins. Co. | 37.67 | 18.74 | 37.67 | 18.74 | 0.22 | 101.05 |
| Liberty General Ins. Ltd. | 165.96 | 133.25 | 165.96 | 133.25 | 0.96 | 24.55 |
| Magma HDI General Ins. Co. Ltd. | 99.31 | 48.99 | 99.31 | 48.99 | 0.57 | 102.70 |
| National Ins. Co. Ltd. | 1,022.42 | 896.99 | 1,022.42 | 896.99 | 5.91 | 13.98 |
| Raheja QBE General Ins. Co. Ltd. | 28.90 | 11.31 | 28.90 | 11.31 | 0.17 | 155.51 |
| Reliance General Ins. Co. Ltd. | 806.42 | 725.41 | 806.42 | 725.41 | 4.66 | 11.17 |
| Royal Sundaram General Ins. Co. | 231.62 | 210.78 | 231.62 | 210.78 | 1.34 | 9.89 |
| SBI General Ins. Co. Ltd. | 411.57 | 292.27 | 411.57 | 292.27 | 2.38 | 40.82 |
| Shriram General Ins. Co. Ltd. | 97.09 | 118.61 | 97.09 | 118.61 | 0.56 | (18.15) |
| Tata AIG General Ins. Co. Ltd. | 812.08 | 623.15 | 812.08 | 623.15 | 4.69 | 30.32 |
| The New India Assurance Co. Ltd. | 3,871.87 | 3,161.29 | 3,871.87 | 3,161.29 | 22.37 | 22.48 |
| The Oriental Ins. Co. Ltd. | 1,182.28 | 1,111.39 | 1,182.28 | 1,111.39 | 6.83 | 6.38 |
| United India Ins. Co. Ltd. | 1,391.63 | 1,389.27 | 1,391.63 | 1,389.27 | 8.04 | 0.17 |
| Universal Sompo General Ins. Co. | 223.54 | 172.18 | 223.54 | 172.18 | 1.29 | 29.83 |
| **General Insurers Total** | **15,946.46** | **13,328.16** | **15,946.46** | **13,328.16** | **92.13** | **19.64** |
| Aditya Birla Health Ins. Co. Ltd. | 129.96 | 89.75 | 129.96 | 89.75 | 0.75 | 44.79 |
| ManipalCigna Health Ins. Co. Ltd. | 80.49 | 46.02 | 80.49 | 46.02 | 0.47 | 74.90 |
| Max Bupa Health Ins. Co. Ltd. | 165.50 | 86.31 | 165.50 | 86.31 | 0.96 | 91.75 |
| Care Health Insurance Limited | 266.66 | 156.11 | 266.66 | 156.11 | 1.54 | 70.81 |
| Star Health & Allied Ins. Co. Ltd. | 616.62 | 431.00 | 616.62 | 431.00 | 3.56 | 43.07 |
| Reliance Health Ins. Ltd.* | --- | --- | --- | --- | --- | NA |
| **Stand-alone Pvt Health Insurers** | **1,259.23** | **809.20** | **1,259.23** | **809.20** | **7.27** | **55.61** |
| Agricultural Ins. Co. of India Ltd. | 59.12 | 17.76 | 59.12 | 17.76 | 0.34 | 232.88 |
| ECGC Limited | 44.73 | 18.98 | 44.73 | 18.98 | 0.26 | 135.67 |
| Specialized PSU Insurers | 103.85 | 36.74 | 103.85 | 36.74 | 0.60 | 182.66 |
| **GRAND TOTAL** | **17,309.54** | **14,174.10** | **17,309.54** | **14,174.10** | **100.00** | **22.12** |

*Note: Compiled on the basis of data submitted by the Insurance companies*

*NA: Not Applicable*

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

# Performance STATISTICS - LIFE INSURANCE

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

(₹ Crores)

| Sl. No. | Particulars | Premium in Rs. Crore | | | | | No. of Policies / Schemes | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Month of Apr-2021 | Upto Apr-2021 | Month of Apr-2020 | Upto Apr-2020 | YTD Variation in % | Month of Apr-2021 | Upto Apr-2021 | Month of Apr-2020 | Upto Apr-2020 | YTD Variation in % |
| 1 | **Aditya Birla Sun Life Insurance Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 8.24 | 8.24 | 2.68 | 2.68 | 207.07% | 108 | 108 | 52 | 52 | 107.69% |
| | Individual Non Single Premium | 64.26 | 64.26 | 49.79 | 49.79 | 29.07% | 8198 | 8198 | 8314 | 8314 | -1.40% |
| | Group Single Premium | 51.07 | 51.07 | 201.84 | 201.84 | -74.70% | 2 | 2 | 3 | 3 | -33.33% |
| | Group Non Single Premium | 0.22 | 0.22 | 0.43 | 0.43 | -49.70% | 0 | 0 | 0 | 0 | --- |
| | **Total** | **128.00** | **128.00** | **261.75** | **261.75** | **-51.10%** | **8319** | **8319** | **8404** | **8404** | **-1.01%** |
| 2 | **Aegon Life Insurance Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 0.00 | 0.00 | 0.01 | 0.01 | -91.99% | 0 | 0 | 2 | 2 | -100.00% |
| | Individual Non Single Premium | 1.24 | 1.24 | 2.60 | 2.60 | -52.39% | 958 | 958 | 739 | 739 | 29.63% |
| | 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** | **3.63** | **3.63** | **3.72** | **3.72** | **-2.49%** | **969** | **969** | **744** | **744** | **30.24%** |
| 3 | **Ageas Federal Life Insurance Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 9.17 | 9.17 | 4.06 | 4.06 | 126.09% | 251 | 251 | 183 | 183 | 37.16% |
| | Individual Non Single Premium | 11.49 | 11.49 | 2.26 | 2.26 | 408.57% | 1362 | 1362 | 332 | 332 | 310.24% |
| | Group Single Premium | 9.37 | 9.37 | 0.60 | 0.60 | 1459.58% | 0 | 0 | 0 | 0 | --- |
| | Group Non Single Premium | 0.00 | 0.00 | 0.00 | 0.00 | --- | 0 | 0 | 0 | 0 | --- |
| | **Total** | **30.04** | **30.04** | **6.92** | **6.92** | **334.16%** | **1613** | **1613** | **515** | **515** | **213.20%** |
| 4 | **Aviva Life Insurance Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 0.67 | 0.67 | 0.67 | 0.67 | 0.81% | -36 | -36 | 21 | 21 | -271.43% |
| | Individual Non Single Premium | 11.86 | 11.86 | 10.99 | 10.99 | 7.87% | 891 | 891 | 1249 | 1249 | -28.66% |
| | Group Single Premium | 0.00 | 0.00 | 0.07 | 0.07 | -100.00% | 0 | 0 | 0 | 0 | --- |
| | Group Non Single Premium | 0.00 | 0.00 | 0.07 | 0.07 | -100.00% | 0 | 0 | 0 | 0 | --- |
| | **Total** | **13.86** | **13.86** | **19.02** | **19.02** | **-27.14%** | **855** | **855** | **1283** | **1283** | **-33.36%** |
| 5 | **Bajaj Allianz Life Insurance Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 9.64 | 9.64 | -1.19 | -1.19 | -909.75% | 153 | 153 | 38 | 38 | 302.63% |
| | Individual Non Single Premium | 138.55 | 138.55 | 72.88 | 72.88 | 90.10% | 18938 | 18938 | 14794 | 14794 | 28.01% |
| | Group Single Premium | 230.78 | 230.78 | 222.06 | 222.06 | 3.92% | 2 | 2 | 5 | 5 | -60.00% |
| | Group Non Single Premium | 0.00 | 0.00 | 0.00 | 0.00 | -100.00% | 0 | 0 | 0 | 0 | --- |
| | **Total** | **424.56** | **424.56** | **314.04** | **314.04** | **35.19%** | **19108** | **19108** | **14840** | **14840** | **28.76%** |
| 6 | **Bharti AXA Life Insurance Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 5.80 | 5.80 | 0.96 | 0.96 | 503.09% | 38 | 38 | 10 | 10 | 280.00% |
| | Individual Non Single Premium | 24.05 | 24.05 | 22.58 | 22.58 | 6.52% | 4778 | 4778 | 5435 | 5435 | -12.09% |
| | Group Single Premium | 11.97 | 11.97 | 6.05 | 6.05 | 97.91% | 2 | 2 | 3 | 3 | -33.33% |
| | Group Non Single Premium | 0.00 | 0.00 | 0.00 | 0.00 | --- | 0 | 0 | 0 | 0 | --- |
| | **Total** | **41.91** | **41.91** | **29.59** | **29.59** | **41.67%** | **4818** | **4818** | **5448** | **5448** | **-11.56%** |
| 7 | **Canara HSBC OBC Life Insurance Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 10.26 | 10.26 | 14.46 | 14.46 | -29.05% | 75 | 75 | 101 | 101 | -25.74% |
| | Individual Non Single Premium | 28.88 | 28.88 | 11.06 | 11.06 | 161.28% | 4141 | 4141 | 4601 | 4601 | -10.00% |
| | Group Single Premium | 174.64 | 174.64 | 0.85 | 0.85 | 20421.38% | 2 | 2 | 0 | 0 | --- |
| | Group Non Single Premium | 0.25 | 0.25 | 0.09 | 0.09 | 178.45% | 0 | 0 | 0 | 0 | --- |
| | **Total** | **214.26** | **214.26** | **27.05** | **27.05** | **692.01%** | **4221** | **4221** | **4704** | **4704** | **-10.27%** |
| 8 | **Edelweiss Tokio Life Insurance Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 1.76 | 1.76 | 1.18 | 1.18 | 48.96% | 342 | 342 | 20 | 20 | 1610.00% |
| | Individual Non Single Premium | 16.56 | 16.56 | 14.53 | 14.53 | 13.99% | 2360 | 2360 | 3552 | 3552 | -33.56% |
| | Group Single Premium | 1.58 | 1.58 | 0.47 | 0.47 | 237.35% | 0 | 0 | 0 | 0 | --- |
| | Group Non Single Premium | 0.00 | 0.00 | 0.00 | 0.00 | --- | 0 | 0 | 0 | 0 | --- |
| | **Total** | **20.21** | **20.21** | **16.46** | **16.46** | **22.76%** | **2705** | **2705** | **3575** | **3575** | **-24.34%** |
| 9 | **Exide Life Insurance Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 9.41 | 9.41 | 7.17 | 7.17 | 31.28% | 65 | 65 | 85 | 85 | -23.53% |
| | Individual Non Single Premium | 20.75 | 20.75 | 15.97 | 15.97 | 29.97% | 5172 | 5172 | 6255 | 6255 | -17.31% |
| | Group Single Premium | 0.10 | 0.10 | 0.00 | 0.00 | --- | 0 | 0 | 0 | 0 | --- |
| | Group Non Single Premium | 4.37 | 4.37 | 1.52 | 1.52 | 188.37% | 2 | 2 | 3 | 3 | -33.33% |
| | **Total** | **34.77** | **34.77** | **25.26** | **25.26** | **37.67%** | **5239** | **5239** | **6343** | **6343** | **-17.41%** |
| 10 | **Future Generali India Life Insurance Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 0.10 | 0.10 | 0.00 | 0.00 | 2316.83% | 3 | 3 | 0 | 0 | --- |
| | Individual Non Single Premium | 11.21 | 11.21 | 11.41 | 11.41 | -1.78% | 760 | 760 | 1597 | 1597 | -52.41% |
| | Group Single Premium | 5.15 | 5.15 | -1.27 | -1.27 | -506.91% | 0 | 0 | 0 | 0 | --- |
| | Group Non Single Premium | 0.00 | 0.00 | 0.00 | 0.00 | --- | 0 | 0 | 0 | 0 | --- |
| | **Total** | **28.60** | **28.60** | **10.67** | **10.67** | **168.13%** | **765** | **765** | **1599** | **1599** | **-52.16%** |
| 11 | **HDFC Life Insurance Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 192.42 | 192.42 | 92.61 | 92.61 | 107.79% | 2235 | 2235 | 1163 | 1163 | 92.18% |
| | Individual Non Single Premium | 355.10 | 355.10 | 181.95 | 181.95 | 95.16% | 44339 | 44339 | 35534 | 35534 | 24.78% |
| | Group Single Premium | 619.48 | 619.48 | 386.29 | 386.29 | 60.37% | 6 | 6 | 15 | 15 | -60.00% |
| | Group Non Single Premium | 0.00 | 0.00 | 0.00 | 0.00 | --- | 0 | 0 | 0 | 0 | --- |
| | **Total** | **1193.88** | **1193.88** | **668.89** | **668.89** | **78.49%** | **46584** | **46584** | **36718** | **36718** | **26.87%** |
| 12 | **ICICI Prudential Life Insurance Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 183.06 | 183.06 | 50.68 | 50.68 | 261.20% | 2052 | 2052 | 630 | 630 | 225.71% |
| | Individual Non Single Premium | 237.88 | 237.88 | 150.17 | 150.17 | 58.41% | 33892 | 33892 | 30181 | 30181 | 12.30% |
| | Group Single Premium | 164.70 | 164.70 | 29.19 | 29.19 | 464.18% | 8 | 8 | 1 | 1 | 700.00% |
| | Group Non Single Premium | 0.07 | 0.07 | 0.00 | 0.00 | --- | 0 | 0 | 0 | 0 | --- |
| | **Total** | **643.27** | **643.27** | **256.19** | **256.19** | **151.08%** | **36265** | **36265** | **30917** | **30917** | **17.30%** |

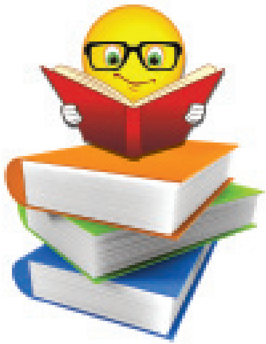
# Performance STATISTICS - LIFE INSURANCE

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

(₹ Crores)

| Sl. No. | Particulars | Premium in Rs. Crore | | | | | No. of Policies / Schemes | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Month of Apr-2021 | Upto Apr-2021 | Month of Apr-2020 | Upto Apr-2020 | YTD Variation in % | Month of Apr-2021 | Upto Apr-2021 | Month of Apr-2020 | Upto Apr-2020 | YTD Variation in % |
| 13 | **IndiaFirst Life Insurance Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 3.78 | 3.78 | 0.18 | 0.18 | 1977.40% | 72 | 72 | 9 | 9 | 700.00% |
| | Individual Non Single Premium | 45.88 | 45.88 | 11.11 | 11.11 | 313.16% | 8006 | 8006 | 3708 | 3708 | 115.91% |
| | Group Single Premium | 82.48 | 82.48 | 21.32 | 21.32 | 286.79% | 30 | 30 | 10 | 10 | 200.00% |
| | Group Non Single Premium | 0.04 | 0.04 | 0.07 | 0.07 | -43.21% | 0 | 0 | 2 | 2 | -100.00% |
| | **Total** | **132.18** | **132.18** | **32.68** | **32.68** | **304.44%** | **8108** | **8108** | **3729** | **3729** | **117.43%** |
| 14 | **Kotak Mahindra Life Insurance Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 54.83 | 54.83 | 18.61 | 18.61 | 194.59% | 932 | 932 | 2567 | 2567 | -63.69% |
| | Individual Non Single Premium | 62.93 | 62.93 | 42.86 | 42.86 | 46.83% | 8613 | 8613 | 10114 | 10114 | -14.84% |
| | Group Single Premium | 113.91 | 113.91 | 41.68 | 41.68 | 173.34% | 11 | 11 | 13 | 13 | -15.38% |
| | Group Non Single Premium | 0.03 | 0.03 | 0.13 | 0.13 | -75.62% | 1 | 1 | 0 | 0 | --- |
| | **Total** | **255.31** | **255.31** | **121.35** | **121.35** | **110.38%** | **9612** | **9612** | **12751** | **12751** | **-24.62%** |
| 15 | **Max Life Insurance Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 69.49 | 69.49 | 59.50 | 59.50 | 16.78% | 290 | 290 | 130 | 130 | 123.08% |
| | Individual Non Single Premium | 227.72 | 227.72 | 100.06 | 100.06 | 127.59% | 29545 | 29545 | 24566 | 24566 | 20.27% |
| | Group Single Premium | 50.30 | 50.30 | -0.39 | -0.39 | -13154.33% | 13 | 13 | 47 | 47 | -72.34% |
| | Group Non Single Premium | 0.00 | 0.00 | 0.00 | 0.00 | --- | 0 | 0 | 0 | 0 | --- |
| | **Total** | **347.52** | **347.52** | **171.84** | **171.84** | **102.24%** | **29850** | **29850** | **24838** | **24838** | **20.18%** |
| 16 | **PNB Metlife Life Insurance Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 5.87 | 5.87 | 0.21 | 0.21 | 2723.01% | 94 | 94 | 3 | 3 | 3033.33% |
| | Individual Non Single Premium | 51.74 | 51.74 | 34.99 | 34.99 | 47.87% | 9838 | 9838 | 11787 | 11787 | -16.54% |
| | Group Single Premium | 22.01 | 22.01 | 5.69 | 5.69 | 286.88% | 0 | 0 | 0 | 0 | --- |
| | Group Non Single Premium | 0.08 | 0.08 | 0.07 | 0.07 | 9.48% | 21 | 21 | 3 | 3 | 600.00% |
| | **Total** | **89.86** | **89.86** | **43.80** | **43.80** | **105.16%** | **9953** | **9953** | **11793** | **11793** | **-15.60%** |
| 17 | **Pramerica Life Insurance Limited.** | | | | | | | | | | |
| | Individual Single Premium | 0.18 | 0.18 | 0.07 | 0.07 | 151.50% | 4 | 4 | 2 | 2 | 100.00% |
| | Individual Non Single Premium | 8.03 | 8.03 | 9.08 | 9.08 | -11.53% | 1450 | 1450 | 585 | 585 | 147.86% |
| | Group Single Premium | 10.11 | 10.11 | -1.43 | -1.43 | -807.38% | 0 | 0 | 1 | 1 | -100.00% |
| | Group Non Single Premium | 0.00 | 0.00 | 0.00 | 0.00 | --- | 0 | 0 | 0 | 0 | 8 |
| | **Total** | **22.41** | **22.41** | **10.71** | **10.71** | **109.25%** | **1471** | **1471** | **604** | **604** | **143.54%** |
| 18 | **Reliance Nippon Life Insurance Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 4.26 | 4.26 | 1.98 | 1.98 | 115.75% | 146 | 146 | 82 | 82 | 78.05% |
| | Individual Non Single Premium | 61.71 | 61.71 | 30.85 | 30.85 | 100.06% | 10918 | 10918 | 10012 | 10012 | 9.05% |
| | Group Single Premium | 0.00 | 0.00 | 0.00 | 0.00 | --- | 0 | 0 | 0 | 0 | 8 |
| | Group Non Single Premium | 0.39 | 0.39 | 0.79 | 0.79 | -51.27% | 2 | 2 | 2 | 2 | 0.00% |
| | **Total** | **66.87** | **66.87** | **34.02** | **34.02** | **96.57%** | **11067** | **11067** | **10098** | **10098** | **9.60%** |
| 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 | 134.49 | 134.49 | 34.77 | 34.77 | 286.78% | 4502 | 4502 | 543 | 543 | 729.10% |
| | Individual Non Single Premium | 368.45 | 368.45 | 101.69 | 101.69 | 262.32% | 63116 | 63116 | 17962 | 17962 | 251.39% |
| | Group Single Premium | 400.42 | 400.42 | 754.17 | 754.17 | -46.91% | 3 | 3 | 4 | 4 | -25.00% |
| | Group Non Single Premium | 9.72 | 9.72 | 6.77 | 6.77 | 43.52% | 0 | 0 | 0 | 0 | --- |
| | **Total** | **928.43** | **928.43** | **917.43** | **917.43** | **1.20%** | **67634** | **67634** | **18523** | **18523** | **265.14%** |
| 21 | **Shriram Life Insurance Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 4.73 | 4.73 | 1.30 | 1.30 | 263.24% | 162 | 162 | 47 | 47 | 244.68% |
| | Individual Non Single Premium | 16.74 | 16.74 | 8.57 | 8.57 | 95.25% | 10665 | 10665 | 3925 | 3925 | 171.72% |
| | Group Single Premium | 8.43 | 8.43 | 3.18 | 3.18 | 164.81% | 0 | 0 | 0 | 0 | --- |
| | Group Non Single Premium | 0.00 | 0.00 | 0.00 | 0.00 | --- | 0 | 0 | 0 | 0 | --- |
| | **Total** | **38.44** | **38.44** | **13.73** | **13.73** | **180.01%** | **10843** | **10843** | **3974** | **3974** | **172.85%** |
| 22 | **Star Union Dai-Ichi Life Insurance Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 3.91 | 3.91 | 1.35 | 1.35 | 189.95% | 110 | 110 | 14 | 14 | 685.71% |
| | Individual Non Single Premium | 17.68 | 17.68 | 4.20 | 4.20 | 320.83% | 2610 | 2610 | 428 | 428 | 509.81% |
| | Group Single Premium | 6.17 | 6.17 | 0.77 | 0.77 | 704.00% | 0 | 0 | 0 | 0 | --- |
| | Group Non Single Premium | 0.00 | 0.00 | 0.02 | 0.02 | -88.33% | 0 | 0 | 0 | 0 | --- |
| | **Total** | **59.50** | **59.50** | **6.61** | **6.61** | **800.45%** | **2721** | **2721** | **442** | **442** | **515.61%** |
| 23 | **Tata Aia Life Insurance Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 17.11 | 17.11 | 15.85 | 15.85 | 7.97% | 191 | 191 | 140 | 140 | 36.43% |
| | Individual Non Single Premium | 141.82 | 141.82 | 133.37 | 133.37 | 6.34% | 21818 | 21818 | 29546 | 29546 | -26.16% |
| | Group Single Premium | 3.07 | 3.07 | -0.51 | -0.51 | -705.68% | 1 | 1 | 0 | 0 | --- |
| | Group Non Single Premium | 0.33 | 0.33 | 0.90 | 0.90 | -63.35% | 8 | 8 | 9 | 9 | -11.11% |
| | **Total** | **164.55** | **164.55** | **154.36** | **154.36** | **6.60%** | **22028** | **22028** | **29712** | **29712** | **-25.86%** |
| | **Private** | | | | | | | | | | |
| | Individual Single Premium | 729.18 | 729.18 | 307.12 | 307.12 | 137.42% | 11789 | 11789 | 5842 | 5842 | 101.80% |
| | Individual Non Single Premium | 1924.55 | 1924.55 | 1022.96 | 1022.96 | 88.14% | 292368 | 292368 | 225216 | 225216 | 29.82% |
| | Group Single Premium | 1965.75 | 1965.75 | 1670.65 | 1670.65 | 17.66% | 80 | 80 | 102 | 102 | -21.57% |
| | Group Non Single Premium | 15.50 | 15.50 | 10.86 | 10.86 | 42.66% | 34 | 34 | 19 | 19 | 78.95% |
| | **Private Total** | **4882.04** | **4882.04** | **3146.09** | **3146.09** | **55.18%** | **304748** | **304748** | **231554** | **231554** | **31.61%** |
| 24 | **Life Insurance Corporation of India** | | | | | | | | | | |
| | Individual Single Premium | 970.71 | 970.71 | 331.65 | 331.65 | 192.70% | 34962 | 34962 | 9717 | 9717 | 259.80% |
| | Individual Non Single Premium | 1237.39 | 1237.39 | 732.36 | 732.36 | 68.96% | 656294 | 656294 | 174649 | 174649 | 275.78% |
| | Group Single Premium | 2584.40 | 2584.40 | 1983.56 | 1983.56 | 30.29% | 7 | 7 | 6 | 6 | 16.67% |
| | Group Non Single Premium | 26.30 | 26.30 | 523.78 | 523.78 | -94.98% | 321 | 321 | 40 | 40 | 702.50% |
| | **Total** | **4856.76** | **4856.76** | **3581.65** | **3581.65** | **35.60%** | **692185** | **692185** | **184646** | **184646** | **274.87%** |
| | **GRAND TOTAL** | **9738.79** | **9738.79** | **6727.74** | **6727.74** | **44.76%** | **996933** | **996933** | **416200** | **416200** | **139.53%** |

# Glossary



**Key-Persons Insurance**
A policy purchased by, for the benefit of, a business insuring the life or lives of personnel integral to the business operations.

**Lapse**
Termination of a policy due to failure to pay the required renewal premium.

**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.

# Poll

Do you think current wave of Covid-19 will have a negative impact on growth in FX 2021-22?

Yes

No

Can't say

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

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

| | |
|---|---|
| Yes | 95 |
| No | 05 |
| 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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A low cost Online Pure Protection plan to ensure financial security for your family.
LIC's SIIP
Plan No: 852 UIN 512L334V01
A Regular Premium ULIP that provides life insurance cover and growth of investment.
LIC's CANCER COVER
Plan No. 905 UIN No. 512N314V02
A non-linked Regular Premium health plan to armour you financially in case of cancer.
LIC's SARAL Jeevan Bima
Plan No.: 859 UIN.: 512N341V01
A low-cost non-linked Pure Risk plan to provide financial security to your family.
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