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# THE INSURANCE TIMES

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## In this issue


- How Artificial Intelligence is Progressing in Indian Insurance Industry
- Budget 2021 opened floodgates for Foreign Capital to accelerate growth of Insurance Industry
- FDI Limit Hike in Indian Insurance Industry: An Assessment
- Insurance disruption in 2020: The big reset

Technical Paper Writing Contest 2020 - Results




*"India accounts for the highest number of road accidents globally, with 1.5 lakh people being killed and more than 4.5 lakh being disabled annually in 4.5 lakh road accidents."*

**Nitin Gadkari**
Union Minister

*"The industry is seeing a worsening of mortality claims among policyholders due to Covid. The actual claims paid is turning out to be higher than what was estimated by actuaries at the time of pricing the policies. "*

**R M Vishakha**
MD & CEO of
IndiaFirst Life Insurance

*"COVID-19 has given carriers an opportunity for a huge reset. As black swan events become more frequent, a constant assessment and flexible agile responses to systemic risks are required."*

**Dipu KV**
President - Operations, Communities, and CX at Bajaj Allianz

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# The Insurance Times

Vol. XXXXI, No. 03, March 2021 ISSN - 0971 - 4480



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

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

The FDI hike in budget announcement is expected to bring good inflow of FDI in insurance market in India. The overseas partners would like to increase their stake in the insurance ventures. The Insurance market will also expand with the investment in Insurance sector resulting in increased reach and more employment opportunities. Hopefully this will give a positive boost in growth of insurance market.

Every year road crashes result in loss of lakhs of lives and serious injuries to crores of people. In most of the cases crashes occurs either due to carelessness or due to lack of road safety awareness of the road user. Road Accidents are a major cause of concern to common people, government, insurers and other stakeholders.

Recently the Central Govt. has announced several measures for minimizing / arresting the Road Accidents by bringing the scrap age policy of age old automobiles, electric vehicles, usage of BS VI vehicles only apart from making the highways and other roads to be constructed in the manner to avoid the accidents to the minimum. However, Risk Management by all the Stake Holders for self-safety and avoiding the loss of resources is the only answer for the Road safety. The deaths due to road accident far exceed than any other causes. The Motor Insurance Industry is bleeding due to third party claims and reduction in road crash deaths with help to balance the portfolio.

Technology in Insurance is going to play a major role in expanding reach. Though investments would be high in technology initially but over the period the cost of acquisition of customers will reduce and penetration will increase. Technology is going to play an important role in Underwriting as well as claims. Video based underwriting, live inspection, live survey, Online KYC will be the future of Industry. This will create more employment in technology space in insurance sector. We must adopt and adapt technology at a faster pace to increase the reach of penetration.

In 2021 many Standard Insurance Products are expected to be launched by various insurers. Also we need to watch out for sandbox products which are also expected to have good demand in coming years.

# Contents

## News


General Insurance News .......... 05

IRDAI News .......... 08

LIC News .......... 10

Health Insurance News .......... 11

Private Life Insurance News .......... 13

International News .......... 16


## Articles


How Artificial Intelligence is Progressing in Indian Insurance Industry
*Ms. Bhawna Dahiya* .......... 18

Budget 2021 Opened Floodgates for Foreign Capital to Accelerate Growth of Insurance Industry
*Jagendra Kumar* .......... 30

FDI Limit Hike in Indian Insurance Industry: An Assessment
*Dr. Tapas Kumar Parida* .......... 35

Insurance disruption in 2020: The big reset
*Dipu KV* .......... 39


## Features


Guidelines for Fire and Allied perils cover for Dwellings .......... 37

Bima Jyoti from Life Insurance Corporation of India .......... 35

Road Safety Month 2021 .......... 43

Technical Paper Writing Contest 2020 - Results .......... 46

Legal .......... 49

IRDAI Circular .......... 50

Gross direct premium underwritten for and upto the month of January 2021 .......... 53

Statistics - Life Insurance .......... 54

Glossary / Poll .......... 56

# General Insurance News

## India accounts for 11% of global deaths in road accidents: World Bank

India, which has 1% of the world's vehicles, accounts for 10 per cent of all road crash victims, the latest World Bank report on road safety said.

Hartwig Schafer, World Bank's Vice President for South Asia, said the Indian government in recent years has taken significant steps to address the issues related to road safety.

"For India, it's one per cent of the world's vehicles and 10 per cent of the crash victims. This is something where, in particular in India, we have to pay attention," Schafer told on the occasion of the release of the report on road safety in New Delhi.

While the attention in the last year has shifted due to COVID-19, there is an interesting link between road safety and pandemic right now, he noted.

"Unfortunately, the road crashes have not been going down and any time 10 per cent of the capacity in hospitals is being used for the treatment crash victims," he said.

Schafer said that road crashes actually hit the poorest and the most vulnerable segments of the populations.

"The financial impact of the crash is much more on poorer households than on better-off households. It is much higher on women who have to take care of the burden of caregiving. It is much higher on those who rely on foot and also in the informal sector," he said.

However, according to Schafer, the good thing is that India was doing quite a bit on road safety.

## GIC Re reports Q3 net profit of Rs. 987 crore

GIC Re reported a net profit of Rs. 987.42 crore for the third quarter ended December 2020.

There was a loss of Rs. 1,069.64 crore in the year-ago period.Sequentially, it had posted a net profit of Rs 230.06 crore in the second quarter ended September 2020.

Gross premium during the October-December quarter increased to Rs. 11,668.51 crore, from Rs. 11,539.96 crore in the same period of 2019-20, GIC Re said in a regulatory filing.

Global scenario for the insurance industry for the FY21 has shown weak trends due to COVID-19 situation for most classes while benefitting a few. As compared to Q2, there is a growth in business volume during Q3 FY20-21, the general insurer said.

"Although COVID-19 influence remains on the insurance industry, the severity of the impact is gradually reducing and the same is reflected in the results of the industry. GIC Re''s financials for the nine months ended 31st December 2020 have shown indications of positivity and signals turnaround in the near future," it added.

The net profit for the nine months ended December stood at Rs 660 crore. However, a loss of Rs 1,556.50 crore was recorded for the same period of the previous fiscal.

Investment income for the nine months has increased significantly. GIC Re''s international business has shown a growth rate of 23 per cent.

It grew to Rs. 6,534.65 crore for the first nine months this fiscal from Rs 5,216.00 crore in the year-ago period.

"Our underwriting performance is expected to show better trends going forward and this will result in further strengthening of GIC Re''s position," the insurer said.

Solvency ratio is increased to 1.53 at the end of the third quarter FY21 from 1.51 a year ago. It is a metric to measure how much a company has in assets against how much it owes.

The insurer said its total assets stood at Rs. 1.34 lakh crore at the end of December 2020, as compared to Rs. 1.29 lakh crore by a year ago.

## Gadkari calls for reducing road crash deaths

The road accident scenario in India is more dangerous than the pandemic, Union Minister Nitin Gadkari said, as he pointed to potential savings of Rs. 90 lakh per person if such deaths are prevented.

Releasing a World Bank report on traffic crash injuries, Gadkari said: "For the government, each life is precious, whether poor or rich, urban or rural, male or female. The situation is alarming... there are more deaths than in COVID-19... It is more dangerous than COVID-19."

He termed the World Bank report an eye-opener.India accounts for the highest number of road accidents globally, with 1.5 lakh people being killed and more than 4.5 lakh being disabled annually in 4.5 lakh road accidents. The losses amount to 3.14 per cent of the GDP.

"In India, the cost per seriously injured person comes to Rs 3.64 lakh while the cost for a person with minor injury is Rs 77, 938. The cost per death is estimated at Rs 91.16 lakh," he said.

## Oriental Insurance, Iffco Tokio General Insurance top in claim settlements

Oriental Insurance and Iffco Tokio had the highest claims settlement ratio among public and large private sector non-life insurance companies, respectively, in FY20. New India Assurance had the highest net promoter score, according to a report published by the Insurance Brokers Association of India.

The claims settlement ratio is seen as a key reflection of service by an insurer. It is arrived at by dividing the sum of claims settled during the fiscal as a percentage of the same available for processing. While Oriental Insurance settled 91.5% of claims that came up for processing, Iffco Tokio had a settlement ratio of 92.5% for overall claims across segments. The two insurers topped the list of claims settlement ratio in the health segment as well (93.9% and 96.3%, respectively). Both also did well in the motor own-damage segment, which is a major contributor to claims.

When it comes to speedy claims settlements too, Oriental Insurance topped the list with an efficiency ratio of 87.1%. This reflects the number of claims tackled within three months of reporting. In the private sector, Bajaj Allianz had the highest claims settlement efficiency of 87.9%.

According to brokers, the extent of claims that an insurer receives depends on the nature of business they underwrite. Companies that cover retail risks such as health insurance and motor tend to have a higher number of claims as these are verticals with a high frequency of the same. Of late, insurers have been providing extended warranty covers for electronics purchased by tying up with the distributors. Such businesses too have low-value high frequency claims.

## Non-life insurers see 6.7% growth in premiums

Gross premium underwritten by non-life insurers in January grew 6.7 per cent year on year (YoY) to Rs. 18,488 crore compared to Rs. 17,333.7 crore in the year ago period. This comes after a double digit growth in premiums in December and low single-digit growth witnessed in November, which was preceded by contraction in September and October.

General insurers, collected Rs 16,247.34 crore premium in January, up 10.8 per cent compared to the same period a year ago. The standalone health insurers, surprisingly, saw a marginal contraction of 1.33 per cent in premiums collected in January at Rs. 1,510.20 crore compared to Rs. 1,530.70 crore in the year ago period. This could be indicative of the fact that growth in health insurance segment might be tapering off as the fear of Covid subsides among consumers.

Of the four state owned general insurers, New India Assurance's premium collection jumped 20 per cent to Rs. 2,473.69 crore in January and United India Insurance saw its premium go up marginally, while the other two witnessed a contraction in their premium collection. Recently, in the Union Budget of 2021-22, the Finance Minister said they are looking to privatise one of the state owned general insurers.

## Govt to infuse Rs. 3000 crore into general insurance firms

Government will infuse Rs. 3,000 crore capital into PSU general insurance companies during the current quarter in a bid to improve their financial health.

Last year, the Union Cabinet headed by Prime Minister Narendra Modi cleared the proposal to provide capital support to National Insurance, Oriental Insurance and United India Insurance.

The cabinet had also decided to increase the authorised share capital of National Insurance Company Limited (NICL) to Rs. 7,500 crore and that of United India Insurance Company Limited (UIICL) and Oriental Insurance Company Limited (OICL) to Rs. 5,000 crore each to give effect to the capital infusion decision.

Recently, the government sought Parliament nod for gross additional expenditure of Rs. 6.28 lakh crore for 2020-21 as part of second and final batch of supplementary demands for grants.

This included Rs. 3,000 crore for providing additional funds towards recapitalisation of insurance companies.

The infusion will be done after the supplementary demands for grants is passed by Parliament which will reconvene on March 8.

The capital infusion will enable the three public sector general insurance companies to improve their financial and solvency position, meet the insurance needs of the economy, absorb changes and enhance the capacity to raise resources and improve risk management.

Finance Minister Nirmala Sitharaman in the Budget announced privatization of two public sector banks and one general insurance company in 2021-22 beginning April.

## General insurance sector may revive in Quarter 4

The general insurance industry, which had witnessed a significant degrowth in business across various segments, including motor and health during the first quarter of FY21, is likely to turnaround and register positive growth in the fourth quarter of this fiscal.

According to Subramanyam Brahmajosyula, Head Underwriting & Reinsurance, SBI General Insurance, the industry had witnessed a massive degrowth in business during the first two to three months of the current fiscal, and most business segments other than fire, had registered a drop in growth.

However, from Q2 there was a gradual uptick in demand and the industry is hopeful of ending the year in a "good shape".

The general insurance industry has registered a growth of around 2.76 per cent year-to-date up to January 2021 (10-month period from April 2020) compared to the same period last year. The non-life industry has been growing by around 13-15 per cent on a year-on-year basis for the last couple of years.

"While the growth rate is lower than the previous performance of the industry as a whole, considering what we saw in the initial stages, this is a good turnaround.

"We were initially worried that it may take two years or longer to bounce back to the kind of growth rate we were experiencing earlier, but now I am almost confident that we should be close to business as usual by next year in terms of growth rates," said Brahmajosyula at an event.

While fire insurance has seen a growth of around 30 per cent, health and liability witnessed a growth of around 15 per cent each.

There has been a lot of interest and enquiries from customers about the various new lines of business, particularly on the liability side, and the industry should look to capitalise on it. Moving forward, the industry should focus on product innovation and enhancement.

"The pandemic has focused our attention on the need to innovate and some of these learnings have become permanent part of the way we work," he said.

While it is difficult to predict and price a pandemic like Covid, as an industry, insurers should be better prepared for a risk like this. There is also likely to be a higher demand for business interruption covers and the industry, either on its own or through reinsurance solution providers, should come up with something to address this demand.

## PSU general insurers continue to lose market share, merger plan stuck

Public sector general insurance companies continue to lose market share to their private peers. As of January, the collective market share of the four PSU general insurance companies stood at 38.2 per cent, against 40.23 per cent in January 2019, according to the data released by IRDAI.

Except New India Assurance, the others have been losing market share for some time now. However, compared to December 2019, United India Insurance has marginally gained market share in January.

New India Assurance continues to have the highest market share in the general insurance space at 14.28 per cent, followed by United India Insurance at 9.19 per cent, National Insurance at 7.67 per cent, and ICICI Lombard at 7.22 per cent.

In the February 2018 Budget, the government had announced a plan to merge National Insurance, United India Insurance and Oriental Insurance, and list the merged entity on the stock exchanges.

However, there has little progress on the merger since, even as the financial health of the firms deteriorated in terms of losses, falling market share and poor solvency ratios.

National Insurance's solvency ratio, a key measure of financial strength, stood at 1.04 at the end of FY19, against the regulatory requirement of 1.5, according to the data.

It was 1.05 for United India in the second quarter (Q2) of FY20. The company posted pre-tax loss of Rs 1,091 crore in Q2FY20, according to the data from the General Insurance Council. Oriental Insurance's solvency ratio was 1.56 in Q1FY20. The company had posted net loss before tax of Rs 330 crore in Q2FY20. ❑

# IRDAI News

## IRDAI seeks insurers' views on coverage of Covid vaccine cost

IRDAI has sought health and general insurers' views on covering the cost of COVID-19 vaccination under their existing plans, a health insurance executive said, adding that the industry body General Insurance Council has opposed the move.

According to the executive, who confirmed receiving IRDAI's communication in the first week of January, the move may lead to abuse and misuse of insurance policies, besides putting a heavy monetary burden on insurance companies.

"The regulator's query was also centered on whether covid-19 vaccines are covered and how they are covered under health plans. There isn't any advisory on this front from the regulator as of now," the executive said, seeking anonymity.

As health insurance policies are indemnity-based plans (where hospitalization expenses are reimbursed), a person who is hospitalized for at least 24 hours and is given a COVID-19 vaccine can claim expenses.

Alternatively, if an insurance policy offers out-patient department benefits, it will cover the cost of the jab.

However, health policies that come with an OPD cover are generally quite expensive and experts said this is one reason the category hasn't picked up in the past. The move will also pose operational issues.

## IRDAI panel recommends separate payments for cost of vehicle and motor insurance premium

IRDAI had issued MISP guidelines in 2017 with the intention of streamlining the process and bringing the practices of vehicle insurance, being sold by automotive dealers under the provisions of the Insurance Act, 1938.

Motor Insurance Service Provider (MISP) refers to an automobile dealer appointed by the insurer or the insurance intermediary to distribute and/ or service motor insurance policies of automotive vehicles sold through it.

In June 2019, the regulator had set up a committee to review the MISP guidelines. The panel has submitted report in which it has made various recommendations for orderly conduct of motor insurance business through MISP channel.

Among other issues, the panel examined the current practice of collecting the premium payment from the customer while soliciting the motor insurance policy. Under the present system, it said there is a lack of transparency in the cost of insurance premium when the customer buys the vehicle for the first time through the automotive dealer and makes the payment through one single cheque.

As the MISP makes payment to the insurance company from his own account, "the customer does not know the insurance premium being paid as it is subsumed in the cost of the vehicle", the committee said.

It suggested that this lack of transparency is not in the interest of the policyholders' interest as the true cost of insurance is not known to the customer. "The customer may not be aware of the coverage options and discounts available in the process. The customer also cannot negotiate with the MISP to get the best coverage at the optimal price."

The committee recommended that the customer should make payment to the insurance company directly which is facilitated by the MISP. "MISP shall not collect the insurance premium amount in its own account and then transfer the same to the insurance company," it added.

According to the report, the motor insurance business sourced by MISPs through brokers and insurers put together constitutes around 25 per cent of the total motor insurance business or around 11.25 per cent of the overall general insurance business. In its report, the committee said that given the potential opportunity for motor insurance business through the MISPs, there is a need to develop and strengthen regulatory framework and supervision activities for this distribution channel.

The panel has also made recommendations on the original equipment manufacturers (OEMs). It noted that OEMs wield tremendous influence over the automotive dealers.

## IRDAI committee proposes insurance premiums based on traffic violations

Motor Vehicle owners may soon have to pay insurance premium depending on the traffic violations involving the vehicle. While a committee set up by the IRDAI has proposed that a "traffic violation premium" should be added to the vehicle insurance policy, the High-Powered committee for Traffic Management in the National Capital Territory (NCT) of Delhi has recommended this proposal to be run on a pilot basis in the NCT.

While the pilot has been discussed only for NCT, it may be run in any state with the consent of that State Governments and State Police department if the state has adequate system of capturing and transmitting traffic violation data of vehicles, it said.

All general insurers registered in the country will have to make changes in their IT systems to mandatorily collect and account for this premium as a separate and additional fifth section. The working group on linking traffic violations to insurance premium has recommended inserting a fifth section to motor insurance called "traffic violation premium" in addition to motor own damage insurance, basic third-party insurance, additional third party insurance and compulsory personal accident premium. This section will float over both Own Damage (OD) and Third Party (TP) sections of motor insurance and can be attached to any section of motor insurance, it said.

This will ensure, regardless of any insurance cover a motor owner wants to buy, the person will be subjected to traffic violation premium, unless he already has in force a motor insurance policy wherein traffic violation premium has already been paid.

## IRDAI urges general insurers to file products for drone coverage

IRDAI has asked general insurance companies to file the "model product" suggested by one of its working groups, regarding drones, given that only a handful of insurers offer coverage to drones under aviation insurance at present.

Alternatively, they could can design and develop their own product and file it with the insurance regulator at the earliest to meet the demands of this growing sector.

However, any product developed by insurers has to offer third-party liability insurance, the regulator added.

"Considering the unique characteristics of drones that differentiate them from other aircraft, and taking into account the phenomenal growth in the usage of drones for multiple purposes, there is a need to augment the current insurance availability, customised to the requirement of drone owners and operators,", said the regulator.

The model product of the regulator will provide coverage for legal liability to third parties, physical damage to drone bodies, medical expenses incurred by operators, and personal accident cover to operators. In legal liability to third parties, insurance firms will - subject to the sum assured - pay all fees and expenses incurred during the investigation, defense, or settlement of any claim. Costs incurred by the insured for representation at any civil inquest or inquiry, too, will be borne by them.

In drone hull cover, insurers will be liable to indemnify the policyholder for any cost incurred on account of repair (or replacement) of drones arising out of accident or theft. Similarly, in personal accident cover of operators, insurers will have to pay the sum assured in case the operator suffers a bodily injury resulting in death. In addition, it will also have to pay 5 per cent of the sum assured or Rs 5,000 - whichever is lower - to transport the mortal remains of the insured.

If the bodily injury results in permanent disability, the insurer will have to pay 125 per cent of the sum assured.

Under the medical expense cover, the insurance company has to reimburse reasonable and customary medical expenses, incurred up to the maximum sum insured, if the operator gets hospitalised. Further, the insurer will have to pay for the ambulance cost, which is capped at Rs 1,000. ❑

# LIC of India News

## LIC launches new plan Bima Jyoti

Life Insurance Corporation of India has introduced a new non-linked, non-participating, individual, savings plan which offers an attractive combination of protection and savings

The plan -- LIC's Bima Jyoti -- provides guaranteed lumpsum payments at maturity and financial support to the family in case of the unfortunate death of the policyholder during the policy term.

It can be purchased offline through an agent or other intermediaries as well as online from the LIC website.

"Guaranteed additions at the rate of Rs 50 per thousand basic sum assured will be added to the policy at the end of each policy year," LIC said in a statement on Monday.

The minimum basic sum assured is Rs. 1 lakh with no upper limit.

"In the current scenario of rapidly declining interest rates, the guaranteed additions offered along with risk cover is an attractive feature in LIC's Bima Jyoti," the insurer said.

The policy can be taken for a term of 15 to 20 years with the premium paying term calculated as the policy term minus five years, it further said. Loan facility is also available to meet liquidity needs.

## Accident-cum-life insurance plan launched by Tamilnadu Govt

The Tamilnadu government has launched accident-cum-life insurance cover which will benefit about 55.67 lakh breadwinners from Below the Poverty Line (BPL) families.

Around 32.51 lakh beneficiaries in rural areas and 23.15 lakh in urban areas will be brought under the Puratchi Thalaivi Amma Comprehensive Accident-cum-Life Insurance Scheme. The State Government will fully bear the burden of annual premium payment, which will be Rs. 330 for life cover and Rs. 12 for accident cover per beneficiary.

Deputy Chief Minister O. Panneerselvam, during the course of his Interim Budget address in the Assembly, made a reference to the launch of the scheme.

According to an order issued by the Revenue and Disaster Management Department, approximately Rs. 114 crore would be required annually. Beneficiaries of life cover will be in the 18-50 age group and those under accident cover in the 18-70 group. The extension of the policy under life cover can be done up to 55 years.

The idea is to provide compensation of Rs. 2 lakh in case of natural death of the beneficiary and a maximum of Rs. 2 lakh in the event of permanent incapacitation. If those in the 18-50 age group die due to accidents, their legal heir would be paid Rs. 4 lakh each. For those in the 51-70 age group, the compensation under accident cover would be Rs. 2 lakh.

The government has enlisted the services of Life Insurance Corporation for life cover and United India Insurance for accident cover. As regards the identification of beneficiaries, the Tamil Nadu Corporation for Development of Women carried out the task. Several parameters, such as income criterion and asset indexing, had been used to identify BPL families, officials said. The Corporation is responsible for addition and deletion of BPL families.

The scheme has been formulated on the lines of the Pradhan Mantri Jeevan Jyoti Bima Yojana and the Pradhan Mantri Suraksha Bima Yojana of the Central Government. Two years ago, when the State Government announced the scheme, it planned to converge it with the Central schemes. But with effect from April 1 last year, the Centre decided not to have any convergence arrangement with the States, compelling the Tamil Nadu government to relook at its scheme. ❑

# Health Insurance News

## Ayushman Bharat entitlement cards free of cost through CSCs

Beneficiaries under Ayushman Bharat Pradhan Mantri Jan Arogya Yojana (PM-JAY) can now procure their entitlement cards free of cost. The government waived off the fee of Rs. 30 per card that beneficiaries until now were required to pay to village level entrepreneurs field level operators under the common service centres (CSC) across the country.

However, for issuance of duplicate card or reprints, Rs. 15, excluding taxes, shall be charged from the beneficiary by the CSC.

The arrangement came after the National Health Authority (NHA), the government agency responsible for implementation and management of the scheme signed a memorandum of understating (MoU) with CSCs under the Ministry of Electronics and Information Technology. The MoU is aimed at generating new PVC beneficiary cards called "Ayushman cards" under the PM-JAY and further streamlining and easing the process of service delivery under the scheme.

Ayushman cards generated at any of the PM-JAY empanelled hospitals, however, were issued for free and will continue to be issued free of charge, the government said. "With the introduction of special PVC Ayushman cards issued completely free and replacement of paper-based cards, beneficiaries will now be able to store them easily at home," Ram Sewak Sharma, Chief Executive Officer, NHA.

While the card is not an essential requirement to avail healthcare benefits under the AB PM-JAY scheme, it is part of mechanism for the identification and verification of beneficiaries to enable seamless delivery of health services to patients and prevent any kind of malpractice and fraud.

"Doing away with the Rs. 30 processing charged for each Ayushman card will have a high impact at the last mile as the poor still see paying for a Government scheme card as an expense they can avoid. Taking the momentum forward, beneficiaries can visit any of the CSCs across India to check and validate their entitlement and get the benefit of the scheme absolutely free of cost," said Dinesh Tyagi, Managing Director, CSC e-Governance Services India Limited.

Under the MoU, it has been decided that the National Health Authority (NHA) will pay a fixed cost of Rs. 20 (exclusive of taxes) only for first-time Ayushman card issuance to Common Service Centres (CSC), and other such associated organisations.

The PVC cards will be manufactured at a centralised location to ensure uniformity and quality of the Ayushman cards distributed Pan-India. The State specific instructions/information would be printed at the back of the e-card. These will be dispatched to the VLEs who have generated the PM-JAY ID, from where PVC Ayushman Card can be collected after bio-authentication.

## R S Sharma to take over as Ayushman Bharat chief

Government has decided on a top-level change at the National Health Authority (NHA), which is responsible for implementing the country's flagship public health insurance scheme Ayushman Bharat or Pradhan Mantri Jan Arogya Yojana.

Indu Bhushan, CEO of NHA, would be replaced by RS Sharma, former chairman of the Telecom Regulatory Authority of India it is learnt. Sharma had recently been named as the chairperson of an empowered committee for COVID-19 vaccine delivery technology platform-Co-WIN. He was also inducted into the high-level vaccine administration panel headed by VK Paul.

Bhushan, who's stepping down as his three-year term comes to an end.

## Artificial intelligence tools can predict mortality from COVID

Artificial intelligence tools can make a 90% accurate prediction of whether a person will die from coronavirus or not, research by the University of Copenhagen has shown.

The research published in the scientific journal Scientific Reports can help policymakers prioritize who should be at the front of the queue for the precious COVID-19 vaccines.

Based on patient data from Denmark's Capital and Zealand regions, the study shows that AI can, with up to 90% certainty, determine whether a person who is not yet infected will die of covid-19 or not if they become infected.

Once admitted to hospital with covid-19, the computer can predict with 80% accuracy whether the person will need a respirator.

Since the pandemic's first wave, researchers have been working to develop computer models that can predict how badly people will be affected by the virus.

"We began working on the models to assist hospitals, as during the first wave, they feared that they did not have enough respirators for intensive care patients. Our new findings could also be used to carefully identify who needs a vaccine," said Prof Mads Nielsen of the University of Copenhagen's Department of Computer Science.

The researchers, who fed a computer programme with health data from 3,944 Danish COVID-19 patients, said body mass index, age, gender and high blood pressure are among the most heavily weighted factors.

The likelihood of dying or ending up on a respirator is heightened if you are male, have high blood pressure or neurological disease. Lung and heart diseases, asthma and diabetes are other factors.

## COVID health insurance claims stand at Rs. 12,923 crore

With the Covid-19 pandemic still raging in the country, insurance companies in the country have received 8.53 lakh claims worth Rs 12,923 crore for Covid treatment as on January 22 this year. This works out to 30 per cent of total premium collected by insurers in the nine months ended December.

Insurance firms have so far settled 6.77 lakh claims worth Rs. 6,595 crore as on January 22, according to figures compiled by the General Insurance Council.

Insurers say there hasn't been a let-up in claims under the Covid category with firms receiving a claims bill of over Rs. 5,000 crore since November 1, 2020. Insurers had received 5.01 lakh claims for Rs. 7,699.50 crore as of October 2020 and settled 3.43 lakh claims worth Rs. 3,315.5 crore. With health consciousness rising in the country, total premium collected by the insurance industry under the health category rose to Rs. 42,291 crore, showing a spike of 13.73 per cent as of December 2020.

A senior IRDAI official said that 1.28 crore standard Covid policies with a total premium of over Rs. 1,000 crore have been sold so far. "Under Corona Kavach sold by general insurers which is the standard product, 42 lakh lives have been protected, while 5.36 lakh lives have been protected through Corona Rakshak sold by life insurers," the official added.

Although the average claim per person across India was Rs 1,51,340, the average settled amount was Rs 97,369 per person. Maharashtra, which reported the highest Covid infections, also made the maximum Covid insurance claims of 2.96 lakh worth Rs. 3,651.5 crore. Insurers settled 2.30 lakh claims worth Rs. 1,918 crore till January 22, in the state. The average claim per person settled in Maharashtra was one of the lowest at Rs. 83,399 per person.

In Tamil Nadu, there were 69,682 claims worth Rs. 1,254 crore, with 58,056 claims worth Rs. 594 crore settled so far. There were 1.07 lakh claims for Rs. 1,607 crore from Gujarat and 69,679 claims for Rs. 1,066 crore crore from Karnataka. Insurers got 26,653 claims for Rs. 533.6 crore from Delhi.

However, insurances sources said claimants were forced to shell out part of their hospital bills from their pockets as the claims and settlement depend on the size and other terms of the policies.

The General Insurance Council had recently come out with a schedule of rates for COVID-19 claims being filed with its member insurance companies, capping the ICU with ventilator care at Rs. 18,000 per day in the case of 'very severe sickness' in hospitals accredited with National Accreditation Board for Hospitals & Healthcare Providers (NABH). However, this has been proven insufficient with patients forced to fork out the balance amount charged by hospitals. "Hospitals ask patients to shell out different amounts for various facilities like ICU and nursing care," said an insurance official.

The insurance regulator asked all general and health insurance companies to offer standard Covid policy. In the case of Corona Kavach policy of New India Assurance, the sum insured ranges from Rs. 50,000 to Rs. 5 lakh with a waiting period for 15 days. ❑

# Private Life Insurance News

## Max Life Insurance reaches Claims Paid Ratio of 99.22% during FY 2019-20

Max Life Insurance announced that it has paid off 15,342 claims received in FY 2019-20, thereby settling INR 562.54 crores worth of individual claims received in FY 2019-20. The Company has achieved high claims paid ratio of 99.22% - in comparison with the company's last five-year performance.

With consistent investment in fraud detection and mitigation at the issuance stage through robust predictive analytical based underwriting models, Max Life showed steady improvement of 226 bps in claims paid ratio over the last five years from 96.95% in FY 2015-16 to its current figure of 99.22% in FY 19-20. During FY 2019-20, out of total death claims received, only 120 were rejected and 1 case was pending for closure at the end of the financial year. The company's repudiation ratio has fallen to 0.78% at the back of best-in-class digital forensic controls.

Since its inception till March 2020, Max Life has paid INR 3801 crores towards 128,288 policies for individual death claims.

Commenting on the accomplishment, Mr. Manu Lavanya, Director and Chief Operations Officer, Max Life said, "Over the years, we have remained steadfast in our commitment towards our customers by working towards improving our claims paid ratio - the ultimate moment of truth that defines a life insurer's relationship with its customers.

Our consistent performance in achieving 99.22% claims paid ratio in FY 19-20 bears testament to the devotion we have towards our customers. We are committed to further enhancing our investments in the areas of improved underwriting capabilities, technological interventions, and an overall robust claims ecosystem to ensure that we scale newer heights when it comes to settling claims in a timely and efficient manner."

## FDI increase may bolster inflow of funds

Indian Insurance market could see Rs 20,000-25,000 crore of investments by equity funds and multinationals in domestic companies in two-three years as an outcome of the decision to hike foreign direct insurance (FDI) in insurance to 74% from 49%.

According to Ashvin Parekh, managing partner at Ashvin Parekh Advisory, it is a commendable step, though a little late in the day as many foreign partners have withdrawn from India. However, there are some Japanese and German companies waiting to up their stakes. "These companies are keen on majority stake and control as their local laws are very strict about disclosures of actions by their overseas arms and they are very focused on reputation," he said.

Besides, some foreign firms are keen to hike stake given the appreciation in their investment. "No other market has delivered value the way Indian market has for multinational insurers," said Parekh. Standard Life's 8.9% stake in HDFC Life is worth over Rs. 12,500 crore, several times the original investment.

For private equity and foreign institutional investors (FIIs) keen on insurance, easing of norms paves the way for a firm foothold. Ditto for MNCs, whose Indian partners were struggling for capital but still could not hike stake because of the ceiling.

The government had hiked FDI in insurance to 49% from 26% in 2014, but some multinationals chose not to increase stake then as the relaxation came with stringent norms requiring all insurers to be "Indian-owned and Indian-managed".

The proposed amendment does away with those norms; but it requires companies to plough back earnings into India rather than repatriate them as dividend. Some of these rules too may be under review though.

## Bancassurance and Insurance Brokers tops chart for mis-selling complaints

The number of mis-selling complaints received against private life insurers has gradually reduced over the years. In 2019-20 (FY20), this number came down to 35,178, from 47,503 in 2017-18 (FY18).

Interestingly, it is the banks and Insurance brokers received the most number of mis-selling complaints than any other distribution channel.

According to the data from the IRDAI's annual report for FY20, banks and brokers received close to 10,000 mis-selling complaints each. In 2018-19, banks received more than 12,000 mis-selling complaints; Insurance brokers close to 11,000. The number was even higher in FY18.

Furthermore, IRDAI's annual report says the number of unfair business practices complaints received against life insurers has reduced 12.36 per cent to 43,444 in FY20, of which 3,994 were against Life Insurance Corporation of India and 39,450 against private insurers.

## Private life insurers reports fall in investment income

Private life insurance companies reported a huge fall in investment income and ended up with losses during 2019-20 as the value of their investment under unit-linked investment plans (ULIPs) plunged when the stock market crashed in March last year. However, LIC, which is gearing up for an initial public offering (IPO), witnessed a rise in income, including capital gains, as the corporation stayed away from ULIPs.

In the case of private insurers, the loss in investment income was at Rs. 3,106 crore in 2019-20, as against a profit of Rs. 61,158 crore in 2018-19. The investment income (policyholders' and shareholders') of LIC including capital gains and other income increased to Rs 2.37 lakh crore in 2019-20 as against Rs 2.24 lakh crore in 2018-19), according to the Annual Report of IRDAI.

The negative income of private players included negative movement in the fair value of unit linked assets, IRDAI said. "Private insurers were major players in ULIPs. When the stock market fell in March amid the Covid pandemic and lockdown, their investments also eroded. LIC has a huge stock portfolio ... their legacy investments acquired at low costs aided the corporation," said an insurance official.

ULIPs combine the benefits of both life cover and savings in a single plan, but their value erodes when the markets fall.

However, the story is different in the case of general insurers. "During the year under review, the investment income of public sector insurers decreased by 1.92 per cent. Investment income of private sector insurers, standalone health insurers and specialized insurers has grown at the rate of 25.85 per cent, 43.77 per cent and 7.23 per cent respectively," the IRDAI report said.

Investment income of private general insurers shot up from Rs 8,885 crore in 2018-19 to Rs. 11,182 crore.

As on March 31, 2020, the investments made by the insurance industry stood at Rs. 42.53 lakh crore, as against Rs. 38.47 lakh crore in March 2019, registering an increase of 10.54 per cent. The share of life insurers stood at 91.47 per cent, general insurers including specialised insurers and Standalone Health Insurers (SAHI) constituted 6.87 per cent and reinsurers including branches of foreign reinsurers constituted 1.66 per cent as of March 2020. The share of PSUs stood at 76.79 per cent and private sector constituted 23.21 per cent in the same period, IRDAI said.

Funds of life insurers are split based on investments made out of traditional products and ULIP products. The funds of life insurers as of March 2020 was Rs. 38.90 lakh crore, of which Rs. 35.17 lakh crore (90.41 per cent to total funds) was from traditional products and balance of Rs. 3.73 lakh crore (9.59 per cent to total funds) from ULIP products.

Meanwhile, the underwriting losses of the general insurance industry increased by 6.27 per cent in 2019-20 from Rs. 22,320 crore in 2018-19 to Rs. 23,720 crore in 2019-20, IRDAI said. The public sector insurers' underwriting losses increased to Rs. 18,741 crore from Rs. 18,533 crore.

The private sector insurers reported increase in underwriting losses, which was Rs. 3,647 crore in 2019-20 from Rs. 2,890 crore in 2018-19. Standalone health insurers reported increase in underwriting losses in 2019-20 which was Rs. 651 crore as compared to underwriting loss of Rs 568 crore in 2018-19. The underwriting losses of specialised insurers increased to Rs. 680 crore in 2019-20 from Rs. 328 crore in 2018-19, the regulator said.

## IDBI Bank sells stake in insurance venture

IDBI Bank said it has sold 23 per cent

stake in IDBI Federal Life Insurance Company Ltd (IFLI) to Ageas Insurance International NV for Rs. 507.10 crore.

Following this transaction, the joint venture has been rebranded as Ageas Federal Life Insurance Company Ltd, IDBI Bank said in a statement.

IFLI is a three-way joint venture of IDBI Bank, Belgium's Ageas and Federal Bank. After the conclusion of the stake sale, IDBI Bank's shareholding in IFLI has come down to 25 per cent from the earlier 48 per cent.

The shareholding of Ageas in IFLI has gone up to 49 per cent from 26 per cent earlier.

Federal Bank continues to hold 26 per cent stake in IFLI.

On August 6, 2020, IDBI Bank had informed the exchanges that it has entered into a Share Purchase Agreement (SPA) to sell 27 per cent of its stake in its joint venture (JV) arm IFLI to other JV partners - 23 per cent to Ageas Insurance International NV (Ageas) and 4 per cent to The Federal Bank Ltd (Federal Bank).

## HDFC life launches new term plan

HDFC Life has launched its latest flagship term product Click 2 Protect Life. The non-linked, nonparticipating, individual term plan has been designed to cater to the changing needs in the different life stages of an individual. Speaking on the launch, Srinivasan Parthasarathy - Chief Actuary & Appointed Actuary said,

"The pandemic has made every individual aware of the need for financial protection. With time and changing lifestyle the need for financial protection is not the same as it was a few years ago. Based on customer inputs and our research findings we have designed a product that meets the changing life stage needs of an individual. There are three options available in this plan, each with a unique offering. We believe customers will see value in the product and use it to secure themselves and their families."

## Term insurance cover premium set to rise as reinsurers hike rates

Life Insurers in India are set to hike premiums for their term plans after several reinsurers increased rates for underwriting portfolios of these pure-protection covers. The move comes even as the domestic life companies face higher-than-expected mortality claims due to COVID.

Reinsurance rates for Indian life companies had been hardening before the pandemic. Global underwriters, led by the US-based RGA, turned wary in the wake of lower rates in the Indian market, which some said were cheaper than the cost of a life cover in European countries with better life expectancy rates. Given that this hike has come during a pandemic, insurers do not have the headroom to absorb the higher costs. Domestic reinsurer GIC Re is also understood to have raised rates on some contracts.

"Some reinsurers changed rates at the start of this fiscal year. While others, who may not have fully reflected the hike then, are seeking to change rates now. We believe the current increases are only a catch-up with market rates. In line with our reinsurance arrangements, we reflected the rates in the new product we launched in July 2020," said Satyan Jambunathan, CFO at ICICI Prudential Life Insurance.

According to insurance distributors, some companies have indicated that rates will go up from April 2021, when the new reinsurance contracts come into force. The companies that are understood to be revising their rates include Max Life Insurance, Tata AIA Life Insurance, IndiaFirst Life and Aegon Life.

Reinsurers price their rates based on life expectancy - which is a long-term trend - and not on a single-year experience. However, this time the concerted action has coincided with the pandemic, which has caused nearly 1.5 lakh deaths in India.

"The industry is seeing a worsening of mortality claims among policyholders due to Covid. The actual claims paid is turning out to be higher than what was estimated by actuaries at the time of pricing the policies" said R M Vishakha, MD & CEO of IndiaFirst Life Insurance. "We have received 630 death claims for Rs. 41 crore arising out of Covid. These included 291 from individual policies and 324 claims from group policies," she added.

According to Vishakha, reinsurance cover is provided by multinationals in some cases and they are outside the purview of the insurance regulator. "If domestic insurers do not increase their rates in line with what is quoted by reinsurers, they will end up bearing the risks on their books," she said.

Insurance distributors say that there has been a secular trend of improvement in life expectancy in India. As a result, the term insurance rates have fallen dramatically over the last decade. Even after the rate increases, the cost of life insurance will be cheaper than what it was 10 years ago.

Over the last two years, reinsurers turned wary of the decline in rates. Insurers have been bringing down rates for high-value policies because policyholders in that income segment had better life expectancy because of frequent medical tests and treatment. ❑

# International News

## Business interruption ruling from supreme court may save insurers' reputations in long run

The UK supreme court has adjudged that the insurers will have to pay small firms for their COVID-19 losses, which will hit the profits in the short-term. Consequently, this decision may save the collapsing reputation and trust of the insurers in the industry in the long-term, says GlobalData, a leading data and analytics company.

GlobalData's 2020 UK SME Insurance Survey, conducted in Q3, found that some damage had already been done by the stories of insurers refusing to pay out. The data suggest that out of those SMEs who had cancelled the business interruption policies in 2020, over a quarter (25.6%) did so because the policy did not provide the level of cover they thought it did. A further 23.1% said they had a coronavirus claim rejected by their provider which means that just under half of those who had cancelled the policies, did so as they felt they had insufficient coverage.

The top five business interruption insurance providers for SMEs in 2020 are AXA, Aviva, Zurich, Barclays and Allianz. As Barclays' SME business cover is underwritten by Allianz, all five of the leading insurers in the UK were included in the FCA's investigation and will now have to payout claims.

Ben Carey-Evans, Insurance Analyst at GlobalData, comments: "This ruling is great news for the SMEs who had a very stressful year and had extremely stretched budgets.  It is likely to hurt the insurers in the short-term, but as the data shows, SME customers have already been turning away from the insurers because they didn't believe they would pay out. Given that this was in 2020 when nothing had been confirmed, it is likely that many more would have cancelled in 2021 had the supreme court allowed the insurers to deny the payouts for the pandemic."

COVID-19 has been very difficult for insurers but paying out claims and showing that it can offer much needed financial support in times of crisis will show how essential it can be. While paying out much later, and when forced to, may not be a great look, it is far less damaging than had they not.

Carey-Evans concludes: "It is likely that many businesses will be scarred by what happened in 2020 and will look to make sure they are fully covered for anything preventing them from doing business in the future, and SME insurance penetration rates could start to increase. This could be essential for insurers as the number of businesses and employees is likely to drop in 2021 due to the economic impact of the pandemic, so raising penetration rates could counter that."

## General insurance industry in Australia to reach US$67bn in 2025

The general insurance industry in Australia is projected to grow from AUD76.3bn (US$51.8bn) in 2020 to AUD98.0bn (US$66.9bn) in 2025, in terms of gross written premiums (GWP), according to GlobalData, a leading data and analytics company.

GlobalData's insight report, 'Australia General Insurance: Key Trends and Opportunities to 2025', reveals that the general insurance industry in Australia is expected to grow at a compound annual growth rate (CAGR) of 5.1% over FY 2020–2025, supported by the gradual economic recovery following the slowdown due to the COVID-19 pandemic and growing demand for insurance against natural disasters.

Deblina Mitra, Insurance Analyst at GlobalData, comments: "The lockdown restrictions due to the COVID-19 pandemic and extreme bushfires affected Australia's economic growth in the first half of 2020. Effective management of the outbreak, government's fiscal support and faster adoption of innovative business models helped improve economy with most businesses reopening in September 2020."

This also reflected positively on general insurance business. Improvements in investment income and underwriting results helped net earned premiums to grow by 6.1% in July-September quarter, after a decline of 4.8% in the previous quarter.

Motor insurance is the largest general insurance line with 24.4% share of the direct written premium (DWP) in 2020. It reported lower growth of 2.9% in 2020 due to tighter lending conditions, which are expected to continue in 2021.

Motor insurers are launching innovative products to drive sales. Some of these include Pay-as-you-go and Short-term car insurance, where premiums are charged based on actual distance traveled, recorded via telematics device installed in the car. This helps policyholders to save on premium and get customized insurance.

Property insurance, the second largest insurance line with 21% share of the DWP, was marked by heavy natural catastrophe losses in 2020. According to Insurance Council of Australia (ICA), the October-November 2020 hailstorm in Queensland resulted in over 8,500 claims on 1 November 2020 alone. Of this, 40% were accounted for by motor claims and the remaining 60% by property insurance.

High losses from wildfires and other catastrophic events have persistently pushed premium prices higher during the last five years. Catastrophe-linked insurance lines reported double-digit increment in prices since Q4 2017, which is expected to continue in 2021.

Ms. Mitra concludes: "The reopening of several economic sectors will aid demand for general insurance in 2021. Cyber-security, mental health well-being and domestic travel are expected to be key focus areas for insurers over the next five years. As digitalization picked up pace in 2020, it also increased exposure to cybercrimes thereby driving demand for cyberinsurance."

## General insurance industry in Indonesia to reach US$5.17bn in 2025

The general insurance market in Indonesia, in terms of gross written premium, is projected to grow from IDR63.87 trillion (US$4.50bn) in 2020 to IDR77.53 trillion (US$5.17bn) in 2025, according to GlobalData, a leading data and analytics company.

GlobalData has revised Indonesia's insurance forecast in the aftermath of COVID-19 outbreak. As per the latest data, Indonesia's general insurance industry is forecasted to register a decline of 4.6% in 2020, primarily due to the economic impact of the pandemic. However, the market is expected to recover and grow by 2.9% in 2021.

Rakesh Raj, Insurance Analyst at GlobalData, comments: "Indonesian economy fell into recession in 2020 owing to the lockdown restrictions due to the COVID-19 pandemic. Restrictions on commercial activities and downturn in domestic consumption led to a steep decline in demand for general insurance."

The impact of pandemic was most prominent in property insurance, which accounts for 33% of general insurance premium. Property insurance is estimated to have declined by 6.2% in 2020 due to restrictions placed on construction and other commercial activities. The industry, however, is poised to benefit from investments in infrastructure, proposed as part of government's economic reforms.

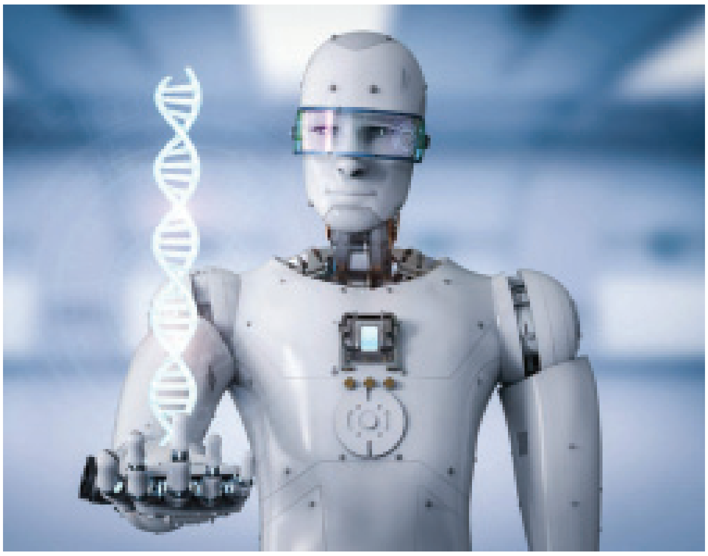
Credit insurance accounted for 21% of the total general insurance premiums in 2019. It registered a CAGR of 72.1% between 2017 and 2019, owing to the increased awareness and implementation of 2016 National Financial Inclusion Strategy, which expanded funding for small and medium-sized enterprises (SME's) and mirco SMEs. However, the economic volatility and heightened risk of bad debts could weigh in on credit insurance growth in 2021.

Personal accident and health insurance (PA&H), which accounts for 8% of general insurance premiums, is forecasted to grow in 2021 backed by increase in awareness for health insurance products. As policies providing COVID-19 hospitalization and telemedicine benefits gained prominence, the category is expected to grow at a CAGR of 7.03% during 2021-2025 and partially mitigate decline from other business lines.

The fiscal policies announced by the government have helped control economic decline. With many sectors opening up, incremental gains were reported across sectors in Q4 2020, indicating rebound in insurance industry as well.

Mr Raj concludes: "The long-term outlook for the Indonesian general insurance industry is positive. The proposed regulations permitting general insurance companies to issue PAYDI and unit-linked long-term general insurance products could usher in product innovations and help increase insurance penetration over the forecast period." ❑

# HOW ARTIFICIAL INTELLIGENCE IS PROGRESSING IN INDIAN INSURANCE INDUSTRY



Technology has led to many positive changes around us and insurance industry is not staying behind in making the most of the technology to improve their functioning and services to customers. Traditionally, the insurance industry's focus has been around the policy and product but there's now a shift in the trend. The insurers are more and more leaning towards becoming a more customer-centric organizations and Artificial Intelligence (AI) has been at the forefront of this mission. Artificial Intelligence (AI) is concerned with understanding the nature of human intelligence and designing intelligent artifacts which can perform the tasks which, when performed by humans, are said to require intelligence. Any major advancement in technology brings with it a range of opportunities and challenges.

While AI is likely to bring substantial economic growth, it is being predicted that a number of jobs would be lost due to the automation. Therefore, it is necessary to put required policy and infrastructure in place. Though the field of AI has been an area of extensive research since the term was coined in 1956, it has recently only led to large-scale deployment of intelligent applications for different domains and tasks. The works in the late fifties and early sixties were in the direction of development of general techniques, which could be applied in several domains. The results were not very encouraging and it led to the first winter of the field, which started in the late sixties and continued till the late seventies.

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Using AI in insurance has enhanced customer experience by understanding customer behaviour, streamlining the claim process, improving underwriting and preventing fraud. Embracing AI will help the insurance industry in effective customer engagement and in the long run a deeper penetration of the market. The present sharp rise in the number of AI applications is due to several factors. Firstly, during the last few decades, the computational power and storage capacity of computers has been increasing while the cost has been decreasing due to the advances in the electronics used in complex digital circuits.

This has made computing more and more affordable. One of the main requirements for application of AI is the availability of high computing power, large memory and storage, which have now become affordable. The cloud technology has supported it further. It has made it possible to deploy AI applications without high upfront cost. The second important factor is the advances in the AI techniques, such as deep neural networks, etc. Though the concepts such as machine learning, neural networks, etc, have been there since the sixties, the sophistication of algorithms has increased substantially after several decades of research. The progress in machine learning has made significant impact in the practical applications of AI.

Another area of AI where significant progress has been made, is natural languages processing used in machine translation, user-interface, etc. Using these advances in the technology, a number of applications were developed to assist people in natural language. These were called chatbots and were used for the tasks such as answering the questions of customers. Some companies such as Google, Microsoft developed chatbots to perform several other tasks on behalf of the users. These are known as virtual assistants. AI has also been playing a major role in helping the insurers tackle its two biggest challenges - penetration and simplifying the customer servicing at various touch points.

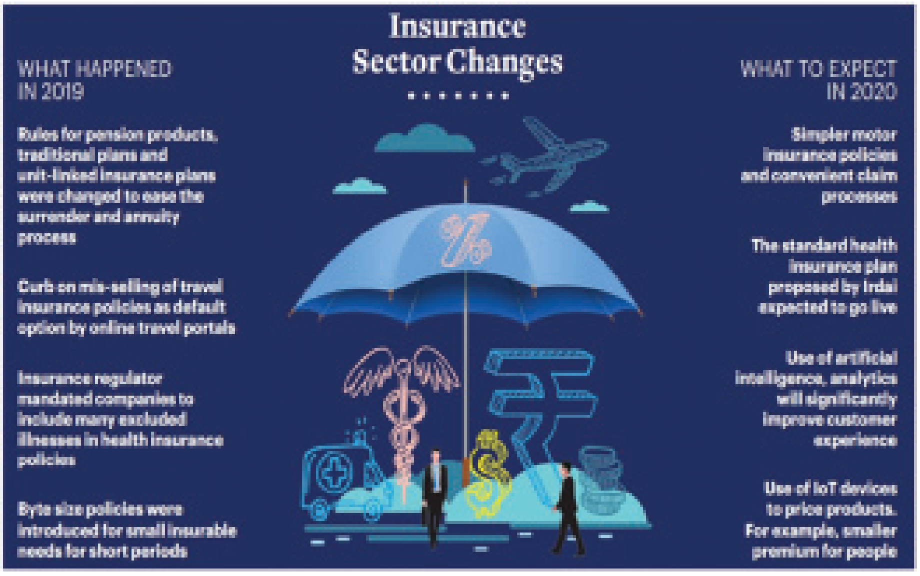



*IMAGE 1- Insurance Sector Changes*

The insurance continuum starting with marketing to lead generation to quotes to underwriting and the various aspects of servicing a customer has many touch points and this where AI can simplify and address routine tasks thus taking the insurer's reach deeper in the market. The industry is using AI to rationalize its operations and connect with the audience in an effective manner. Yet these are still early days for AI in insurance industry in India. Insurers have just started experimenting.

Several insurance companies are using AI/Big Data only for their marketing or sales campaign or simple claims handling tasks. In India, AI is yet to be explored in many aspects of insurance like customer service, pricing, risk assessment, fraud, and customer demand. To get the right insight from AI, we need a larger set of quality of data that can be used efficiently. Some of the most common usage of AI in India is usage of chat boxes that helps in faster claim processes, providing policy informations, documentations and others. AI in India has a lot of potential. Greater adoption of AI in the sector will help streamline the customer acquisition process as well as servicing process. Insurers will be forced to redefine age old processes while customers would find things much easier - like faster underwriting or claims settlement. The advent of technology and growing adaptation of digital usage will lead to a lot of online interactions and claims and AI seems to be the right answer for insurers to provide the best customer service.

## AI can be divided into two high level categories:

Recently there was a tweet from Mat Velloso - "If it is written in Python, it's probably machine learning. If it is written in PowerPoint, it's probably AI." This quote is probably the most accurate summarization of what has happened in AI over the past couple of years. Even Vladimir Putin said: "The nation that leads in AI 'will be the ruler of the world." Beyond all this hype, there is a lot of real technology that is being built. AI is coming to the enterprise world - where the rubber meets the road Image recognition, speech recognition, language translation and sentiment analysis have already been deployed in the consumer world by Google, Facebook, Amazon, and others. These technologies will move into the insurance world to solve sharp, focused problem areas such as:

- Knowing the sentiment of the customer
- Identifying fraudulent claims
- Identifying risk profiles to drive positive selection bias
- Predicting customer behavior
- Reducing customer churn

While some of these have already been deployed or piloted by some carriers, the technology will now be available "at scale." Thus, enabling not just the larger carriers, but carriers of all sizes. AI is nowhere yet close to the level where it can entirely replace humans, except in movies. However, AI has now reached a level where it can be the best tool that humans can use to deliver their services better. Insurance has the unique challenge of very low customer engagement and customer loyalty. AI can be a great asset to enable insurers to engage with every single customer at a personalized level and create the much needed connection - financially and emotionally.

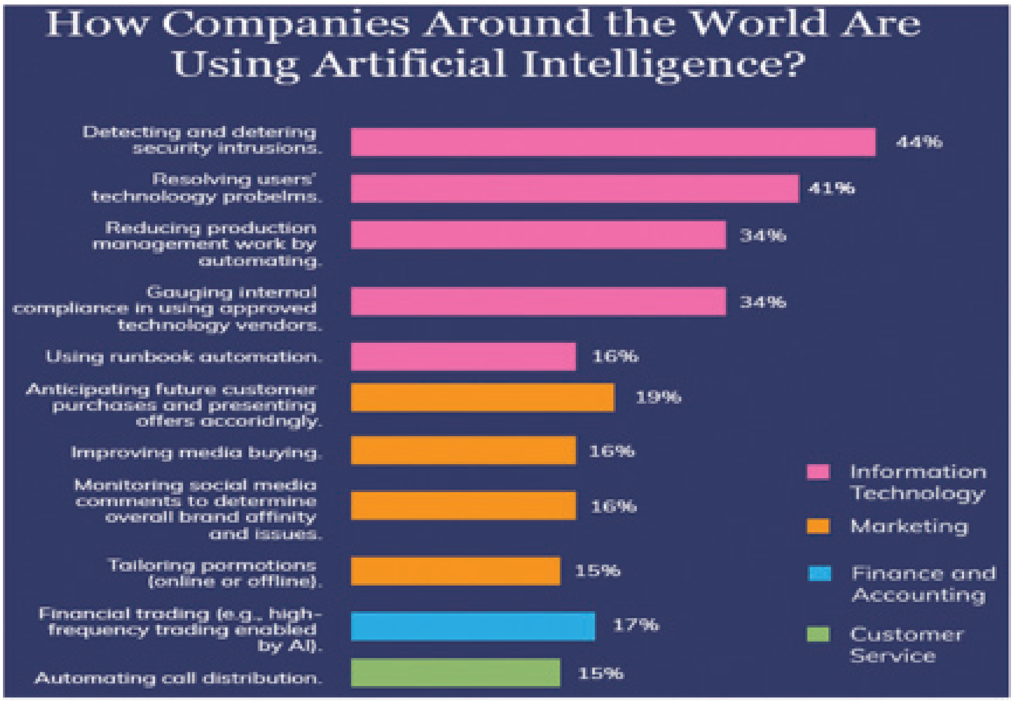



*IMAGE 2- How Companies around the world are using AI?*

***Machine learning (ML):*** Techniques that automatically learn from the data. All predictive models fall in this category. Generally, this is what business users understand when they hear the term AI. ML based solutions can add value to insurers - irrespective of the mode of delivery - delivered as a standalone model (standalone AI), or delivered as a part of a process, service or product (embedded AI).

***Symbolic AI (SAI):*** Techniques that don't automatically learn from the data. Human experts are needed to create the business rules. Underwriting or claim rules coded in IT systems are examples of this category. Insurers already have in-house capabilities for creating and implementing complex business rules.

Hence, SAI packaged as ML and delivered in standalone AI mode is highly unlikely to survive through the later stages of the AI hype cycle. Real value can only be added through embedded AI mode.

## Let's categorise the gaps in four high level categories and see how AI is enabling start-ups to address these gaps:

***Data Gaps:*** A data gap is created when some data fields are needed for data analytics-based decisions but the insurer is not able to capture them. Players are attempting to provide external data about the customers. They are leveraging machine learning-based de-duplication and linking technologies to identify a unique customer and then provide additional data about the data subject from external data sources. Some players are helping insurers digitize their internal data by improving data capture at each stage of insurance operations. For example, optical character recognition (OCR) and then natural language processing (NLP) are used to capture and logically store data from existing physical documents.

***Process gaps:*** A process gap is created when new technologies having the potential to transform one or more steps in insurance value chain become available, but the insurer is not able to adopt it. Building standalone machine-learning based predictive models for different stages of the insurance value chain to predict propensities related to fraud, cross-sell, up-sell, retention, claims, and so on, is one of the quickest ways to enter the insurtech space and hence is one of the most crowded areas. In the last couple of years embedding AI in processes, services and products, to deliver an 'intelligent' or customized package has become an area which is attracting a lot of attention and it's expected to continue this year. Robotic process automation (RPA) players are using SAI to create a large set of complex rules to improve degree of automation in insurance processes.

Blockchain players are primarily relying on a different IT technology (the distributed ledger) and aspects related to smart contracts - in reality they are simplified contracts, based on federated rules- which are handled through SAI. For reasons of speed, efficiency and customer satisfaction there's a growing appetite among insurers to accept automated analytics in claims images or video, customer voice, claims summary reports and so on. Cloud-based predictive services leverage deep learning to train machine learning-models on unstructured data sources like images, texts, videos, and voice. These pre-trained models are then offered to insurers in an off the shelf package.

***Product Gaps:*** A product gap is created when new technologies, changing lifestyles and changing business models create new risks or new ways of addressing old risks. Start-ups in the wider world of IoT (the Internet of Things) are offering usage based insurance (UBI) solutions such as telematics for motor and health insurance leveraging a wide range of machine learning algorithms to normalize and analyze the big data which is generated every second. Start-ups supporting agricultural insurance operations use weather and crop data collected through satellites, drones and weather monitoring stations. ML algorithms are used to normalize and analyze this data.

***Customer Interaction Gaps:*** Emerging technologies have changed customer behaviours and expectations. This creates a gap in customer-facing insurance operations such as distribution, policy servicing, and claim settlement. NLP based machine learning techniques are enabling chatbots to understand customers' queries. Then, SAI based rules are employed to find appropriate answers to their queries. SAI is enabling online or app-based distribution platforms to recommend the most suitable insurance products quickly by asking an intelligently-ordered minimum set of questions. Machine learning-based algorithms then predict the purchase preferences of the given customer and appropriately customize the insurance offering.

## AI in Insurance:

Insurance is an old and highly regulated industry. Perhaps because of this, insurance companies have been slower to embrace technological change compared to other industries. Insurance is still steeped in manual, paper-based processes that are slow and require human intervention. Even today, customers are faced with time-consuming paperwork and bureaucracy when getting a claim reimbursed or signing up for a new insurance policy.

Customers may also end up paying more for insurance because policies are not tailored for their unique needs. In an age when most of our daily activities are online, digitized and convenient, insurance is not always a happy customer experience. There would be a global push by insurance companies to augment their technological capabilities so that they can do business faster, cheaper and more securely. In the past few years, there have been some prominent examples of insurers investing heavily in Artificial Intelligence solutions.

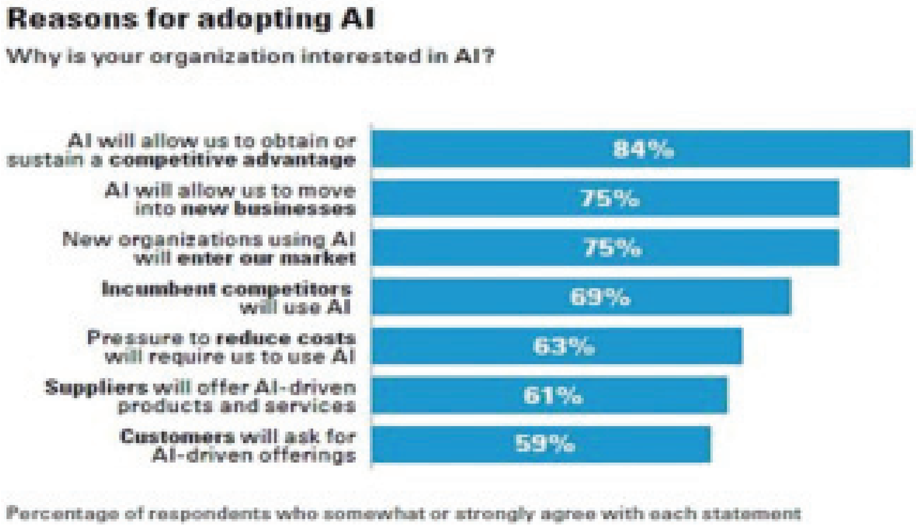



*IMAGE 3- Reasons for adopting AI.*

Artificial Intelligence has shown its substance in various business verticals by rapidly creating controlled, digitally enhanced automated environments for maximum productivity. Apparently, Insurance companies, in particular, have a lot to gain from investing in AI-enabled technology that can not only automate the scheduling of executive-level tasks but can also enrich service quality by helping agents make right decisions and irrefutable judgments. Insurance companies are striving for a technologically advanced system that helps keep all their employees synchronized. These employees vary from agents, brokers, claim investigators to market and support team. These group of employees coupled with redundant processes create layers of confusion in Insurance ecosystem. To make the system more refined and efficient, they should opt for stable and consistent AI-powered solutions that can penetrate the layers of confusion and propel clear value proposition towards customers.

## How are Insurance Companies Implementing Artificial Intelligence (AI)?

Insurers are using AI to provide better, faster and cheaper services to customers. Artificial Intelligence (AI) has become a buzzword in the insurance industry. Still, the industry has made significant progress in AI implementation, although we are still in the early days. At its simplest, Artificial Intelligence (AI) is a set of computerized tools designed to achieve objectives that usually require human intelligence. From a business perspective, AI can be used to conduct operations in a faster, cheaper and more accurate way. AI can help automate labor intensive processes, leading to lower costs and saved time. AI can also be used to understand customers better - companies can use AI to analyze the data they have on customers to predict customer behavior, understand preferences and optimize price and product offerings. AI is comprised of many related technologies, some of which are:

***Machine learning:*** involves training computers to identify patterns in data and/or predict outcomes. Other AI technologies are applications of machine learning. Machine learning is often used to develop quantitative trading strategies.

***Deep learning:*** an application of machine learning where a model can analyze and draw conclusions from data, and solve problems without being trained or given explicit instructions or frameworks. These models learn by themselves.

***Neural networks:*** algorithms designed to mimic the human brain and recognize patterns in data. They can identify, classify and analyze diverse data, and can find patterns that are too complex for human programmers to write code for. A fun example of deep learning and neural network is Goolge's QuickDraw, a sketching game which uses a massive database of user sketches to accurately guess what you're drawing.

***Natural language processing:*** It helps computers understand, interpret, and respond in written text or speech. This tech is commonly used by chat bots. AI algorithms are used to classify and study data, and identify relationships When applied to data sets, AI can be used for pattern recognition, optimization and prediction AI can classify and analyze data in different formats: text, speech, image, video, etc. It can also work with structured (i.e. labelled data) and unstructured data. Machine learning algorithms learn by being fed large data sets of labelled data. Once they can identify the correct conclusions from known data set, they can be applied to real-world problems.

Experts estimate a potential annual value of up to $1.1 trillion if AI tech is fully applied to the Insurance industry. Of this, the business areas that can benefit the most are:

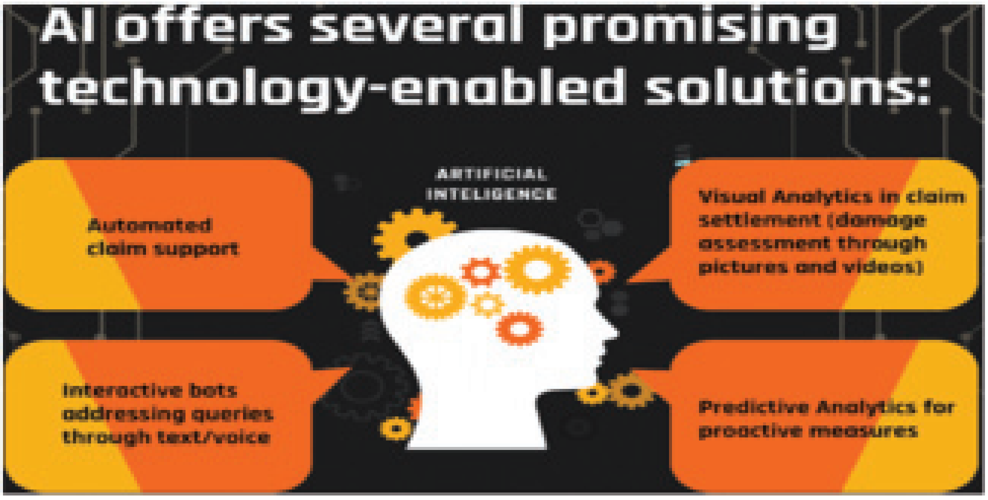



*IMAGE 4- AI offers several promising technology-enabled solutions:*

***The Need for Sales and marketing:*** machine learning can be used to price insurance policies more competitively and relevantly and recommend useful products to customers. Insurers can price products based on individual needs and lifestyle so that customers only pay for the coverage they need. This increases the appeal of insurance to a wider range of customers, some of whom may then purchase insurance for the first time.

***Risk:*** Neural networks can be used to recognize fraud patterns and reduce fraudulent claims. According to the FBI, non-health insurance fraud in the US is estimated at over $40 billion per year, which can cost families between $400-700 per year in extra premiums. Machine learning can also be used to improve insurance companies' risks and actuarial models, which can potentially lead to more profitable products.

***Operations:*** Chat bots using neural networks can be developed to understand and answer the bulk of customer queries over email, chat and phone calls. This can free up significant time and resources for insurers, which they can deploy towards more profitable activities.

## Four areas where AI can help the Insurance Industry:

There are many examples of how insurers around the world are implementing AI to improve their bottom line as well as the customer experience. There are also numerous startups that are providing AI solutions for insurers and customers. I will cover a few interesting cases here.

## Health Insurance:

Over the years, Artificial Intelligence (AI) tools have been used to fill gaps in mental health care: be it the diagnosis or detection of the early signs of mental health issues. In a world where the cost and complexity of health insurance is increasing, Accolade Inc's Maya Intelligence platform uses machine learning to help patients and employers select the most relevant and cost effective health insurance coverage. In 2018, SwissRe and Max Bupa Health entered into a partnership with Indian fitness tech startup GOQii Health. GOQii uses data from wearable devices and their own AI-driven 'wellness engine' to track health vitals and provide healthy living advice and risk reports to individual users. When partnering with or acquiring these AI and tech-driven startups, insurers are betting that it will lead to fewer claim payouts and more attractive premiums for health insurance customers down the line.

The ability of AI algorithms to locate the relevant information has been found to be of great use. Watson for Oncologists developed by IBM helps a doctor in finding the relevant material from a large number of papers/documents which could be of use in the case at hand. It analyzes both structured and unstructured data. AI is helping in providing personalized treatment to the patients. Every patient is a different individual and may need a different treatment. Further, a disease may have thousands of subtypes requiring different treatments consisting of a combination of drugs.

For instance, it is being realized that cancer has thousands of subtypes and each subtype requires different combination of drugs for effective treatment. On the other hand, pharmaceutical companies rely on large-scale randomized clinical trials for testing new drugs. This limits the number of cases, it would be effective. This is why treatment often requires a trial and error approach. Once we have sufficiently large database of cancer cases, it becomes possible to find cases similar to the case in hand and there is a good probability that the treatment found to be effective in the earlier cases would be effective in the present case too Some companies are developing AI-based systems which can provide consultation. It provides consultation to the user based on the symptoms reported. It asks the user few simple questions in spoken natural language and the user can answer in natural language. It searches a large database of symptoms and provides the appropriate medical advice. In case it finds necessary, it advises the patient to approach the doctor immediately.

## Auto Insurance:

As far back as 2017, US insurer Liberty Mutual unveiled a new developer portal through its innovation incubator Solaria Labs. This open API portal combines public data with proprietary insurance data to enable the creation of better insurance products for customers. One such product was reportedly a mobile app that allows drivers involved in accidents to assess damage to their car in real-time using their Smartphone camera.

The app would also provide repair cost estimates. The AI powering the app will be trained using thousands of images of car accidents. Ant Financial, the Chinese fintech firm part of the Chinese giant Alibaba Group, released software called Ding Sun Bao to analyze car accident damage and process claims. Ding Sun Bao uses machine vision, enabling drivers to take pictures of their damaged car using their Smartphone camera.

Self-driving car is a high-potential application of AI. Several companies including Google, Uber, and Tesla are testing their models on the roads. In Singapore, driver-less bus is being run under trial. So far very few accidents have been reported and the analysis shows that probability of accident with driverless cars is less than human driven cars.

It is expected that the number of accidents by self-driving cars will be much smaller than the human-driven cars Self-driving cars use light detection and ranging (LiDar) technique which uses laser beams to create 3D image of the physical world around the car. It uses laser beams to calculate the distance, speed and shape of the moving objects like another car, pedestrians, etc. Apart from roads, the technology can be used by those who can't walk due to physical limitations. Several companies are competing with each other in this area of technology.

## Fraud Detection & Claims:

To combat fraud, insurers are using AI-driven predictive analytics software to process thousands of claims each month. By analyzing the claims in milliseconds based on set rules and indicators, AI is able to identify which may not be legitimate, reducing the number of fraudulent claims slipping through. These indicators include things such as frequency of claims, past behavior and credit score. By leveraging machine learning, Chinese Insurer Ping An saved itself $302 million from fraudulent claims in one year.

It also achieved a 57 percent increase in accuracy in fraud detection from the previous year. From fraud detection to underwriting, AI technologies are reimagining every facet of APAC's booming insurance industry. By reducing the risks and streamlining processes, it can help companies drive efficiencies and deliver more personalized products and services - the key to future success.

From smart chatbots that offer quick customer service round the clock to the array of machine learning technologies that spruce up the functioning of any workplace through its automation power, the expanding potential of Artificial Intelligence in Insurance is already being used in many ways, as covered in our last blog. With increased awareness and resources about the game-changing influence of AI in the Insurance industry, the initial hesitations and shallow discomfort around the its implementation are now fading quickly as it begins to trust in the caliber and numerous opportunities brought forward by Artificial Intelligence and Machine Learning.

The only question that remains is - how far can we push its capabilities? AI-based chatbots can be implemented to improve the current status of claim process run by multiple employees. Driven by Artificial Intelligence, touchless insurance claim process can remove excessive human intervention and can report the claim, capture damage, update the system and communicate with the customer all by itself. Such effortless process will have clients filing their claims without much hassle for e.g. an AI-powered claims bot can review the claim, verify policy details and pass it through a fraud detection algorithm before sending wire instructions to the bank to pay for the claim settlement.

## Advanced underwriting:

IoT and tracking devices yield an explosion of valuable data which can be utilized to make the process of determining insurance premium upright and regulated. Fitness and vehicle tracking system in both health and auto insurance sector give rise to the dynamic, intelligent underwriting algorithms that cleverly control the way premium is dictated. Using Artificial Intelligence and Machine Learning, insurers can save a lot of time and resources involved in underwriting process and tedious questions and surveys, and automate the process. Insurance bots can automatically explore a customer's general economy and social profile to determine their living patterns, lifestyle, risk factors and financial stability.

Customers who are more regular in their financial patterns are qualified to feel safe through low premiums. Since AI is more capable of strict scrutiny of gathered data, it can predict the amount of risk involved, protect companies from frauds and give justified insurance amount to customers. MetroMile, a US-based start-up, has established such dynamic underwriting system known as 'pay-per-mile' where usage of a car determines insurance premium. Here, an AI-based device installed on the vehicle by the company uses a special algorithm to monitor miles, jerks, collisions and frictions, speed patterns and other car struggles on the road, and it collects detailed data essential to decide whether or not drivers deserve low premiums.

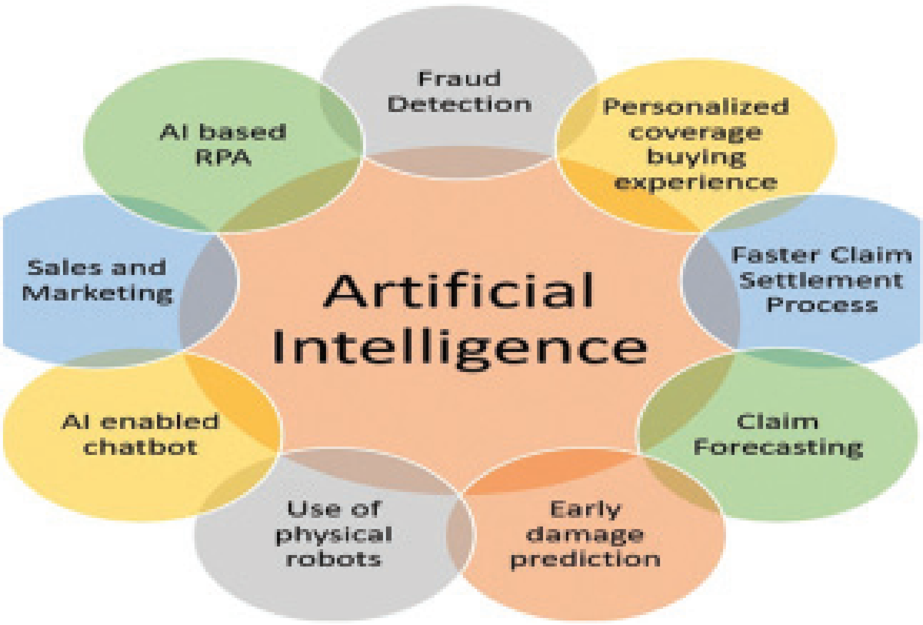



*IMAGE 5- Application of Artificial Intelligence*

The process of underwriting is often viewed as an art based on personal judgment, but AI technologies have also worked their way into this area of insurance, making the process increasingly scientific. Insurers are now using advanced analytics and machine learning, as well as additional sources such as satellites and the Internet of Things devices, to help get a more holistic view of risk, as well as to determine which submissions to review in the first place. Japanese insurance firm Fukuoka Mutual, for instance, has been using a cognitive machine learning based system to scan medical records and data on surgeries and hospital stays to calculate payout. Meanwhile, Indian company ICICI Lombard has created an AI-based cashless claims settlement process, which can be completed in just a minute.

## Development of insurance product according to needs:

At the heart of artificial intelligence lie data, and the availability of data in the insurance workflow. With good quality data and machine learning for helping to define algorithms and business processes, insurers can be in a better position to know when and how to communicate with the consumer. The industry can begin to gain a better insight into individual consumer habits, their needs according to life stages - such as home, location, family and social activities - as well as preferences.

This puts insurers on the road to creating a more seamless way of selling insurance, towards an optimum mix of insurance products for a particular customer, at the most appropriate time and across the right channels. Changes are coming and creating a less invasive, more responsive experience for policyholders. Using public records data and other risk attributes where applicable (such as medical history, prescription history, contributory databases) consumers can experience quicker, better processes and allowing insurers to set appropriate life insurance premiums. We refer to it as the use of social determinants for healthcare risk stratification.

Another area insurance companies are using AI is to inform their product and policy design, By streamlining and speeding up the collection and analysis of massive data from owned channels, third-party sources and agents, insurers can use machine learning to discover customer trends and interests in real time. These insights are then being used to develop and improve product and policy design. Chinese online-only insurance company, ZhongAn, is a company that continually releases innovative products and policies, many of which are developed with the help of advanced AI techniques such as machine learning and image recognition. For example, they came up with niche policies to insure against cracked mobile screens and shipping return products.

## Predictive Analytics for proactive measures:

Predictive Analytics backed by Machine Learning is now perhaps the heart of intelligent services across many business verticals that have adopted AI-powered solutions. However, this smart capability is not just aimed at driving future insight about customer's preferences and tailoring relevant products. Health insurance companies are coming up with rewarding pre-emptive care that is focused on encouraging customers to look after their personal well being. If a person remains healthy, companies don't need to invest in claim payment and management process.

For instance, Aditya Birla Health Insurance has planned wellness benefits to encourage customers to stay healthy. AI's predictive algorithms scan past year's claim activities and hospitalization data to provide incentives to customers to improve health & wellness. This way, health risks will be minimized and so will be the company's resources. Thus, nowadays, start-ups leverage AI's unique potential to scour through piles of claim data and coverage patterns to be more proactive and anticipate health risks at individual level before they actually transpire.

By automating and applying cognitive learning to their data collection processes, forward-thinking insurance companies, including AIA Singapore, are also advancing their customer profiling capabilities. Equipped with the power to unify and derive insights from their internal and external customer data, insurers are able to build a more comprehensive picture of their customers, such as their insurance needs, interests and life stages, for more effective targeting.

Insurers can segment their audience based on these attributes, and use deep learning to predict the conversion rate of these segments. With such insight, insurers can then decide the relevant product recommendations for each customer segment. Insurance companies are also enhancing customer profiling with AI-enabled voice and facial recognition, which helps create biological customer profiles for fast and accurate verification, as well as the tracking of behaviors and attributes.

## Marketing and relevant products:

Being a part of the competitive market, insurers need to capitalize on a vital marketing strategy which goes beyond the traditional cold calling approach. The old blanket methods are on the verge of extinction since digital disruption has already shaken the grounds of insurance field. Customers today seek sophisticated, luxurious and extremely personalized services with custom sales tactics. Using the combined power of predictive analytics, NLP and AI in the insurance industry, agents can gain access to the full profile of customers and prospects. This data can be further analyzed to generate mature insight, accurate predictions on customer preferences and what exact products or offers should be added in their marketing activities.

Artificial intelligence is increasingly going to allow consumers to derive better value from their communication with the insurer's interface. AI-powered service executives and advisor bots, for instance, can be leveraged to offer consistent counseling, recommendation and post-sales services to customers. It's all about using automation efficiently for simple, repetitive tasks and simple questions, whilst bringing in human help, such as a human claims handler for more complex tasks, where they can add more value.

## Faster settlement of claims:

The world is changing and insurance is changing with it. This change is being driven by customer expectation and technological advancement. Filing a claim has traditionally been time consuming, usually requiring human intervention and manual form filling. It is a part of the workflow that is ripe for generating efficiencies through greater digitization of processes. It is also the element of contact with the consumer where the insurer can really enhance their brand and create a positive experience through data knowledge.

This potential to create productivity gains through automated processing is a global phenomenon and it's an area where insurance has tended to fall behind other industries such as telecoms or airlines. With touchless claims or low-touch claims requiring minimal human intervention a new claim can in many cases be stratified and scored instantly and respective damages validated. Customers benefit from a better and faster experience without having to go through the proverbial 'red tape'. The elements of fraud, waste or abuse can be made more visible by such data enrichment in the claims process.

AI and algorithms can be used to sort claims, dissect aberrations in data patterns and single out spurious claims. The machine learns from past patterns of fraud, across a claims database of the market that is as wide as possible, and is able to apply this predictive analytics to current claims. Once the claims are sorted and stratified, the human resources of the claims handler can be applied to those cases where the benefit is greatest, such as the larger complex claims and those requiring a challenge or most likely to result in costly legal action. In conclusion, when leveraged at the right points in the insurance workflow, and powered by enough data, AI can bring many efficiencies and process improvements.

The bulk of these solutions are fuelled by use of artificial intelligence. It's not wrong to say that AI is beginning to play a key role in enabling insurtech start-ups to bring 'smartness' to insurance. However, not all types of AI techniques can add value to insurance processes in the same way. In order to understand the role of AI, we need to understand what AI is and what it is not. Contrary to general perception, all AI techniques don't automatically learn from the data.

## How is Artificial Intelligence in Insurance addressing key challenges?

To be competitive, insurance companies need more customer insights, and the ability to turn these insights into actions, which requires focused effort and expertise. Many insurance companies struggle in this area which is why insurtech start-ups play a key role. They are able to move faster and identify these gaps and provide solutions. The insurance industry, after the trade market, is another sector where it is hard to predict the next big paradigm shift. Given the tentative stability and natural catastrophes, insurance companies often stand on a trembling ground and confront massive challenges, even when it comes to adopting seamless and intuitive digital solutions such as Artificial Intelligence in Insurance.

The greatest concerns that loom over the insurance sector today are the subdued premium rate, mild interest rates, shifting consumer behavior, slow economic growth, need for regulations and technological innovations and blazing market competition. What boosts optimism, though, for these insurance companies amid much disruptive chaos is the fact that digital revolution is everywhere, increasingly transforming conventional business models and adopting digital solutions such as:

- ❖ Bot-based advice system
- ❖ Pay-as-you-go commerce
- ❖ GPS-sensing software
- ❖ Automated business processes

Over the last two years, there has been the widespread advent and adoption of AI across multiple industries. Many global financial companies and banks in those days relied on punch card and basic computing system to monitor customer activities. Hence, the concept of Artificial Intelligence in the Insurance industry analyzing data, anticipating results and helping with decision making is not so far fetched after all. AI could help insurance companies deliver service with efficiency and quality as it has done for major leaders in other industries such as Hospitality, healthcare, and customer care processes. The adoption of AI can facilitate:

- Sudden disaster-caused damage analysis
- Risk tolerance calculation and assessment for trading desks
- Transaction analysis for banks and financial organizations
- Selection of better investments based on preferences, risks and spending patterns
- Consistent optimization of customer investments and insurance coverage
- Claims analysis, asset management, risk calculation and prevention


*IMAGE 6- Examples of AI*

## AI-powered opportunities for the Insurance market:

A promising study by Accenture and Frontier Economics has claimed that AI will increase 10-40% labor productivity in 11 western industrialized countries and Japan by 2035. If this optimistic projection is true, the economic growth is likely to double by 2035. Considering the current scenario, AI-based products will include insurance coverage for smart driverless cars, smart sensors and factories and cybercrime damages. Furthermore, AI will also empower important processes like claims analysis, asset management, risk calculation, and prevention.

For instance, property damage analysis can be conducted through image processing part of AI in Insurance. The same machine can be used to make an informed decision about investments based on intelligent algorithms. As financial sectors are brimming with the unprecedented bounty of financial, insurance and investment data, the need for integrating Artificial Intelligence in the Insurance industry can drive whole new growth for this industry.

Powerful data management tools of AI can help people size up and navigate through pyramids of data while also helping businesses create intuitive and interactive customer experiences. In a nutshell, here are a few good target areas where AI can achieve significant impact and emerge transformative for the insurance industry as a whole. The more AI is used in ever-increasing aspects of business, the more discussions there will be around privacy and security. There will be a need for laws and regulations to define how we use all this data.

## Artificial Intelligence Can Enhance Customer Satisfaction in Insurance Industry:

In today's digital age, consumers have begun to expect seamless interaction and personalized services from their insurance providers across any channels they wish to utilize. No matter the brand, customer satisfaction is king and insurers have started upping their game when it comes to speed of service and underwriting, increasingly delivering smaller, bit-sized policies that fit in with everyday needs. The buck doesn't stop with personalization. With vast reserves of data, a sea of customer queries and thousands of claims to process regularly, the insurance industry faces challenges associated with reaching out to customers in a timely manner with the right mix of products, that are ideally tailored to their needs and facilitating faster claims settlement.

In a situation such as this, artificial intelligence is proving to be a game changer with its ability to support the insurance industry, playing a role in the R&D process of data modeling, helping to shape custom-fit services and improved customer satisfaction. In order to assess the current level of adoption of AI technology, there is a need to look into the applications which have been developed across the world. Applications have been developed in almost every walk of life. AI can help spearhead efforts towards increasing customer satisfaction by helping insurers understand the needs of customers better and deliver products that fit their risk profile and preferences.

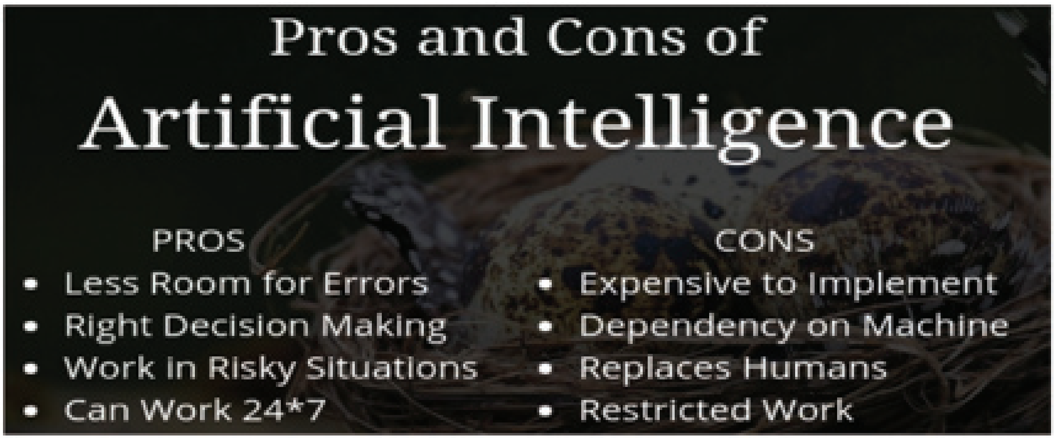



*IMAGE 7- Pros and Cons of Artificial Intelligence*

In a country with low insurance penetration, AI could be the solution to improve the reach and profitability of insurance companies in India. The last three years have seen a massive upswing in the use of AI across different business verticals. AI is and will be disrupting the insurance industry. Artificial Intelligence refers to intelligent software that can draw on data in order to autonomously control machines, produce forecasts, or derive actions.

People also confuse Artificial Intelligence with Machine Learning (ML). Although both fields are similar, they are not the same. While Machine Learning analyses data and identifies useful patterns, AI goes a step further by learning from existing data and applying that learning to new situations. Most business applications use a mix of AI and machine learning tools. This is a rapidly growing field with a lot of promise that can impact many industry verticals.

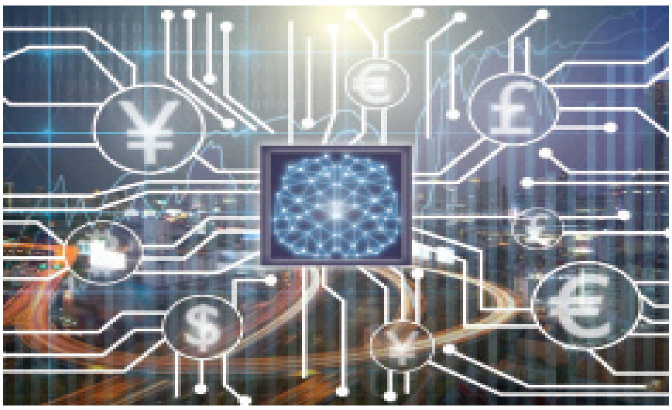
## Regulations and Policy

As AI applications touch several aspects of human life, regulations are needed to ensure safety of the people, protection of privacy, etc. For instance, in the area of transport, if autonomous vehicles are to be permitted on the roads or air, regulations are needed to ensure public safety. A self-driving car must take care of enormous number of possible situations on the road.

While deciding the permission to use the autonomous vehicles, it is necessary to assess the potential risks in both the situations i.e. when conventional vehicles are used and when AVs are used. Regulations may be linked to the performance of the products. In this case, further use depends on the performance. If AI-based applications / services are found to be safer than human-based applications/ services, more use may be permitted. If it is found to be less safe, the use should be restricted till the further development of technology.

Regulations are needed to permit the use of AI in the critical domains like healthcare where the autonomous systems are expected to advice on the diagnosis and treatment which may affect the recovery of the patient. Regulations need to be made to ensure that the applications developed are not biased towards a specific view. The biasing may be intentional when it is incorporated by the developer of the application. Sometimes, it may be incorporated due to the training data set. The developer may not do it intentionally. Policy is needed to make the public data available to the developers to promote the development of applications.

Several applications depend on the availability of large amount of public data. For example, the data on the traffic, road conditions may be necessary to develop applications for advising the drivers on the routes. It may be necessary to annonymize the data before making it public in order to protect the privacy of the individuals and organizations. Policy is needed for making the results of R&D available to the public. Several R&D projects are funded by the Government in the country but often the results remain confined to a limited number of persons. Several countries have made legislations to make the results of the R&D funded by the Government available to the public by putting it in open-source domain. This ensures that the benefit of



the public money reaches the public. As a policy, Government should also work on making people aware about this technology.

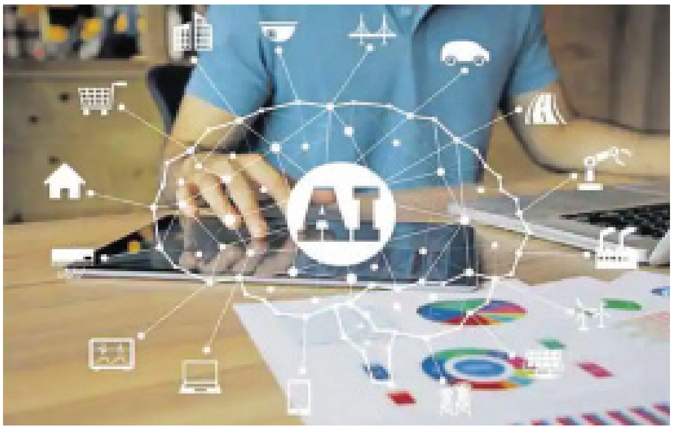
## The Future of AI in Insurance:

While challenges appear to dismay the present market, insurers still like to view the potential of AI in the Insurance industry with optimistic eyes. To reap full range of benefits, insurance companies need to devise an enterprise-level strategy to implement AI in such a way that it offers more than just customer experience. When it comes to image recognition, the overall damage analysis, cost estimation and claim settlement would be carried out by bots that scan through pictures and videos. This way, with time, companies can rely completely on image recognition technology for first level claim automation and subsequently, settle claims or resolve fraud detection in insurance automatically.

AI has the potential to transform the insurance experience for customers from frustrating and bureaucratic to something fast, on-demand, and more affordable. Tailor-made insurance products will attract more customers at fairer prices. If insurers apply AI tech to the mountain of data at their disposal, we will soon start to see more flexible insurance such as on-demand pay-as-you-go insurance, and premiums that automatically adjust in response to accidents, customer health, etc.

We will see insurance become more personalized, because insurers using AI tech will be able to understand better what their customers need. Insurers will be able to realize cost savings by speeding up workflows. They will also discover new revenue streams as AI-driven analysis opens up new business and cross-selling opportunities. Most importantly, the AI solutions described above can make it easier for customers to interact with insurance companies. This could result in people being more likely to purchase insurance.

Artificial Intelligence (AI) is likely to transform the way we live and work. Due to its high potential, its adoption is being treated as the fourth industrial revolution. As with any major advancement in technology, it brings with it a spectrum of opportunities as well as challenges. On one hand, several applications have been developed or under development with potential to improve the quality of life significantly. As per a study, it is expected to double the annual economic growth rate of 12 developed countries by 2035. On the other hand, there is a possibility of loss of jobs. As per the available reports, the loss of jobs during the next 10-20 years is estimated to be 47% in the US, 35% in the UK, 49% in Japan, 40% in Australia, and 54% in the EU. In the era of




globalization, no country can isolate itself from the impact of the advances in technology.

However, the benefits can be maximized and losses can be minimized by putting necessary infrastructure and policy in place. Though several countries have decided their strategy for AI, India has not yet formulated its strategy. Use of artificial intelligence and analytics will significantly improve customer experience. A shift from push products (traditional plans) to pull products (pure protection) driven by awareness among the internet population is expected. The industry will see more byte-sized products distributed through technology advancement.

To get ahead, insurers are using advanced analytics, machine learning and other AI-driven tools to compete with agile new players and elevate the customer experience. According to a study by PwC, more than 80 percent of insurance CEOs said AI was already a part of their business model or would be within the next three years.

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# BUDGET 2021 OPENED FLOODGATES FOR FOREIGN CAPITAL TO ACCELERATE GROWTH OF INSURANCE INDUSTRY


India's life and non-life insurance penetration in 2019, at 2.82% and 0.94% respectively, are significantly lower than the global averages of 3.35% and 3.88%, respectively. Five years after India increased the ceiling on overseas ownership in its insurers, Finance Minister heralded bold reforms in a sector considered crucial for underpinning infrastructure financing. Finance Minister raised the headroom on foreign holding to 74% in one go, potentially multiplying fund-raising avenues in a long-gestation industry that needs as much capital as is available.

Under the new structure proposed by the Finance Minister, the majority of directors on the boards and key management personnel must be resident Indians, "with at least 50% of directors being independent directors, and a specified percentage of profits being retained as general reserve." This is bound to attract enhanced flow of capital to the sector, benefiting the economy. The non-life insurance sector has finally witnessed a long-standing demand being fulfilled in the increase in the FDI limit to 74% which will catalyze the long-term development and growth of the industry.

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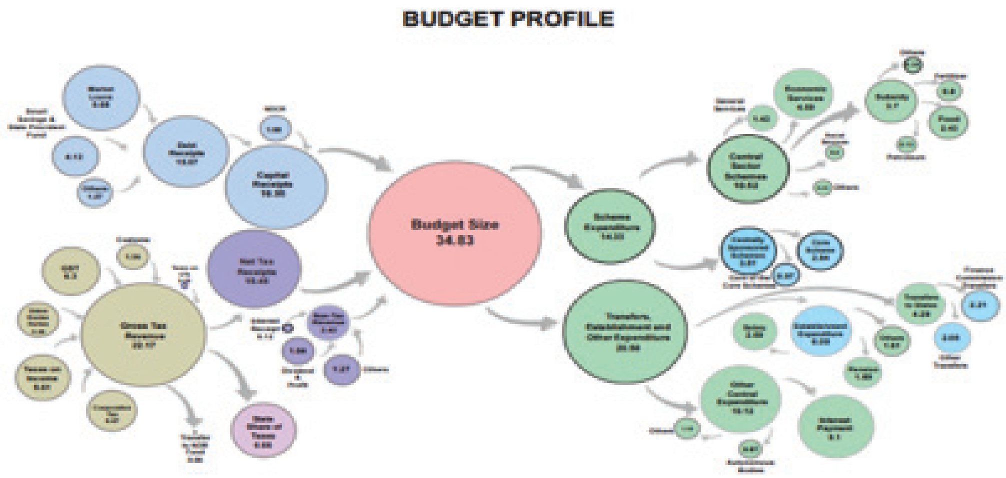
The FDI cap on insurance companies was first raised from 26% to 49% in March 2016. A further relaxation of this limit was a long-standing demand of the insurance industry. Insurance is a capital-intensive business and after the pandemic, many Indian partners are not in a position to invest further capital in their companies. Certain companies also require capital infusion to conserve Solvency Margins. The move signals positive intent to private equity and global investors looking at India's insurance sector for investment opportunities.

This will allow a number of mid-sized and smaller players to recapitalize themselves and compete effectively with the larger players, thus making it a more level playing field with better outcomes for the customers. The Union Budget proposes that the foreign direct investment (FDI) limit for the insurance sector be increased from the current 49% to 74%. Along with the higher FDI ceiling, Finance Minister mentioned that amendments to the Insurance Act 1938 will allow foreign ownership and control with safeguards.




## Divestment of One PSU General Insurer in FY22

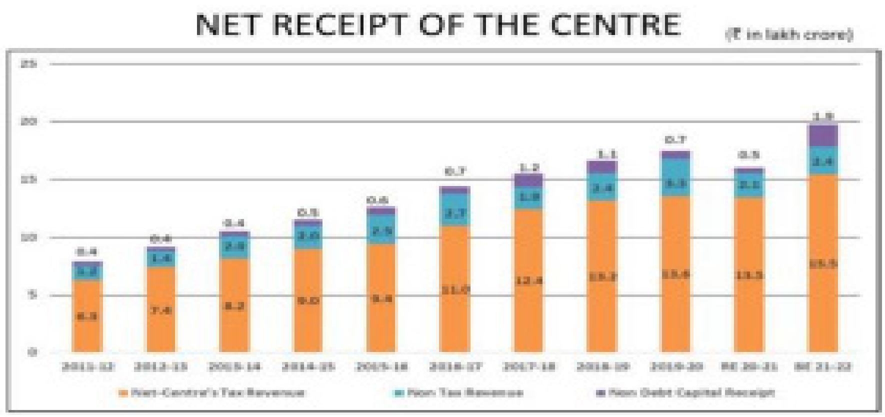
Finance Minister announced the strategic divestment of one government-owned general insurance company in the next fiscal year. The name of the public-sector insurer that will be on the privatization block was not disclosed. It is among a group of several state owned companies operating in various sectors which will be privatized. The government think tank NITI Aayog is to be asked to work on the next list of central public sector companies for disinvestment.

There are four state owned general insurance companies: New India Assurance, United India Insurance (UII), National Insurance Company (NIC) and Oriental Insurance Company (OIC). The government had earlier dropped its plan to merge UII, NIC and OIC and decided to recapitalize them. For some years now, the government has been divesting some of its interests in the insurance sector. The government divested close to 15% stakes in both New India Assurance and national reinsurer GIC Re in 2017. This entire plan is part of the government disinvestment programme. The government budgeted Rs. 1.75 lakh crore from stake sale in public sector companies and financial institutions in the fiscal year 2021-22. For the previous fiscal year, the government had proposed Rs. 2.10 lakh crore to be raised from disinvestment. However, the Covid-19 pandemic impacted the government's plan and the target for disinvestment has been lowered to Rs. 32,000 crore in the revised estimates. The legislation amendments will be introduced in this session.

## LIC IPO to be a game changer

In the first paperless Union Budget, among other proposals mentioned in the Budget that pertain to the insurance industry, Finance Minister stated that the IPO of the country's biggest life insurer, Life Insurance Corporation of India (LIC) will be completed in the fiscal year ending 31 March 2022 (FY2022). The much-anticipated IPO for LIC will make the life insurer one of the largest companies in India in terms of market capitalization. LICI's IPO plan was announced in the Budget last year and the groundwork for the flotation has begun. The government hopes that the listing would bring discipline to the market and also give retail investors an opportunity to participate in wealth creation.

LIC, which was set up in 1956, has assets close to $433bn. State-run Life Insurance Corporation dominates India's life insurance market, but private players have rapidly grown in size. The imperativeness of the life insurance sector in the economy has gained paramount importance in the aftermath of COVID. The Central government had announced the stake sale in the LIC during Budget 2020-21. Meanwhile, the government has already initiated the process for LIC IPO. Currently, the government owns the entire 100 per cent stake in LIC.



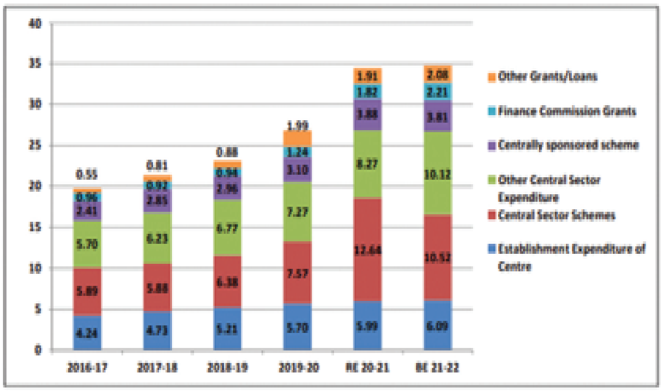

The road map for overhauling public sector enterprises with the announcement of the broad details of the privatization policy classifies CPSEs, banks, and insurance companies into four strategic areas -atomic energy, space, and defence; transport and telecom; power, petroleum, and other minerals; and, banking, insurance and financial services. In all other sectors, PSUs will be either privatized or closed. There were about 249 PSUs in 2018-19, of which 70 incurred losses of Rs. 31,635 crore, according to data from the Standing Conference of Public Enterprises. The decision to privatize two PSBs and one insurance firm underlines government's commitment to limit its presence even in strategic sectors. The government will also come up with a revised mechanism for timely closure of loss-making PSUs. The IRDAI has named three public sector insurance companies - Life Insurance Corporation (LIC), General Insurance Corporation (GIC Re) and New India Assurance - as 'too big or too important to fail' (TBTF) institutions or Domestic Systemically Important Insurers (D-SIIs) for the year 2020-21 fiscal year.

## Maturity Proceeds of ULIPs

Insurance penetration in India is currently at 3.7% of gross domestic product (GDP) compared to the world average of 6.31%. Growth in the life insurance sector has slowed to 11-12% currently from 15-20% until fiscal 2020 as the pandemic pushed customers to save cash instead of spending on stocks or life insurance policies. The Finance Minister also proposed that there be no tax exemption for maturity proceeds of unit-linked insurance policies (ULIPs) with an annual premium of above INR250,000 ($3,420). The rules will apply for ULIPs issued on or after 1 February 2021. Under the existing provisions of the Income Tax Act, there is no cap on the amount of annual premium being paid by any person during the term of the policy. Instances have come to notice where high net worth individuals are claiming exemption under this clause by investing in ULIPs with a huge premium. Allowing such exemption in policy/policies with huge premium defeats the legislative intent of this clause.

COMPOSITION OF EXPENDITURE

(₹ in lakh crore)

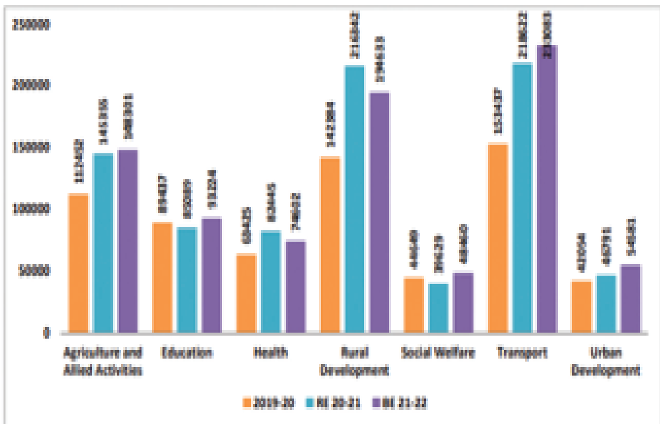



## Vehicle scrapping

In a boost for motor insurers, budget proposed a vehicle scrapping policy as an initiative to tackle air pollution. The move would help to phase out old and unfit vehicles. The general insurance sector is, however, growing at a robust annual pace of 18%, faster than in the previous years. Growth in this sector has picked up as COVID led more people to purchase health insurance policies. The average growth in standalone health insurance is currently at 35-40%. Most private insurers in India have foreign JV partners who are expected to take advantage of the increased FDI limit to beef up their shareholdings. To phase out old vehicles finance minister announced scrapping policy in the budget.

This will encourage fuel efficiency and environmental health. This will have an impact on oil import also. The government has also decided the age of your vehicles in the budget. Now, private vehicles will be able to run for 20 years and this limit on commercial vehicles will be 15 years. According to an HDFC Bank report, 20 million vehicles will not be able to run on the road until 2025 and with a scrap of these vehicles, a new business worth Rs. 43,000 crores will be created. Apart from this, the automobile sector will also get a new speed and new employment opportunities will also be created. That is, this step of the government can prove to be a game-changer.

TREND OF MAJOR ITEMS OF EXPENDITURE




## Enhanced FDI Cap

The Budget proposal to increase the foreign direct investment limit for insurers to 74% from 49% is credit positive, as it provides Indian insurers with new sources of funding and access to external knowhow that can improve their underwriting performance and unlock new operating efficiencies. The possibility of higher foreign ownership would improve insurers' financial flexibility by offering additional opportunities to bolster solvency. In addition, insurers would benefit from the sharing of risk management best practices, possibly leading to a lowering of exposure to high-risk assets and adoption of risk-based capital management. Under the new structure, the majority of directors on board and key management persons will be resident Indians with at least 50% directors being independent directors and a specified percentage of profits being retained as general reserve.

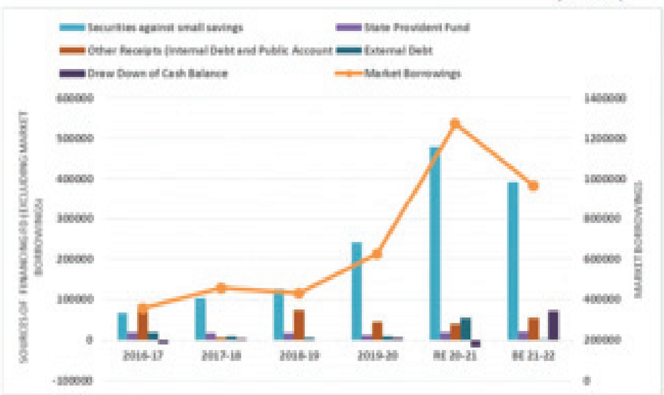
The proposed relaxation of the ceiling was announced almost 10 years after the government granted approval for the increase of the FDI limit in the insurance sector in India from the 26% to 49% in 2012. The additional capital infusion in the sector will make the industry globally competitive and help with growth and increasing penetration. Raising the investment cap in insurance companies was one of the key demands of various global investors after the government had amended the FDI policy to allow 100 per cent foreign investment in insurance intermediaries during last year's budget.

Finance Minister said investor charter would be introduced as a right of all financial investors across all financial products. Under the new structure, the majority of directors on the board and key management persons would be resident Indians with at least 50 per cent of directors being independent directors and specified percentage of profits being retained as general reserve. Finance Minister proposed to amend the Insurance Act 1938 to "increase the permissible FDI limit from 49 per cent to 74 per cent in insurance companies and allow foreign ownership and control with safeguards".

The proposal is likely to help local private insurers grow fast and expand their presence in India, which has one of the lowest insurance penetration levels globally. An increase of FDI in insurance to 74% will bring in more capital and more importantly fresh capital from firms which have been waiting to enter India. The move will also help in improving insurance penetration, job creation and would result in an increase in merger and acquisition activity in the sector.

SOURCES OF DEFICIT FINANCING

(₹ in crore)




## Allied Benefits

This move will help strengthen the sector and also help further penetration of insurance in the country, which still is far behind the world average. The budget 2021 has indeed taken cognizance of this and has taken the bold step of increasing the FDI limit which will provide an immediate backstop in terms of capital for growth and improve the insurance penetration and financial inclusion in the economy. Also increasing insurance penetration would pave the way for generating employment opportunities, which in turn would augment the efforts of the government to revive the economy.

The move will help make the insurance companies stronger and enable them to further expand their businesses, supplement their growing business needs, and deepen the market with new products and technology. The change could attract investments from international insurance companies, many of which have existing joint-venture operations in India, including from American International Group and United Kingdom's Prudential Plc. Take up of life and health insurance products is low in the country of 1.3 billion people but is expected to grow.

The country's investment promotion agency, Invest India, expects the insurance market to be worth around $250 billion by 2025. It's a huge market by size for them. That is the main driving force for companies. More relaxed rules for foreign investment in insurance will also help some Indian insurers to attract capital and boost their businesses after a slowdown caused by the COVID-19 pandemic. According to the insurance law, whenever any capital infusion is proposed in an insurance joint venture, all the partners are mandatorily required to bring in capital exactly in proportion to their shareholding in the company. If any JV partner is unable to infuse sufficient capital as per the shareholding, others are restrained from adding more capital. In such a scenario, the insurance company ultimately suffers as it is unable to grow its business or spend enough to sustain.

## Spending Plan for Healthcare

Additionally, the INR64,180 crores ($8.8bn) spending plan announced for healthcare over the next six years will provide a much-needed boost for penetration of health insurance and allow beneficiaries to access quality medical treatment, which will lead to aspirational India and economic development of our country. The clear focus of the budget is to make quality healthcare more accessible and investment in this sector needs to go up. The Pradhan Mantri Atmanirbhar Swasth Bharat Yojana which is meant to strengthen the primary, secondary and tertiary health centers is an essential step for health facilities to reach every nook and corner of the country.

There have been a lot of positives for the insurance industry in the Budget. Healthcare spends, vehicle scrapping, spending on capex should all help the industry get back to 15% growth as seen during pre-COVID times and increase insurance penetration and density. Increasing the FDI cap is a positive move for the insurance industry which will also enhance the overall performance of the sector. The increase in FDI will give a huge boost to the insurance sector towards improving penetration and its product suite to cater to a nation of 1.3bn people. The diverse initiatives towards upskilling, employment creation, ease of doing business and improving investor confidence will cumulatively augur well for the Indian economy and the general insurance sector in the country.

The Budget is focused on revival of economic growth and the higher allocation to capital expenditure should support growth revival and job creation. The FDI increase in insurance, continuation of the disinvestment programme and ease of tax compliance are welcome steps. Under the new structure, the majority of directors on the board and key management persons would be resident Indians, with at least 50 per cent of directors being independent directors, and specified percentage of profits being retained as general reserve.

Insurance industry applaud the significant step towards 74%, as this will provide a boost to the sector, and look forward to the legislative amendments to come into effect at the earliest. Industry also welcomes the hassle-free pension for elderly citizens above the age of 75 years. The budget proposal is likely to help local private insurers expand presence in India which has one of the lowest penetration levels

The government's proposal to increase the foreign direct investment limit in insurance from 49% to 74% is likely to accelerate growth and spur competition in the sector raising hopes of a flux of foreign capital into private Indian insurers. Greater capital infusion by foreign insurers in Indian joint ventures could eventually lead to the transfer of control to the cash-rich foreign partners. This can cause a fresh challenge for state-run Life Insurance Corp. of India or LIC, which has a commanding 70% share of India's insurance market. Insurance sector may also see an increase M&A in the sector while paving the way for private equity (PE) funds to enter the space.

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3. https://www.indiabudget.gov.in
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## Fatal accidents blow to family income:Report

Every death in a road accident causes depletion of around seven months' household income in poor families, and pushes the kin of victims into a cycle of poverty and debt in India, according to a new World Bank report. The report, "Traffic Crash Injuries and Disabilities: The Burden on Indian Society", surveyed accident cases and corresponding families of victims spread across four states - Uttar Pradesh, Bihar, Tamil Nadu and Maharashtra - that account for 35 per cent of road accident deaths to find link between road crash fatalities and poverty, inequality, and vulnerable road users in India.

India has seen around 4.5 lakh road accidents resulting in at least 1.5 lakh deaths over the past few years. In the survey, more than 75 per cent of poor households reported a decline in their income as a result of a road crash death. Around 64 per cent of low-income households reported a deterioration in their standard of living (more than twice reported by high-income households), while more than 50 per cent reported mental depression post-crash. Signifying a clear gender impact of road accidents, the report found that women in the families of victims bore the burden of the crashes across poor and rich households, often taking up extra work, assuming greater responsibilities, and performing caregiving activities after a crash.

About 50 per cent of women were severely affected by the decline in their household income after a crash. About 40 per cent of women reported a change in their working patterns post-crash, while around 11 per cent reported taking up extra work to deal with the financial crisis. The study, done in collaboration with NGO SaveLIFE Foundation, assesses the social, financial, gender, and psychological impacts of road crashes on poor and disadvantaged households.

# FDI LIMIT HIKE IN INDIAN INSURANCE INDUSTRY: AN ASSESSMENT


## Introduction

In the last couple of years, Government of India has taken several initiatives to increase the insurance penetration and density in the country. Some of the major initiatives include, increase in FDI limit, accidental insurance benefits to PMJDY Accounts, insurance at a nominal price under Jan Suraksha Scheme, free health insurance under Ayushman Bharatand travel insurance to railway passengers etc. All these schemes have helped in spreading awareness about insurance, especially in the rural landscape.

With increased awareness coupled with Government's policy support, the Indian insurance sector has continued to grow at a higher pace, compared to other financial sectors in the economy. During the period 2000-01 to 2019-20, the life insurance business registered a CAGR growth of 16% in total premium & 19% in new business premium collections and non-life segment grew by 16% and now strives to tap the huge potential opportunities. This impressive growth has driven by entry of new players with significant growth aspirations and capital commitments, which is noticeable in terms of products, policies, and premium collections. Despite the strong growth, the Indian insurance industry faces some difficulties like capital raising, tight regulations, and mis-selling etc.


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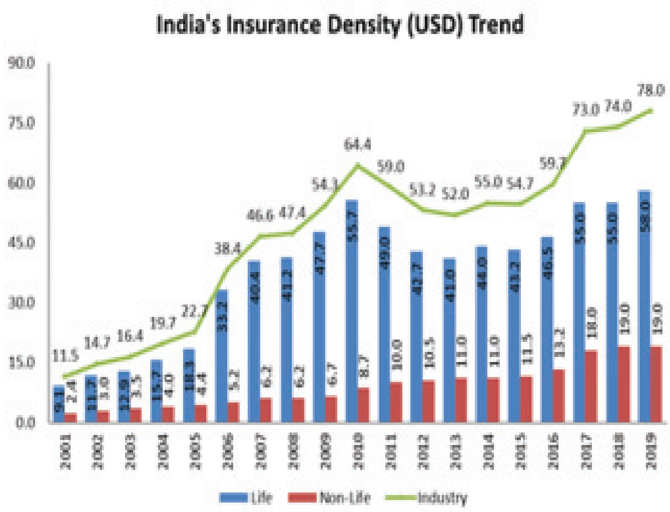
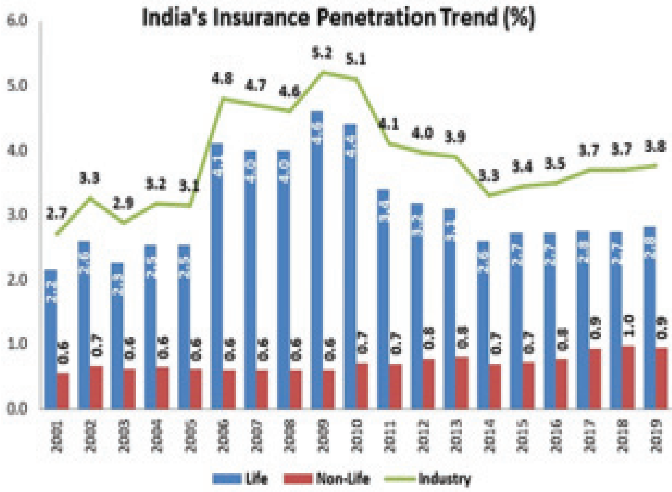
## Assessment of Indian Insurance Sector

In 2000, Indian insurance sector was opened for private players and several global players had entered the market through joint venture with Indian peers. In the last 20 years, these companies have explored many new distribution channels, have done product innovations to boost business. However, due to the nature of this business, the sector needs more capital for growth and regulatory needs.

The Covid-19 pandemic has shown that further penetration of insurance in India is needed, and for that capital infusion is required. However, the Indian promotors are not able to invest further capital in the sector. Further, some insurers need fresh capital infusion to meet the regulatory solvency margins.In this circumstance, the need of the hour is to support the insurance business in India, with proper regulations, which will help to achieve the national agenda of 'financial inclusion' in the country.

The Jan Suraksha schemes has been a great move in deepening the penetration and density of insurance in India, which can be seen in the improvement in the insurance density to $78 in 2019 from $55 in 2014 and penetration to 3.8% in 2019 from 3.3% in 2014 in the country. However, India lags both in insurance penetration and density compared to other developed countries. In insurance penetration US is at 11.43%, UK 10.30% and in Asian countries like Japan at 9%, South Korea 10.78% and Singapore 7.55%. The world average of insurance penetration is at 7.23% (Life: 3.35 & Non-life: 3.88) and density of $818 (life: $379 & non-life: $439) (Swiss Re, Sigma; 4/2020).




## Insurance in Union Budget 2020-21

In the Union Budget for 2021-22, Government has proposed to increase the FDI limit in insurance companies to 74% from the present 49%, with Indian management control. Under the new structure, majority of directors and management persons would be resident Indians with at least 50% of the directors being independent directors and a specified percentage of profits being retained as general reserve. Earlier, Government has liberalised the sector to 49% from 26% in 2014 but took more than a year for the necessary guidelines to come in place.

However, the process was relatively faster when FDI in insurance intermediaries was liberalized to 100% in 2019. Though, the move is the need of the hour, but it should be implemented quickly, so that will help to the capital starved companies to meet their growth and regulatory capital. It is also expected that fresh capital will bring a new wave in better technical know-how, innovation, and new products to the advantage of the consumers. This may push up the insurance penetration in the country, which is staggering at a very low level, compared to peer group of countries around the world.

## Impact on Equity Capital of the Insurers

The move will give the foreign investor an opportunity to tap the Indian insurance market and the FDI cap hike may help the insurance industry in two ways; (i) may help the insurerto access capital, and (ii) could act as a trigger for listing of insurance players. In our view, this may happen in two scenarios: first, dis-investment of the Indian promoter's stake to 26%; or Second,by keeping the Indian promoter's stake at present level (in amount), but enhance the foreign investments, so that the new ratio of domestic and foreign insurer stake would be at 26:74. In this paper, we have estimated the amount of capital may flows into the sector through foreign investments by both the scenario.

## Table 1: Estimated Additional Equity Capital Flows to the Indian Insurance Sector due to FDI Limit Hike to 74%

| Private Insurers | Equity Capital (Rs. crore) | | |
|---|---|---|---|
| | FY19 | Additional Capital Flows | |
| | | Scenario II | Scenario I |
| Life | 27,516 | 40,760 | 10,596 |
| Non-Life | 9,570 | 15,480 | 4,240 |
| Specialised Health Insurer | 3,473 | 4,845 | 1,415 |
| **Total Additional Equity Capital** | **32,709** | **61,085 ($8.5 bn*)** | **16,251 ($2.3 bn*)** |

*Source: IRDAI&Author's Computation; * assuming $1= `72*

In our view, Government may favour the second scenario, i.e., to issue fresh shares for extra foreign investments, rather than sale of stakes by the domestic promoters. In this scenario, we estimated that the insurance companies may receive around Rs. 61,085 crore ($8.5 billion) of additional foreign investment due to increase in FDI limit over a period. Further, it is estimated that Rs. 5,000-6,000 crore of fresh investment in the sector in the next 1-2 years and $10,000-$12,000 crore in the next 5-years and around Rs 60,000 in the next 15-years (calculated based on the assumption that Indian promoter not divest capital from the JVs).

However, if Government would allow to the domestic promoters to divest their stake (first scenario) in the insurance companies, it is estimated that a maximum of Rs. 16,250 crore additional investments may flow to the industry, through foreign investments. In the first scenario, the objective of FDI limit hike may not achieved, as the capital base will remain same and the insurers are not able to expand their footprint to achieve the national agenda of financial inclusion.

However, as per the latest available data (Mar, 2019), the average FDI investments in the 23 private life insurer is only 35.5%, 30% for 21 non-life private insurers and 31.7% for the 7-specialised health insurance. However, the question is that whether foreign investors are really interested in Indian insurance sector? If yes, thenwhy the FDI used limit is still only at 33.8% in private insurers?

## Benefits to the Stakeholders

Insurers need capital to maintain a healthy base, offer a wider bouquet of products, and protect consumer interests against insolvency. Increased capital inflow will enable insurers to offer products that are capital-guzzling but work in the customer's interest without taking a toll on their bottom lines. It will also give domestic players access to state-of-the-art technology to upgrade their distribution channels towards a deeper product expertise and better underwriting skills. Additionally, it also opens up doors for 7-General insurers, namely Acko, DHFL, Edelweiss, Go Digit, ICICI Lombard, Kotak Mahindra and Reliance, 2-health insurers, namely Reliance and Religare and 3-life insurers, namely Exide life, Kotak Mahindra, & Sahara Life, to sell stakes to overseas companies, which owns 100% by the Indian promoters.

It will also incentivise insurance intermediaries such as brokers and web aggregators through higher commissions. The increased capital inflow is also likely to give a fillip to relatively new private life insurance companies that have seen a decline in new business premium over last two years.

The insurance industry not only protects human life but is also a key resource for raising funds for the long-term projects in the country like infrastructure etc. Recently, Government has estimated that India would need to spend $4.51trillion oninfrastructure by 2030 to realise the vision of a $5 trillion economyby 2025, and to continue on an escalated trajectory until 2030. Increasing FDI in insurance is one way of meeting the funding gap.

The budget moves may help the banking fraternity in two ways; firstly, the big banks like SBI, ICICI Bank and HDFC Bank may reap higher revenues (non-interest income) due to their wide distribution network, as international companies may pay a premium to exploit their franchise. Secondly, if the first scenario of disinvestment (refer section

III) is considered, then public sector banks (PSBs) may be benefited to sale their stake in insurance business to meet the desired capital requirement under Basel III.

## Concluding Remarks

The Indian insurance industry has always been an attractive market for global insurers to expand their business in the country, mainly due to demography profile and untapped business opportunities. In some countries, say Japan, South Korea, Vietnam, Hong Kong and Taiwan etc, are allowed allow 100% FDI. In this context, the Union Budget moves to increase the FDI limit in insurance is a welcome move, which aims that the global investors to bring in the much-required foreign capital to meet the industry needs.This may help the insurer to expand their footprint to support Government's objective of financial inclusion, through insurance inclusion in the country.

Going forward, the present low interest rate scenario may help the insurance sector to push up the business but the return on investment would decline due to the fall in G-sec yields (Parida & Acharya, 2014). So, this is the best time for the insurers to tap the rural market and sustained in the business for a long term. Further, we expect Government should look into the following measures for a robust insurance industry: (i) simplify the KYC norms and demat accounts to a single unit across all financial products, (ii) Zero/5% GST for pure protection insurance policies, (iii) separate deduction limit for premium paid on health/life insurance.

Hope budget moves would be positive for all the stake holders!!!

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# INSURANCE DISRUPTION IN 2020: THE BIG RESET

Pockets of digital transformation were happening across the insurance industry pre-2020, but they were isolated and not synched across insurers' operations. The events of this year have concentrated years of digital evolution, this concentration of pace has been reduced to weeks and exposed the digital leaders and laggards across the industry.

The trends identified in Genpact's Insurance in the Age of Instinct research have accelerated as insurers had to deploy the right tools in the right places and connect them end-to-end. Bajaj Allianz, one of India's largest private insurers with offices in over 1,100 towns and cities, had a digital head start compared to many insurers across the globe. Its digital strategy and solutions already deployed meant it could continue to offer seamless customer service, culminating in picking up a Celent Model Insurer Award for its end-to-end digital and mobile app-based pre-policy medical check-up process.


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## Touchless Tech

As COVID-19 forced insurers' offices to close, they had to quickly reimagine their end-to-end operations to adapt at pace to a virtual, touchless world. Bajaj Allianz directed customers to its existing digital channels. It had already integrated its AI-powered bot with Alexa and Google Assistant so its customers could have a seamless service by using voice rather than text. The use of its mobile app, where customers can complete all their requests, has soared, with over one million downloads this year.

When making a motor insurance claim, customers can now submit a photo of the damage via a mobile app and using a combination of AI and machine vision, receive a claim assessment within 20 minutes. If they agree, the funds are transferred straight into their account.

This touchless seamless experience continues when customers visit branches, now there are no handshakes involved, they scan barcodes instead to process requests such as claims and refunds.

This rapid digital evolution has placed experience at the heart of the customer journey. Genpact has seen the number of insurers looking to replicate this touchless, digital evolution increase several-fold and is working at scale to deliver to the new timescales set by the pandemic.

## Reimaging Insurance

The pace and scale of the changes insurers have made this year are remarkable, but there's no going back to the old ways of working. Customers will expect these new touchpoints to continue, presenting insurers with an opportunity to redefine their role in customers' lives with new products enabled by new data sources. One example is Bajaj Allianz's connected schools product that includes a non-intrusive tool so parents can track a student's location.

In health insurance, it has moved strategically from illness to wellness by offering a digital tool called Pro-Fit where customers can store all their health and medical information in one place and monitor their health. This shift to proactively preventing claims and playing a more holistic role in customers' lives is echoed in Genpact's research and ongoing customer work, where it predicts insurers will make the move from being premium collectors to lifelong protectors.

## Future Talent

Even before the rapid adoption of new technologies witnessed in 2020, insurers knew they had to ramp up the digital skills in their workforce. One solution is for employees to adapt and fill these gaps, moving from long term jobs to a more flexible model where they move between employers, taking time out to learn the latest tools and techniques in between. Another route is for insurers to tap into the previously unavailable talent that has opened up as a result of the widespread adoption of remote working.

Bajaj Allianz has made its workforce part of its digital journey. Managers have mix of humans and bots working for them, with staff being reskilled in new technologies so they are comfortable both using them and working alongside them. But it recognizes that even as its operations and customers move to a digital way of life, the human traits of care and empathy will become even more important.

Developing future talent is key to drive innovation in any sector but especially so for the insurance industry. Both Genpact and Bajaj Allianz share this vision and both firms live and breathe its execution everyday.

## The Big Reset

COVID-19 has given carriers an opportunity for a huge reset. As black swan events become more frequent, a constant assessment and flexible agile responses to systemic risks are required. The insurers who successfully navigated the seismic changes of 2020 were those with workforces able to work alongside digital tools and with the right mindset for change. It's been a year of constant education - pushing people outside their comfort zones and embedding the mental adoption of new ways of working from a human perspective.

In retrospect though, customers have been the real winners. There are more communication channels, its' easier to make claims, and the new digital mindset is spawning new products. The B2C experience delivered by other industries is finally within insurers' grasp.

## What's next?

As 2020 draws to a close, insurers and their service providers are reflecting on the achievements and hurdles they've overcome together. It's time to share learnings and knowledge with the wider industry and move beyond the initial fire-fighting response to a forward-looking, customer-centric, truly digital and real time future, where insurers become data companies in insurance rather than insurance companies with data. ❑

## National Insurance settles case with SEBI, pays Rs. 75 lakh

National Insurance Company has settled with markets regulator Sebi a case pertaining to alleged shareholding disclosure lapses after paying settlement charges of nearly Rs 75 lakh. Sebi agreed to settle the case after the insurance company approached the regulator with a plea to settle the matter "without admitting or denying the findings of fact and conclusions of law". "The proposed proceedings to be initiated for the default...are settled by the applicant... Sebi shall not initiate any enforcement action against the applicant for the said defaults," the regulator said in a settlement order passed. It was alleged that National Insurance Company had made delay in making disclosures in respect of change in its shareholding in Axis Bank.

# Bima Jyoti

## (UIN: 512N339V01)

### *from* Life Insurance Corporation of India

***LIC's Bima Jyoti*** is a Non-Linked, Non-Participating, Individual, Savings Plan which offers an attractive combination of protection and savings. This plan provides financial support for the family in case of unfortunate death of the policyholders during the policy term and guaranteed lumpsum payment to the surviving policyholder at the time of maturity. This plan also takes care of liquidity needs through loan facility. This plan can be purchased Offline through agent /other intermediaries as well as Online directly through website www.licindia.in

## 1. Benefits payable under an in-force policy (where all due premiums have been paid):

### A. Death Benefit:

- On death during the policy term before the date of commencement of risk: Return of premiums paid excluding taxes, extra premium and rider premium(s), if any.
- (ii) On death during the policy term after the date of commencement of risk: "Sum Assured on Death" and Accrued Guaranteed Additions. Where "Sum Assured on Death" is defined as higher of 125% of Basic Sum Assured or 7 times of annualised premium Death Benefit as mentioned in A(ii) above shall not be less than 105% of the total Premiums paid (excluding any extra premium, any rider premium(s) and taxes) up to the date of death.

### B. Maturity Benefit:

On Life Assured surviving the stipulated Date of Maturity provided the policy is in-force, "Sum Assured on Maturity" along with Guaranteed Additions, shall be payable. Where "Sum Assured on Maturity" is equal to Basic Sum Assured.

### C. Guaranteed Additions:

Provided the policy is in-force by payment of due premiums, Guaranteed Additions at the rate of Rs. 50 per thousand Basic Sum Assured will be added to the policy at the end of each policy year. In case of death under in-force policy, the Guaranteed Addition in the year of the death shall be for full policy year. In case the premiums are not duly paid, the Guaranteed Addition shall cease to accrue under a policy. In case of a paid-up policy or on surrender of a policy, the Guaranteed Addition for the policy year in which the last premium is received will be added on proportionate basis in proportion to the premium received for that year.

## 2. Eligibility conditions and other restrictions:

| | | |
|---|---|---|
| a) | Minimum Basic Sum Assured | Rs. 1,00,000 |
| b) | Maximum Basic Sum Assured (Basic Sum Assured shall be in multiples Rs. 25,000/- ) | No limit |
| c) | Policy Term | 15 to 20 years |
| d) | Premium Paying Term | Policy Term minus 5 Years |
| e) | Minimum Age at Entry | 90 days Completed |
| f) | Maximum Age at Entry | 60 Years (Age Nearer Birthday) |
| g) | Minimum Age at Maturity | 18 years (Completed) |
| h) | Maximum Age at Maturity | 75 Years (Age Nearer Birthday) 65 Years (Age Nearer Birthday) for policies procured through POSP-LI |

## 3. Options available:

### I. Rider Benefits:

The following five optional riders are available under this plan by payment of additional premium. However, the policyholder can opt between either of the LIC's Accidental Death and Disability Benefit Rider or LIC's Accident Benefit Rider and/or the remaining three riders subject to the eligibility as detailed below.

- **(a) LIC's Accidental Death and Disability Benefit Rider (UIN: 512B209V02):**

This rider can be opted for under an in-force policy at any time within the premium paying term of the Base plan provided the outstanding premium paying term of the Base plan as well as the Rider is at least 5 years but before the policy anniversary on which the age nearer birthday of the life assured is 65 years. If this rider is opted for, in case of accidental death, the Accident Benefit Sum Assured will be payable in lumpsum along with the death benefit under the base plan. In case of accidental disability arising due to accident (within 180 days from the date of accident), an amount equal to the Accident Benefit Sum Assured will be paid in equal monthly installments spread over 10 years and future premiums for Accident Benefit Sum Assured as well as premiums for the portion of Basic Sum Assured under the Base Policy which is equal to Accident Benefit Sum Assured under the policy, shall be waived. Under the policy on the life of minors, this rider will be available from the policy anniversary following completion of age 18 years on receipt of specific request.

- **(b) LIC's Accident Benefit Rider (UIN:512B203V03):**
  This rider can be opted for at any time under an in-force policy within the premium paying term of the Base plan provided the outstanding premium paying term of the Base plan as well as the Rider is at least 5 years but before the policy anniversary on which the age nearer birthday of the life assured is 65 years. The benefit cover under this rider shall be available only during the premium paying term. If this rider is opted for, in case of accidental death, the Accident Benefit Sum Assured will be payable in lumpsum along with the death benefit under the base plan.

- **(c) LIC's New Term Assurance Rider (UIN: 512B210V01):**
  This rider is available at inception of the policy only. The benefit cover under this rider shall be available during the policy term. If this rider is opted for, an amount equal to Term Assurance Rider Sum Assured shall be payable on death of the Life Assured during the policy term.

- **(d) LIC's New Critical Illness Benefit Rider (UIN: 512A212V02):**
  This rider is available at the inception of the policy only. The cover under this rider shall be available during the policy term. If this rider is opted for, on first diagnosis of any one of the specified 15 Critical Illnesses covered under this rider, the Critical Illness Sum Assured shall be payable.

- **(e) LIC's Premium Waiver Benefit Rider (UIN: 512B204V03):**
  Under an in-force policy, this rider can be opted for on the life of Proposer of the policy, at any time coinciding with the policy anniversary but within the premium paying term of the Base Policy provided the outstanding premium paying term of the Base Policy and the rider is at least five years. Further, this rider shall be allowed under the policy wherein the Life Assured is Minor at the time of opting this rider. The Rider term shall be outstanding premium paying term of the base plan as on date of opting this rider or (25 minus age of the minor Life Assured at the time of opting this rider), whichever is lower. If the rider term plus proposer's age is more than 70 years, the rider shall not be allowed. If this rider is opted for, on death of proposer, payment of premiums in respect of base policy falling due on and after the date of death till the expiry of rider term shall be waived.

### II. Settlement Option (for Maturity Benefit):

Settlement Option is an option to receive Maturity Benefit in instalments over the chosen period of 5 or 10 or 15 years instead of lump sum amount under an in-force as well as Paid-up policy. This option can be exercised by the Policyholder during minority of the Life Assured or by the Life Assured aged 18 years and above, for full or part of the maturity proceeds payable under the policy. The amount opted for this option by the Policyholder/ Life Assured (i.e. Net Claim Amount) can be either in absolute value or as a percentage of the total claim proceeds payable.

### III. Option to Take Death Benefit in Installments:

This is an option to receive Death Benefit in installments over the chosen period of 5 or 10 or 15 years instead of lump sum amount under an in-force as well as paid-up policy. This option can be exercised by the Policyholder during minority of the Life Assured or by Life Assured aged 18 years and above, during his/her life time; for full or part of the Death benefits payable under the policy. The amount opted by the Policyholder/Life Assured (i.e. Net Claim Amount ) can be either in absolute value or as a percentage of the total claim proceeds payable.

## 4. Payment of premiums:

Premiums can be paid regularly at yearly, half-yearly, quarterly or monthly intervals (monthly premiums through NACH only) or through salary deductions.

## 5. Grace period:

A grace period of 30 days shall be allowed for payment of yearly or half-yearly or quarterly premiums and 15 days for monthly premiums from the date of First Unpaid Premium. During this period, the policy shall be considered in-force with the risk cover without any interruption as per the terms of the policy. If the premium is not paid before the expiry of the days of grace, the Policy lapses. The above grace period will also apply to rider premiums which are payable along with premium for Base Policy.

# Road Safety Month 2021

*Seminar on-*

# "Role of General Insurance Surveyor's in Mitigation of Road Accidents"

*Organised By:-*

**INDIAN INSTITUTE OF INSURANCE SURVEYOR AND LOSS ASSESSOR, W.B Chapter**

**In ASSOCIATION with Risks Management ASSOCIATION OF INDIA (Kolkata)**

*Chief Guest :* **Tanmay Sarkar, Central Council Member, IIISLA**

*Key Note by :* **Shashi Bhushan, Council Member, IIISLA East Zone**

*Venue:* **Progressive Hall, Kolkata**

*Date :* **13th February 2021**


*Sitting L-R Mr Sashi Bhushan,Council Member,IIISLA East Zone, Mr. Tanmay Sarkar, Central Council Member, IIISLA, Mr. R.G.Agarwala, Editor in Chief, The Insurance Times, Mr. Biswanath Karmakar, Chairman,IIISLA,W.B Chapter, Mr. Biman Banerjee, Secretary IIISLA, W.B Chapter*


*Mr. Tanmay Sarkar, Central Council Member, IIISLA presenting a momento to Mr. R.G.Agarwala, Editor in Chief, The Insurance Times and President, Risk Management Association of India*

# NEED FOR ROAD SAFETY AWARENESS IN INSURANCE INDUSTRY

**Mr R. G. Agarwala,** *President, Risk Management Association of India and Editor in Chief, The Insurance Times*

Every year road crashes result in loss of lakhs of lives and serious injuries to crores of people. In most of the cases crashes occurs either due to carelessness or due to lack of road safety awareness of the road user. Road Accidents are a major cause of concern to common people, government, insurers and other stakeholders.

Union Minister for Road Transport and Highways and MSME Sri Nitin Gadkari has been proactive in improving the condition of roads, building highways, inviting new technologies in road construction, use of plastics and other waste material in road construction. This will definitely going to improve road safety.

Currently Road accidents in India account for approximately 11% of the accident related deaths in the world. As per the Road Accidents Report for 2019. 4,49,002 accidents took place in the country during CY2019, leading to 1,51,113 deaths and 4,51,361 injuries. In percentage terms, the number of accidents decreased by 3.86 percent in 2019 as compared to CY2018, while accident - related deaths decreased by 0.20 percent and those injured decreased by

3.86 percent. Also huge number of incidents are not reported in police. Hence the statistics do not reveal the correct picture of the accidents.

This road safety measures are vigorously taken by the Govt. of India from time to time. The Union Cabinet on 15.03.2010 approved National Road Safety Policy. The National Road Safety Policy outlines the policy initiatives to be framed / taken by the Government at all levels to improve the road safety activities in the country.

## The Policy Includes:

- Establish a Road Safety Information Database
- Ensure Safer Road Infrastructure
- Implementing Safety measures in Vehicles
- Implementing safety measures for Drivers
- Ensure Safer Road Infrastructure
- Safety of Vulnerable Road Users
- Road Traffic Safety Education and Training
- Enforcement of Safety Laws
- Emergency Medical Services for Road Accidents
- HRD & Research for Road Safety
- Strengthening Enabling Legal, Institutional and Financial Environment for Road Safety
- Implementation of the Strategy

Insurers are mainly worried about the road accidents for payment of compensation for third party insurance as well as personal accident policies. The Motor portfolio in insurance companies is bleeding due to the third party compensations. There are lot of anomalies in litigation also which is witnessed by corrupt practices and time taking procedures. Insurers and intermediaries must play an important role in creating awareness for road safety. This will help in decreasing road accidents as well as their losses will also decrease.

Insurance Surveyors can also play an important role in ROAD Safety. They are an important stakeholders in whole process.  Motor Insurance is an important portfolio for Surveyors also.  They are responsible to assess the losses for road accidents and along with that they can give their opinion in order to avoid the accidents as well as suggest the ways and means to the insureds as well as the insureds.

Risk Management is only one and single measure which should be followed by one and all entity may be automobiles companies, individuals, other stakeholders to follow road safety guidelines. Risk Management will not only help in preventing death of precious human lives but also to safeguard loss of property. Country loses precious resources of people in these accidents.

Recently the central Govt. has announced several measures for minimizing / arresting the Road Accidents by bringing the scrappage policy of age old automobiles, electric vehicles, usage of BS VI vehicles only apart from making the highways and other roads to be constructed in the manner to avoid the accidents to the minimum, However, Risk Management by all the Stake Holders for self safety and avoiding the loss of resources is the only answer for the Road safety.

Risk Management Association of India is an NGO engaged in promotion of Risk Management Culture in India. We are doing lot of activities in the area of education and awareness. Recently we launched a Online course on Risk Management. More courses are in progress.

I would also like to thank IIISLA for joining hand and we can organize more events like this jointly in future.

# ROLE OF GENERAL INSURANCE SURVEYOR IN MITIGATION OF ROAD ACCIDENT

**Shashi Bhushan,** *Council member (IIISLA, East Zone), Ex. Chairman (IIISLA, East Zone)*

## A. Role and responsibilities of General Insurance Surveyor

1. Assessing the loss after proper investigation
2. Redressal of conflict of interest
3. Maintaining confidentiality and neutrality
4. Thoroughness in data provided as Spot Survey, estimate etc.
5. Providing damaged prevention advice to insurer/ insured or his/her representative
6. Pointing out discrepancy or ambiguities in the verbiage of the policy.
7. We may recommend “ON ACCOUNT PAYMENT” upto 75% whichever admission of liability to provide immediate financial relief to the insured.

## B. Role of Surveyor in mitigation of Road Accident:-

i) Analysis of cause of loss.

ii) Determining possibility of failure of brakes or any other parts.

iii) Determining possible defective construction of road curve causing deviation in centre of gravity. If at any point of accident gradient of the road is not proper then it should be remarked, if possible.

iv) If accidents are caused due to illegal cut on four-lane by the locals you may mention it in the report with location.

v) Statutory indication like School, Hospital etc. Market, curve etc not found which caused accident, you may mention.

vi) Statutory indication were there but are not maintained that should be observed and noted in the report.

vii) If there are regular animal movement then advice to install side grill, if accident caused because of the same, insurance company also should take up with authorities.

viii) There are large numbers of accidents due to trees on the road. Road construction companies are not cutting trees due to several court directive but they are causing reasons for accidents. Surveyors may advice to cut such trees.If the accidents/damage caused due to old trees which has passed its life and was not removed or cut out by road authorities, surveyor must put remark. Due to over aged tree several accidents are taking place.

ix) If vehicle was not having full set of vision light and indicators such as front light, fog light and brake and side indicator, the surveyor must quote remark in the report.

x) If any particular location has become accident prone then we must write in report and insist insurance company to raise the issue in monthly meeting of the road safety committee in every district headed by Dy. Commissioner, D.M. and represented by M.P, and M.L.A. apart of other.

xi) The Govt. should include surveyors by rotation in every district in Road Safety Committee.

xii) Safety Belts and other device were used or not at the time of accident, should also noted by the surveyor, if possible.

In any particulars types of passenger vehicle as well as commercial vehicle. If it is having deficiencies of any safety device then proper suggestion also come from surveyor to reduce the speed limit or otherwise.

xiii) If the driver appear over aged or not medically fit or having vision problem then surveyor also must put it in black and white about the same in the report.

xiv) Pre accident condition, if it was responsible for accident time has came to put in details in the report. This is necessary because D.T.O are issuing certificate of registration, extension of certificate of registration after 15 years without physical verification of the vehicle. The poor pre-accidental vehicle is causing 15% accident on the roads. It is also important because M.V.I is responsible to inspect the vehicle on road on regular basis and check to take out all dangerous vehicle playing on the road, but they are not performing their duties and accidents are increasing on cost of insurance premium.

## Conclusion:-

Our drive is to minimize Risk vis-to-vis Insurance Premium.

## Centre to hold 75% stake for at least 5 years in LIC

The Centre will hold at least 75 per cent stake in Life Insurance Corporation of India for the next five years and will continue to hold at least 51 per cent in the life insurer after that period. The amendments to the Life Insurance Act, 1956, which was tabled along with the Finance Bill, also propose to increase the authorised share capital of the corporation to Rs. 25,000 crore divided into 2,500 crore shares of Rs. 10 each. Finance Minister Nirmala Sitharaman had, in the Budget, said that the government would like to take ahead the initial public offering of LIC in the coming fiscal.

"In 2021-22 wewould also bring the IPO of LIC, for which I am bringing the requisite amendments in this Session itself," she had said as part of the Budget speech. The other amendments to the Life Insurance Act include introduction of provisions on corporate governance in line with SEBI norms to enable listing of LIC on stock exchanges.

"It is further proposed to substitute section 4 of the LIC Act to provide for the vesting of the general superintendence and direction of the affairs and business of the LIC in its Board of Directors...," said the Notes on Clauses of the Finance Bill. A key amendment is also regarding the utilisation of surplus from life insurance business under which it pays 5 per cent of the surplus to the government. The government is also likely to continue with its guarantee on LIC policies.

# Technical Paper Writing Contest 2020 - Results

We are pleased to announce the results for Technical Paper Writing Contest 2020. The contest was launched in early 2020. But due to COVID 19 pandemic and lockdown the results could not be announced.

We received overwhelming response to the contest with more than 50 entries in the contest. Firstoff all we would like to give sincere thanks to all participants of the Contest and applaud efforts made by all of them.  We really thank them for extensive research on the subject and we hope these research works will contribute positively in growth of insurance industry. These contests play an important role in research and development in the industry and helps in outlining future road maps for growth.

Our Editorial Committee incharge of the review of the entries had an extremely difficult task to adjudge the best entries. There were quite a good number of entries qualifying for the best spot. But at the end we need to select few for the prize.

Here is the list of prize winners. In the third prize spot we have awarded joint prize to 3 entries. The committee also decided to institute a special category Editors Special Prize wherein four entries has been awarded. Total 8 entries has qualified for the Consolation Prizes.

Congratulations to all winners!!

We again would like to convey our sincere appreciation to all participants for their hard work and efforts for making this contest a success.

## The Insurance Times Technical Research Paper Competition - PRIZE

| | |
|---|---|
| **1st Prize** | **Rs. 11500**<br>Cash Prize of Rs. 7,500<br>FREE 3 Year Subscription of The Insurance Times - Hardcopy + Online Edition<br>FREE Sashi Publications Gift Voucher for Rs. 1000<br>Merit Certificate<br><br>**Topic - HOW ARTIFICIAL INTELLIGENCE IS PROGRESSING IN INDIAN INSURANCE INDUSTRY**<br>**Ms. Bhawna Dahiya,**<br>**Asst. Vice President, IDFC Bank** |
| **2nd Prize** | **Rs. 8500**<br>Cash Prize of Rs. 6,000<br>FREE 2 Year Subscription of The Insurance Times - Hardcopy + Online Edition<br>FREE Sashi Publications Gift Voucher for Rs. 750<br>Merit Certificate<br><br>**Topic - Surety Bonds - Global Market Understanding and Information Technology Solution Themes**<br>**Mr. Kanya Saraswathy Chandrasekaran,**<br>**Tata Consultancy Services** |
| **3rd Prize** | **Rs. 5500**<br>Cash Prize of Rs. 4000<br>FREE 1 Year Subscription of The Insurance Times - Hardcopy + Online Edition<br>FREE Sashi Publications Gift Voucher for Rs. 500<br>Merit Certificate<br><br>**1) Topic - INSURE TECH - A Tool for Insurance Penetration**<br>**Shashi Kant Dahuja (Chief Underwriting Officer) FIII, ACII, Chartered Insurer**<br>**Shriram General Insurance Co. Ltd.**<br><br>**2) Topic - Fraud Risk Management through Control Measures: Cost v/s utility**<br>**Shibyanshu Sharma,**<br>**CRMP, CRISC, ARM, FIII, ALMI, ACS, ARA**<br>**SBI Life Insurance Co. Ltd,**<br><br>**3) Topic - TECHNOLOGY CHANGING THE LANDSCAPE OF MICRO INSURANCE**<br>**Mr. Rakesh Arikathota,**<br>**Student, PGDM - Insurance, BIMTECH**<br>**Prof. Manoj Kumar Pandey,**<br>**Faculty, BIMTECH** |

| | |
|---|---|
| **Editors Special Prize** | **Rs. 4500**<br>Cash Prize of Rs. 3000<br>FREE 1 Year Subscription of The Insurance Times - Hardcopy + Online Edition<br>FREE Sashi Publications Gift Voucher for Rs. 500<br>Merit Certificate<br>**1) Topic - What chokes the life insurance industry of India - Answers are hidden in Data**<br>**Ms. Nirjhar Majumdar, LIC of India**<br>**2) Topic - Risk Associated with Mining Sector and Its Management**<br>**Mr. Suraj Sujit Bera**<br>**3) Topic - Product Innovation in I nsurance: The Digital Dividend**<br>**Ms. Rachana Grover**<br>**4) Topic -Investing in Service Supply Chain to Drive Insurance Penetration in India, Improve Persistency Ratio & Contribute to The Nation's Well Being**<br>**Mr. G Venkatesh, BSc. BSc(Tech). MBA. Diploma in SCM. FIII.**<br>**Associate Professor (Marketing)**<br>**Presidency Business School** |
| **Consolation Prize** | **Rs. 3500**<br>Cash Prize of Rs. 2500<br>FREE One Year Subscription of The Insurance Times - Online Edition<br>FREE Sashi Publications Gift Voucher for Rs. 500<br>Merit Certificate |

| | |
|---|---|
| | **1) Blood on the Indian Roads**<br>**Mr. Jagendra Rana**<br>**2) Micro - Insurance in Line With Financial Inclusion - A Dire Need in India**<br>**Anabil Bhattacharyya**<br>**3) Financial Inclusion at Grass Root Level - A Study of Vendors in Delhi NCR**<br>**Mr. Ankit Pushpam,**<br>**Ms.Vasudha Sharma,**<br>**Student, PGDM - Insurance, BIMTECH, & Prof. M. K. Pandey, Faculty, BIMTECH**<br>**4) Application of Artificial Intelligence in The General Insurance Sector**<br>**Ms. Gaurangi Bhatnagar/**<br>**Ms. Prachi Dhir,**<br>**National Insurance Academy, PUNE**<br>**5) Insurance Product Development in the Digital World**<br>**Ms.Sreejith M/ Ms.Roshni Chandar,**<br>**National Insurance Academy,PUNE**<br>**6) Motor Insurance- In The Midst of Technology Disruption**<br>**Mr. Aditya Ojha &**<br>**Mr. Manoj Kumar Pandey (BIMTECH)**<br>**7) Domestic and Overseas Travel Insurance in India - An analysis, for the above competition**<br>**Mrs. Nandita Banerjee**<br>**8) Optimizing Insurers' ROCE for ITRM**<br>**Mr. Shambhu Nath Roy** |

## Railways seeks 50% hike in safety fund

The ministry of railways has sought a 50% increase in allocation for its safety fund-the Rashtriya Rail Sanraksha Kosh.It urged the finance ministry to approve Rs. 30,000 crore every year for five years. In 2017-18, the then finance minister Arun Jaitley launched the initiative with a corpus of over Rs. 1 trillion for a five-year period, starting FY18, to ensure passenger safety. Jaitley had said the government will provide seed capital, but the Railways would have to arrange the balance resources from its revenues, among other sources.

"Discussions are on for an extension of the Rashtriya Rail Sanraksha Kosh for another five years, starting 2022-23. This time, the Indian Railways hopes to spend more on passenger safety. So far, nearly Rs. 20,000 crore was being given every year, which could be increased to Rs. 30,000 crore annually," one of the two officials said. So far, every year, around three-fourths of the amount is funded by the Indian Railways, and the remaining cost is met with budgetary support, he added. Over Rs. 54,000 crore has been spent between 2017-18 and 2019-20, according to government data.

# A month of forging new partnerships at Birla Institute of Management Technology (BIMTECH)

## Tie up with The Institute of Risk Management (IRM), the UK

**February 24 th,2021:** Birla Institute of Management Technology (BIMTECH) and The Institute of Risk Management (IRM) the UK, India chapter signed an MOU to offer IRM qualifications for BIMTECH students and Alumni. The MoU signing event started with a welcome address by Prof. (Dr.) Abhijit Chattoraj, Professor & Chairperson PGDM-IBM-BIMTECH, followed by an address by Ms. Carolyn Williams, Director, Corporate Relations, IRM-UK, and Mr. Sanjay Himatsingani, Director, Training & Development, IRM-UK. Prof. (Dr.) H. Chaturvedi Director BIMTECH and Mr. Hersh Shah, Chief Executive Officer, IRM-UK gave a short speech and signed the MoU. Prof. Manoj Kumar Pandey, Associate Professor, PGDM-IBM and Dr. Manoj Pareek, Assistant Professor- PGDM-IBM faculties were also present on the occasion. The event concluded with a vote of thanks by Prof. Pratik Priyadarshi, Associate Professor, PGDM-IBM

The Institute of Risk Management (IRM) (Head Quartered in the UK) is the world's leading professional body for Enterprise Risk Management qualifications, training, and research. IRM provides qualifications for Enterprise Risk Management, which is a broader concept than financial or insurance risk.

BIMTECH has been granted exemption from IRM's Level 1 examination in India where all BIMTECH students and alumni members who have passed the BIMTECH course "Risk Management" under course code "INS-201" will get direct access to IRM's Level 2 qualification that will entitle them to an "IRMCert" designation.

## Tie up with The India Insurtech Association

**February 25, 2021:** Birla Institute of Management Technology (BIMTECH) and India Insurtech Association (IIA) announced a tie-up to collaborate on matters of mutual interests relating to the Insurance & InsurTech industry. Prof. (Dr.) Harivansh Chaturvedi, Director, BIMTECH, and Mr. Prerak Sethi, Co-Founder of India Insurtech Association (IIA) signed an agreement to this effect at BIMTECH campus today in the presence of Prof (Dr.) Abhijit Chattoraj-Professor and Chairperson, PGDM, Insurance Business Management, BIMTECH, Prof. Manoj Pandey, Prof. Pratik Priyadarshi, Prof. Monika Mittal, and Prof. Manoj Pareek. The two well-known entities have joined hands to help build a strong InsurTech ecosystem in India. Both organizations look forward to collaborating on joint projects and research initiatives. This alliance consolidates BIMTECH's avowed commitment towards fostering best global practices.

Birla Institute of Management Technology (BIMTECH), a leading B school, is constantly focused on a vision to be at forefront of bringing excellence in higher education by bringing global standards to the educational sphere.

India Insurtech Association (IIA) is a non-profit organization focused on bringing together all the stakeholders in the InsureTech industry in India. IIA is focused to increase the velocity of the digital transformation of the insurance industry in India. The India InsurTech Association's goal is to facilitate the promotion of usage of technology across the insurance value chain in India.

# LEGAL

## Insurers did not follow 20% orders of ombudsman

Justice for insurance claimants takes a long time coming ever after winning an award from the ombudsman. A response to an activist's query under the Right to Information (RTI) Act has shown that one in five awards announced by the insurance ombudsmen was pending at the end of FY20.

IRDAI has said that it has not taken any disciplinary action against any insurance company so far for not complying with the order of the ombudsman. The RTI query was filed by Jeetendra Ghadge, who took an interest in the matter after his own experience with the ombudsman. He managed to get his order implemented within two months with help from the ombudsman's office, but was surprised to see how lightly insurers were treating the orders.

According to the response, 9,528 awards were issued by various ombudsmen across the country against insurance companies in the previous financial year. Of this, insurers had complied with 7,664 orders, but 1,864 were pending at the end of the year. Public sector insurers Oriental, New India and National Insurance had the highest number of pending orders at 480, 303 and 289, followed by Bharti Axa Life at 198 and Star Health at 142.

IRDAI has said that it has not acted against any insurer so far for delay in implementation. According to Vinay Sah, ombudsman for Maharashtra excluding Mumbai, there are instances when insurance companies take more than a couple of months. His orders now incorporate a condition that the award is to be complied with within one month, failing which interest will be applicable at bank rate plus 2% from the date of original rejection of the claim until payment.

## Film insurance rebounds after pandemic hit

Mega claims following movie production cancellations and delay in releases last year have burnt insurance companies. But a renewed demand for film insurance could see the industry's annual premiums grow from the current Rs 150-200 crore to around Rs 300 crore. "We are getting almost two proposals a day. There is a huge number of productions that are taking the floor in Hindi, Tamil and Telugu, including from over-the-top (OTT) platforms," said Aatur Thakkar, director of Alliance Insurance Brokers, which arranges for a large chunk of the films to be insured in India. After taking a beating last year on account of mega event cancellations like Wimbledon in the UK and the Olympics in Japan, event insurers globally have got badly burnt. Additionally, the pandemic became an excluded risk immediately after the World Health Organization's announcement on March 11, 2020.

"While risks arising out of Covid are excluded from insurance treaties, it is possible to get specialised covers from global underwriters under facultative programmes," said Thakkar. Facultative reinsurance covers provide for a case-to-case acceptance unlike reinsurance treaties where there is a blanket acceptance of all proposals underwritten by a primary insurer in a year.

"We arranged a Rs 140-crore insurance cover for Akshay Kumar-starrer 'Bell Bottoms', the first film in India and probably worldwide to go on the floors after the pandemic," said Thakkar. The movie, produced by Vashu Bhagnani, was shot in a bubble - a term used to describe a situation where interaction is limited to a small cluster of people in a group.

Circular

# IRDAI Circular

## Modified guidelines on product filing in health insurance business

***IRDAI/HLT/REG/CIR/29/02/2021***

*Date:08-02-2021*

Reference is invited to the provisions of Chapter III of Consolidated Guidelines on Product filing in Health Insurance Business (Ref No: IRDAI/HLT/REG/CIR/194/07/2020 dated 22nd July, 2020 (the guidelines) specifying the File and Use Procedure in respect of various categories of individual Products or Add-ons or Riders of Health Insurance Business. In partial modification of these guidelines the following norms are specified.

### 1. Use and File procedure for certain categories of health insurance business:

The following categories of the individual products or add-ons or riders of health insurance business offered by General and Health Insurance Companies (hereafter referred as insurers) are permitted to be launched through Use and File Procedure by duly complying with the norms specified in these guidelines.

a. Personal Accident insurance products

b. Overseas Travel insurance products

c. Domestic Travel insurance products

d. Benefit Based health insurance products

***Note:*** For the purpose of these guidelines, benefit based health insurance products are defined as the products under which a specified benefit, as chosen by the policyholder, is paid as a fixed benefit, on happening of the contingency covered.

i. The above referred categories of individual products are allowed to be launched under use and file subject to the following conditions:

i.1 In respect of the personal accident, domestic and overseas travel products "use and file" is allowed only if the coverage offered both under base covers and add-on covers or riders is contingent upon an accident and/ or travel as relevant.

i.2 Where combination of covers from different lines of health insurance business, is proposed with products other than those mentioned above or with combination of products mentioned above but not in accordance with (i.1) above, insurers should continue to file such products under "file and use" procedure, as specified in the guidelines

i.3 Any modification of the above referred products filed under "use and file" continue to be under "file and use" procedure as specified in the guidelines.

ii. Insurers should continue filing the products referred at Clause (1) above, using the Form –IRDAI – FNU-HIP (Annexure -1) specified in the guidelines under Use and File Procedure as well. UIN should be obtained before launching the product.

iii. Where any Insurer is found to be non-compliant with the guidelines specified herein while launching the products under use and file procedure, the Authority notwithstanding the action that may be taken under the provisions of Insurance Act 1938, may take one or more of the following actions.

a. Direct the insurer to withdraw the product.

b. Withdraw the Use and File facility for such insurer for a period as may be determined.

iv. These norms are applicable in respect of products filed from 1st April, 2021 onwards.

***(DVS Ramesh)***
General Manager (Health)

## Issuance of digital insurance policies by insurance companies via Digilocker

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

Date:09-02-2021

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

***T.L. Alamelu***
Member (Distribution)

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

***IRDA/CIR/MISC/031/02/2021***

*Date:11-02-2021*

1. Currently, only a few general insurers in the Indian Market are offering insurance cover for RPAS/Drones through existing products under Aviation Insurance. Considering the unique characteristics of Drones that differentiate them from other aircrafts and taking into account the phenomenal growth in the usage of Drones for multiple purposes, there is a need to augment the current insurance availability customized to the requirement of drone owners and operators.
2. In line with the above objective of making basic insurance covers available by the general insurers for Drones and to facilitate flexibility and innovation in the development of insurance coverage for evolving technology requirements, the following product construct is provided.
   a. Section I: Legal Liability to Third-Party.
      Indemnify the insured against its legal liability (including Defence Costs) to pay Damages, for third party civil claims arising out of bodily injury or death or property damage, by an accident or a handling error on part of the authorized operator. Currently, TP Liability cover should be offered in line with Aircraft/ Aviation Liability. The change, if any, in Government of India rules/guidelines in respect of TP Liability cover for Drones from time to time may be adhered to.
   b. Section II: Physical Damage to Drone Body /Hull
      Indemnify the insured in respect of repair/ replacement of the insured RPAS. RPAS means an Unmanned Aircraft System including payload, ground handling tools and/or equipment on Hull Agreed Value basis.
   c. Section III: Personal Accident cover to Operator.
      Indemnify the Insured/ Authorised operator for bodily Injury sustained by the Insured/ Authorised Operator anywhere in India while operating drones and arising out of an Accident.
   d. Section IV: Medical expenses cover to operator.
      Indemnify the Insured/ Authorised operator for the medical expenses who has been hospitalized because of a Bodily Injury arising out of flight of the covered Drone.
   e. Optional Covers to enhance the coverage.
      i. Alternate Hire Charges
      ii. Drone War Liabilities
      iii. Cyber Liability Cover
      iv. Invasion of Privacy Cover

v. Night Flying Endorsement

vi. BVLOS Endorsement

vii. Drone in Transit Endorsement

viii. Liability for damage to UAS that insured does not own

ix. Personal & Advertising Injury Liability

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

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

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

## Guidelines on Cross Border Re-insurers

***IRDA/RI/GDL/MISC/015/01/2021***

*Date:22-01-2021*

In exercise of the powers conferred under Sec. 34 (1) of the Insurance Act, 1938 read with Reg. 4 (3) of the IRDAI (Re-insurance) Regulations, 2018, the Authority hereby makes the following Guidelines.

These Guidelines aim to streamline the regulatory process with respect to cross border reinsurers and will supersede existing Guidelines No. IRDAI/NL/GDL/RIN/017/ 01/2016 dated 19th January, 2016, on CBRs.

### 1. Allotment of Filing Reference Number (FRN) to CBRs:

a. All Cross Border Reinsurers (CBR) shall necessarily comply with the eligibility criteria as stipulated in Reg. 4 (1) of the IRDAI (Re-insurance) Regulations, 2018.

b. Filing of application for allotment of FRN to CBR shall be commensurate with Re-insurance programme of the insurer, as submitted with the Authority in terms of the IRDAI (Re-Insurance) Regulations, 2018;

c. The insurer who wish to place re-insurance business with CBR shall file an online application with the Authority in the form as specified at Annexure – 1, for allotment of FRN for CBRs under the category of Eligible CBR or Non-Eligible CBR, as the case may be;

d. The Authority may raise any other requirements if necessary for processing of such application for allotment of FRN to CBR. After examination of submissions made by the insurer the Authority may allot system generated FRN to the CBR within three (3) working days from receipt of last document;

e. All the re-insurance business placements made with the Cross border reinsurers who do not comply with Eligibility Criteria, shall be placed before the Board of Directors of the insurer for their approval / ratification, and certified copy of such resolution shall be filed with the Authority;

### 2. General Provisions:

a. The insurer shall not transact re-insurance business with any CBR without valid FRN;

b. The Authority will allot country wise separate FRN to the CBR;

c. The FRN allotted shall be valid for one financial year for which application is filed by the insurer;

d. Once FRN is allotted for any particular CBR the same may be used by other insurer for placement of re-insurance business with such CBR;

e. The insurer, within thirty (30) days of the commencement of the financial year, shall submit a certificate of compliance (in Annexure-2) to the Authority confirming that, the re-insurance placements made to CBRs who comply with the eligibility criteria or with those CBRs prescribed in these guidelines. This certificate is to be filed with the Authority along with submissions required to be made under Reg. 3 (3) (A) (c) of the IRDAI (Re-insurance) Regulations, 2018;

f. Notwithstanding anything contained in these guidelines, the insurer shall comply with the Insurance Act, 1938 and other applicable regulations issued by the Authority from time to time.

These Guidelines shall come into force from the date of notification.

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

## Performance Statistics - Non-Life Insurance

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

*(Rs. in crores)*

| INSURER | For the month of January | | Upto the Month of January | | Market Share upto the Month of Jan. 2021 (%) | Growth over the corresponding period of previous year (%) |
|---|---|---|---|---|---|---|
| | 2020-21 | 2019-20 | 2020-21 | 2019-20 | | |
| Acko General Insurance Limited | 44.52 | 32.23 | 321.43 | 311.32 | 0.20 | 3.25 |
| Bajaj Allianz General Ins. Co. Ltd. | 1,134.97 | 1,219.13 | 10,928.82 | 11,352.85 | 6.68 | (3.74) |
| Bharti AXA General Ins. Co. Ltd. | 261.72 | 279.98 | 2,691.07 | 2,683.93 | 1.64 | 0.27 |
| Cholamandalam MS General Ins. | 422.36 | 381.11 | 3,540.20 | 3,654.15 | 2.16 | (3.12) |
| NAVI General Insurance Limited | 13.71 | 8.40 | 86.09 | 141.35 | 0.05 | (39.09) |
| Edelweiss General Ins. Co. Ltd. | 22.30 | 26.00 | 176.06 | 117.44 | 0.11 | 49.91 |
| Future Generali India Ins. Co. Ltd. | 337.49 | 489.17 | 3,092.73 | 2,894.89 | 1.89 | 6.83 |
| Go Digit General Ins. Ltd. | 114.01 | 87.34 | 1,767.25 | 1,551.53 | 1.08 | 13.90 |
| HDFC Ergo General Ins. Co. Ltd. | 994.44 | 699.77 | 9,740.13 | 7,644.50 | 5.95 | 27.41 |
| ICICI Lombard General Ins. Co. Ltd. | 1,426.28 | 1,375.60 | 11,951.35 | 11,507.88 | 7.30 | 3.85 |
| IFFCO Tokio General Ins. Co. Ltd. | 654.58 | 596.83 | 7,094.53 | 6,798.92 | 4.33 | 4.35 |
| Kotak Mahindra General Ins. Co. | 50.79 | 42.60 | 433.09 | 349.48 | 0.26 | 23.93 |
| Liberty General Ins. Ltd. | 151.19 | 158.47 | 1,197.25 | 1,283.70 | 0.73 | (6.73) |
| Magma HDI General Ins. Co. Ltd. | 204.23 | 159.01 | 1,056.08 | 1,044.34 | 0.65 | 1.12 |
| National Ins. Co. Ltd. | 1,079.72 | 1,164.51 | 11,567.21 | 12,220.11 | 7.07 | (5.34) |
| Raheja QBE General Ins. Co. Ltd. | 28.90 | 17.70 | 208.98 | 112.99 | 0.13 | 84.96 |
| Reliance General Ins. Co. Ltd. | 651.37 | 543.07 | 6,953.60 | 6,559.11 | 4.25 | 6.01 |
| Royal Sundaram General Ins. Co. | 286.07 | 330.72 | 2,316.35 | 3,106.33 | 1.42 | (25.43) |
| SBI General Ins. Co. Ltd. | 1,315.62 | 755.11 | 6,595.75 | 5,604.54 | 4.03 | 17.69 |
| Shriram General Ins. Co. Ltd. | 185.92 | 210.06 | 1,744.24 | 2,006.46 | 1.07 | (13.07) |
| Tata AIG General Ins. Co. Ltd. | 874.80 | 615.27 | 6,905.84 | 6,303.50 | 4.22 | 9.56 |
| The New India Assurance Co. Ltd. | 2,473.69 | 2,057.84 | 23,802.69 | 22,762.22 | 14.54 | 4.57 |
| The Oriental Ins. Co. Ltd. | 1,030.81 | 1,173.73 | 10,243.28 | 11,249.82 | 6.26 | (8.95) |
| United India Ins. Co. Ltd. | 2,093.60 | 2,089.51 | 14,010.62 | 14,636.55 | 8.56 | (4.28) |
| Universal Sompo General Ins. Ltd. | 394.16 | 150.24 | 2,574.40 | 2,459.59 | 1.57 | 4.67 |
| **General Insurers Total** | **16,247.24** | **14,663.40** | **1,40,999.04** | **1,38,357.50** | **86.15** | **1.91** |
| Aditya Birla Health Ins. Co. Ltd. | 154.44 | 116.95 | 1,013.76 | 662.69 | 0.62 | 52.98 |
| HDFC Ergo Health Ins. Co. Ltd. # | --- | 363.67 | ---- | 1,984.91 | --- | NA |
| ManipalCigna Health Ins. Co. Ltd. | 62.07 | 48.93 | 590.41 | 464.31 | 0.36 | 27.16 |
| Max Bupa Health Ins. Co. Ltd. | 174.25 | 132.76 | 1,324.51 | 966.29 | 0.81 | 37.07 |
| Care Health Insurance Limited | 258.55 | 216.41 | 2,014.05 | 1,967.90 | 1.23 | 2.34 |
| Star Health & Allied Ins. Co. Ltd. | 860.90 | 652.00 | 7,166.01 | 5,155.00 | 4.38 | 39.01 |
| Reliance Health Ins. Ltd.* | (0.00) | (0.03) | (0.01) | 6.03 | (0.00) | NA |
| **Stand-alone Pvt Health Insurers** | **1,510.20** | **1,530.70** | **12,108.73** | **11,207.13** | **7.40** | **8.04** |
| Agricultural Ins. Co. of India Ltd. | 642.00 | 1,039.77 | 9,757.68 | 8,800.82 | 5.96 | 10.87 |
| ECGC Limited | 88.61 | 99.83 | 804.68 | 909.89 | 0.49 | (11.56) |
| **Specialized PSU Insurers** | **730.61** | **1,139.60** | **10,562.36** | **9,710.71** | **6.45** | **8.77** |
| **GRAND TOTAL** | **18,488.06** | **17,333.70** | **1,63,670.13** | **1,59,275.33** | **100.00** | **2.76** |

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

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

## Performance STATISTICS - LIFE INSURANCE

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

(₹ Crores)

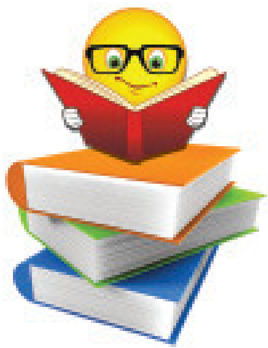
| Sl. No. | Particulars | Premium in Rs. Crore | | | | | No. of Policies / Schemes | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Month of Jan-2021 | Upto Jan-2021 | Month of Jan-2020 | Upto Jan-2020 | YTD Variation in % | Month of Jan-2021 | Upto Jan-2021 | Month of Jan-2020 | Upto Jan-2020 | YTD Variation in % |
| 1 | **Aditya Birla Sun Life Insurance Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 17.22 | 106.98 | 11.12 | 92.91 | 15.15% | 200 | 1587 | 270 | 2595 | -38.84% |
| | Individual Non Single Premium | 172.48 | 1419.62 | 154.24 | 1334.00 | 6.42% | 20936 | 198627 | 21792 | 208878 | -4.91% |
| | Group Single Premium | 65.66 | 1845.66 | 67.33 | 1268.14 | 45.54% | 8 | 48 | 4 | 79 | -39.24% |
| | Group Non Single Premium | 4.56 | 58.06 | 0.38 | 4.11 | 1313.80% | 0 | 1 | 0 | 2 | -50.00% |
| | **Total** | **263.38** | **3490.80** | **244.19** | **2763.55** | **26.32%** | **21177** | **200673** | **22127** | **212048** | **-5.36%** |
| 2 | **Aegon Life Insurance Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 0.06 | 0.52 | 0.09 | 2.29 | -77.26% | 5 | 22 | 2 | 15034 | -99.85% |
| | Individual Non Single Premium | 1.52 | 31.57 | 6.22 | 58.21 | -45.75% | 817 | 12692 | 1780 | 19022 | -33.28% |
| | Group Single Premium | 0.00 | 5.23 | 0.00 | 1.08 | 383.71% | 0 | 0 | 0 | 0 | --- |
| | Group Non Single Premium | 0.00 | 0.00 | 0.00 | 0.00 | --- | 0 | 0 | 0 | 0 | --- |
| | **Total** | **9.65** | **55.78** | **8.36** | **75.06** | **-25.68%** | **847** | **12789** | **1794** | **34149** | **-62.55%** |
| 3 | **Aviva Life Insurance Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 0.00 | 9.58 | 0.82 | 7.32 | 30.86% | 0 | 298 | 90 | 475 | -37.26% |
| | Individual Non Single Premium | 12.77 | 91.73 | 12.27 | 89.55 | 2.43% | 1622 | 14250 | 2214 | 15842 | -10.05% |
| | Group Single Premium | 0.00 | 0.99 | 0.29 | 2.25 | -56.20% | 0 | 0 | 1 | 1 | -100.00% |
| | Group Non Single Premium | 0.07 | 1.06 | 0.06 | 1.13 | -6.48% | 0 | 0 | 0 | 0 | --- |
| | **Total** | **15.83** | **149.45** | **17.28** | **183.73** | **-18.66%** | **1622** | **14662** | **2307** | **16347** | **-10.31%** |
| 4 | **Bajaj Allianz Life Insurance Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 4.65 | 38.00 | 13.26 | 66.01 | -42.43% | 101 | 746 | 29 | 395 | 88.86% |
| | Individual Non Single Premium | 241.03 | 1716.09 | 182.05 | 1497.86 | 14.57% | 36517 | 325064 | 32103 | 243941 | 33.26% |
| | Group Single Premium | 237.78 | 2419.99 | 259.17 | 2417.63 | 0.10% | 8 | 54 | 2 | 47 | 14.89% |
| | Group Non Single Premium | 0.00 | 0.00 | 0.00 | 0.00 | -8.10% | 0 | 0 | 0 | 0 | --- |
| | **Total** | **508.44** | **4328.40** | **472.51** | **4132.25** | **4.75%** | **36652** | **325969** | **32136** | **244418** | **33.37%** |
| 5 | **Bharti Axa Life Insurance Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 4.70 | 77.33 | 3.04 | 34.16 | 126.34% | 35 | 2768 | 31 | 5266 | -47.44% |
| | Individual Non Single Premium | 54.90 | 399.56 | 52.63 | 481.88 | -17.08% | 9654 | 83203 | 12858 | 173245 | -51.97% |
| | Group Single Premium | 13.23 | 96.38 | 11.34 | 166.46 | -42.10% | -1 | 11 | 3 | 9 | 22.22% |
| | Group Non Single Premium | 0.00 | 0.00 | 0.00 | 0.00 | --- | 0 | 0 | 0 | 0 | --- |
| | **Total** | **73.02** | **575.77** | **67.00** | **682.51** | **-15.64%** | **9688** | **85985** | **12892** | **178520** | **-51.83%** |
| 6 | **Canara HSBC OBC Life Insurance Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 42.25 | 362.79 | 8.04 | 58.41 | 521.06% | 245 | 3132 | 33 | 380 | 724.21% |
| | Individual Non Single Premium | 104.25 | 640.47 | 92.73 | 782.49 | -18.15% | 14302 | 130131 | 11581 | 122743 | 6.02% |
| | Group Single Premium | 12.64 | 599.84 | 7.19 | 327.24 | 83.30% | 0 | 9 | 0 | 10 | -10.00% |
| | Group Non Single Premium | 0.42 | 2.82 | 0.51 | 5.93 | -52.39% | 0 | 2 | 0 | 3 | -33.33% |
| | **Total** | **163.51** | **1743.71** | **110.86** | **1258.44** | **38.56%** | **14554** | **133332** | **11616** | **123143** | **8.27%** |
| 7 | **Edelweiss Tokio Life Insurance Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 1.40 | 5.67 | 1.20 | 7.31 | -22.42% | 2000 | 2408 | 68 | 2273 | 5.94% |
| | Individual Non Single Premium | 34.73 | 281.27 | 34.50 | 253.05 | 11.15% | 5622 | 57051 | 7934 | 60612 | -5.88% |
| | Group Single Premium | 2.03 | 10.40 | 1.59 | 15.66 | -33.61% | 0 | 0 | 1 | 4 | -100.00% |
| | Group Non Single Premium | 1.32 | 2.71 | 0.17 | 5.93 | -54.27% | 0 | 0 | 0 | 2 | -100.00% |
| | **Total** | **40.27** | **304.71** | **40.60** | **290.88** | **4.76%** | **7626** | **59487** | **8010** | **62933** | **-5.48%** |
| 8 | **Exide Life Insurance Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 8.83 | 66.51 | 10.38 | 100.42 | -33.77% | 92 | 950 | 160 | 2097 | -54.70% |
| | Individual Non Single Premium | 51.85 | 400.09 | 65.61 | 519.04 | -22.92% | 12034 | 111035 | 16832 | 154492 | -28.13% |
| | Group Single Premium | 0.08 | 0.52 | 0.06 | 0.37 | 40.20% | 0 | 0 | 0 | 0 | --- |
| | Group Non Single Premium | 1.60 | 13.87 | 0.98 | 7.71 | 79.81% | 0 | 21 | 3 | 33 | -36.36% |
| | **Total** | **70.62** | **525.04** | **85.37** | **688.73** | **-23.77%** | **12126** | **112006** | **16995** | **156622** | **-28.49%** |
| 9 | **Future Generali India Life Insurance Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 0.42 | 2.36 | 0.53 | 4.54 | -47.90% | 24 | 112 | 38 | 275 | -59.27% |
| | Individual Non Single Premium | 28.08 | 213.50 | 30.90 | 276.33 | -22.74% | 4201 | 37810 | 5774 | 52048 | -27.36% |
| | Group Single Premium | 9.28 | 46.95 | 6.05 | 58.89 | -20.27% | 0 | 5 | 0 | 3 | 66.67% |
| | Group Non Single Premium | 0.00 | 0.00 | 0.00 | 0.00 | --- | 0 | 0 | 0 | 0 | --- |
| | **Total** | **40.10** | **311.96** | **100.93** | **642.46** | **-51.44%** | **4225** | **37950** | **5817** | **52365** | **-27.53%** |
| 10 | **HDFC Life Insurance Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 309.62 | 2771.89 | 293.55 | 2288.82 | 21.11% | 3876 | 32282 | 3538 | 32056 | 0.71% |
| | Individual Non Single Premium | 677.44 | 5042.77 | 540.30 | 4598.57 | 9.66% | 82682 | 729791 | 78205 | 689147 | 5.90% |
| | Group Single Premium | 710.24 | 7373.19 | 609.46 | 6512.27 | 13.22% | 14 | 134 | 12 | 152 | -11.84% |
| | Group Non Single Premium | 0.00 | 0.00 | 0.00 | 0.00 | --- | 0 | 0 | 0 | 0 | --- |
| | **Total** | **1723.50** | **15355.24** | **1478.75** | **13755.59** | **11.63%** | **86573** | **762273** | **81765** | **721564** | **5.64%** |
| 11 | **ICICI Prudential Life Insurance Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 328.95 | 1794.66 | 127.76 | 1057.05 | 69.78% | 3260 | 19992 | 1931 | 14639 | 36.57% |
| | Individual Non Single Premium | 544.03 | 3702.40 | 609.70 | 5471.63 | -32.33% | 57510 | 480699 | 73665 | 616237 | -21.99% |
| | Group Single Premium | 241.10 | 1565.14 | 213.76 | 1686.50 | -7.20% | 14 | 69 | 18 | 120 | -42.50% |
| | Group Non Single Premium | 0.00 | 0.00 | 0.00 | 0.00 | --- | 0 | 0 | 0 | 0 | --- |
| | **Total** | **1239.12** | **9138.05** | **1048.36** | **9220.89** | **-0.90%** | **61077** | **503020** | **75755** | **632307** | **-20.45%** |
| 12 | **IDBI Federal Life Insurance Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 17.35 | 189.04 | 12.79 | 107.35 | 76.10% | 383 | 4985 | 323 | 3661 | 36.16% |
| | Individual Non Single Premium | 28.90 | 182.90 | 23.99 | 221.53 | -17.44% | 3705 | 25696 | 2928 | 36197 | -29.01% |
| | Group Single Premium | 35.13 | 86.29 | 14.81 | 114.13 | -24.40% | 0 | 0 | 0 | 2 | -100.00% |
| | Group Non Single Premium | 0.00 | 0.05 | 0.00 | 0.33 | -85.73% | 0 | 5 | 0 | 0 | --- |
| | Total | 81.38 | 458.28 | 51.59 | 443.35 | 3.37% | 4088 | 30686 | 3251 | 39860 | -23.02% |

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

(₹ Crores)

| Sl. No. | Particulars | Premium in Rs. Crore | | | | | No. of Policies / Schemes | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Month of Jan-2021 | Upto Jan-2021 | Month of Jan-2020 | Upto Jan-2020 | YTD Variation in % | Month of Jan-2021 | Upto Jan-2021 | Month of Jan-2020 | Upto Jan-2020 | YTD Variation in % |
| 13 | **IndiaFirst Life Insurance Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 3.63 | 25.25 | 1.08 | 17.03 | 48.33% | 154 | 1064 | 268 | 15760 | -93.25% |
| | Individual Non Single Premium | 70.79 | 600.90 | 70.01 | 623.79 | -3.67% | 15602 | 143165 | 13683 | 133597 | 7.16% |
| | Group Single Premium | 68.11 | 886.74 | 100.22 | 812.40 | 9.15% | 17 | 158 | 25 | 135 | 17.04% |
| | Group Non Single Premium | 0.06 | 0.41 | 0.06 | 0.39 | 5.18% | 1 | 3 | 2 | 4 | -25.00% |
| | **Total** | **142.58** | **1513.31** | **171.37** | **1453.61** | **4.11%** | **15774** | **144390** | **13978** | **149496** | **-3.42%** |
| 14 | **Kotak Mahindra Life Insurance Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 115.74 | 774.27 | 73.27 | 558.67 | 38.59% | 5470 | 31395 | 3416 | 38037 | -17.46% |
| | Individual Non Single Premium | 158.84 | 1084.46 | 153.27 | 1149.89 | -5.69% | 23258 | 208816 | 22806 | 206361 | 1.19% |
| | Group Single Premium | 117.75 | 666.56 | 103.66 | 939.55 | -29.06% | 16 | 161 | 43 | 208 | -22.60% |
| | Group Non Single Premium | 0.06 | 0.48 | 0.19 | 3.83 | -87.37% | 0 | 14 | 0 | 25 | -44.00% |
| | **Total** | **497.90** | **3341.63** | **387.92** | **3888.69** | **-14.07%** | **28787** | **240919** | **26296** | **245047** | **-1.68%** |
| 15 | **Max Life Insurance Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 107.81 | 1148.44 | 92.66 | 869.33 | 32.11% | 366 | 4338 | 172 | 1528 | 183.90% |
| | Individual Non Single Premium | 468.90 | 3345.91 | 408.96 | 3025.32 | 10.60% | 56288 | 483041 | 55460 | 465660 | 3.73% |
| | Group Single Premium | 59.18 | 314.76 | 40.79 | 259.85 | 21.13% | 3 | 17 | 1 | 99 | -82.83% |
| | Group Non Single Premium | 0.00 | 0.00 | 0.00 | 0.00 | --- | 0 | 0 | 0 | 0 | --- |
| | **Total** | **638.28** | **4881.89** | **554.81** | **4248.32** | **14.91%** | **56658** | **487789** | **55722** | **468022** | **4.22%** |
| 16 | **PNB Metlife Life Insurance Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 10.65 | 77.54 | 0.69 | 13.03 | 495.11% | 189 | 1139 | 25 | 420 | 171.19% |
| | Individual Non Single Premium | 132.74 | 998.19 | 126.33 | 1037.42 | -3.78% | 21908 | 185681 | 18199 | 157184 | 18.13% |
| | Group Single Premium | 51.12 | 251.07 | 37.54 | 316.22 | -20.60% | 1 | 1 | 2 | 7 | -85.71% |
| | Group Non Single Premium | 0.08 | 0.56 | 0.10 | 0.56 | 0.97% | 12 | 139 | 16 | 147 | -5.44% |
| | **Total** | **204.10** | **1374.49** | **170.00** | **1414.00** | **-2.79%** | **22110** | **186960** | **18242** | **157758** | **18.51%** |
| 17 | **Pramerica Life Insurance Limited.** | | | | | | | | | | |
| | Individual Single Premium | 0.15 | 1.69 | 0.24 | 7.50 | -77.47% | 6 | 2019 | 11 | 324 | 523.15% |
| | Individual Non Single Premium | 8.16 | 92.68 | 12.70 | 132.96 | -30.29% | 2599 | 21358 | 3191 | 33242 | -35.75% |
| | Group Single Premium | 13.38 | 61.95 | 14.71 | 248.33 | -75.05% | 1 | 11 | 2 | 51 | -78.43% |
| | Group Non Single Premium | 0.00 | 0.00 | 0.00 | 0.00 | --- | 0 | 0 | 0 | 0 | --- |
| | **Total** | **22.64** | **178.69** | **28.90** | **458.97** | **-61.07%** | **2618** | **23563** | **3220** | **34051** | **-30.80%** |
| 18 | **Reliance Nippon Life Insurance Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 4.41 | 42.67 | 3.80 | 39.67 | 7.56% | 129 | 1235 | 145 | 1209 | 2.15% |
| | Individual Non Single Premium | 79.69 | 661.75 | 70.46 | 705.85 | -6.25% | 16325 | 146977 | 15704 | 165274 | -11.07% |
| | Group Single Premium | 0.00 | 0.00 | 0.00 | 0.71 | -100.00% | 0 | 0 | 0 | 0 | 8 |
| | Group Non Single Premium | 12.72 | 96.03 | 0.99 | 40.21 | 138.81% | 2 | 24 | 0 | 13 | 84.62% |
| | **Total** | **97.26** | **809.50** | **75.91** | **800.17** | **1.17%** | **16461** | **148281** | **15853** | **166529** | **-10.96%** |
| 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 | 222.89 | 1947.03 | 141.42 | 1378.59 | 41.23% | 4423 | 36811 | 2988 | 27094 | 35.86% |
| | Individual Non Single Premium | 1174.83 | 7580.49 | 1173.34 | 8330.66 | -9.00% | 171297 | 1234475 | 158059 | 1287452 | -4.11% |
| | Group Single Premium | 450.18 | 6485.32 | 249.77 | 4493.15 | 44.34% | 11 | 131 | 8 | 77 | 70.13% |
| | Group Non Single Premium | 2.50 | 13.83 | 3.74 | 11.85 | 16.68% | 0 | 2 | 0 | 0 | --- |
| | **Total** | **1875.16** | **16313.58** | **1595.38** | **14382.51** | **13.43%** | **175754** | **1271711** | **161083** | **1315168** | **-3.30%** |
| 21 | **Shriram Life Insurance Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 5.21 | 42.58 | 2.54 | 30.75 | 38.48% | 135 | 1189 | 121 | 1651 | -27.98% |
| | Individual Non Single Premium | 40.59 | 358.17 | 36.40 | 355.06 | 0.87% | 27607 | 206759 | 23593 | 210333 | -1.70% |
| | Group Single Premium | 20.89 | 115.58 | 13.59 | 158.51 | -27.08% | 0 | 3 | 0 | 5 | -40.00% |
| | Group Non Single Premium | 0.00 | 0.00 | 0.00 | 0.00 | --- | 0 | 0 | 0 | 0 | --- |
| | **Total** | **75.87** | **601.61** | **53.67** | **556.29** | **8.15%** | **27751** | **208049** | **23716** | **212001** | **-1.86%** |
| 22 | **Star Union Dai-Ichi Life Insurance Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 29.37 | 157.13 | 11.67 | 75.03 | 109.41% | 403 | 2871 | 248 | 1626 | 76.57% |
| | Individual Non Single Premium | 53.32 | 477.40 | 39.44 | 435.36 | 9.66% | 8510 | 69601 | 5590 | 61725 | 12.76% |
| | Group Single Premium | 18.17 | 109.11 | 9.09 | 66.78 | 63.38% | 0 | 2 | 0 | 0 | --- |
| | Group Non Single Premium | 0.05 | 1.01 | 0.15 | 1.43 | -29.34% | 0 | 0 | 0 | 0 | --- |
| | **Total** | **109.06** | **837.35** | **61.50** | **608.56** | **37.60%** | **8914** | **72488** | **5838** | **63364** | **14.40%** |
| 23 | **Tata AIA Life Insurance Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 28.21 | 516.06 | 42.48 | 362.73 | 42.27% | 232 | 3185 | 266 | 2255 | 41.24% |
| | Individual Non Single Premium | 276.98 | 2338.51 | 263.96 | 2021.60 | 15.68% | 34254 | 334605 | 46749 | 368738 | -9.26% |
| | Group Single Premium | 4.70 | 20.74 | 2.44 | 33.65 | -38.36% | 0 | 1 | 0 | 0 | --- |
| | Group Non Single Premium | 0.73 | 45.42 | 16.80 | 61.77 | -26.47% | 0 | 43 | 10 | 65 | -33.85% |
| | **Total** | **354.41** | **2998.78** | **326.85** | **2499.61** | **19.97%** | **34534** | **338068** | **47043** | **371198** | **-8.93%** |
| | **Private** | | | | | | | | | | |
| | Individual Single Premium | 1263.54 | 10157.99 | 852.41 | 7178.91 | 41.50% | 21728 | 154528 | 14173 | 169050 | -8.59% |
| | Individual Non Single Premium | 4416.83 | 31660.46 | 4159.99 | 33402.04 | -5.21% | 627250 | 5240527 | 630700 | 5481970 | -4.40% |
| | Group Single Premium | 2130.62 | 22962.42 | 1762.86 | 19899.79 | 15.39% | 92 | 815 | 122 | 1009 | -19.23% |
| | Group Non Single Premium | 24.17 | 236.31 | 24.13 | 145.18 | 62.77% | 15 | 254 | 31 | 294 | -13.61% |
| | **Private Total** | **8246.06** | **69288.01** | **7152.09** | **64448.17** | **7.51%** | **649616** | **5401050** | **645456** | **5656910** | **-4.52%** |
| 24 | **Life Insurance Corporation of India** | | | | | | | | | | |
| | Individual Single Premium | 1755.90 | 24763.08 | 2080.93 | 19966.00 | 24.03% | 83715 | 763457 | 100146 | 764940 | -0.19% |
| | Individual Non Single Premium | 2656.01 | 20150.63 | 4976.66 | 25344.82 | -20.49% | 2451122 | 13304353 | 3942949 | 18820695 | -29.31% |
| | Group Single Premium | 8630.76 | 92677.46 | 5943.63 | 77969.30 | 18.86% | 37 | 308 | 37 | 937 | -67.13% |
| | Group Non Single Premium | 55.84 | 5072.05 | 415.94 | 26647.22 | -80.97% | 715 | 5478 | 290 | 2230 | 145.65% |
| | **Total** | **13143.64** | **143148.07** | **13470.91** | **150505.82** | **-4.89%** | **2537748** | **14091815** | **4045841** | **19610299** | **-28.14%** |
| | **Grand Total** | **21389.70** | **212436.09** | **20623.01** | **214953.99** | **-1.17%** | **3187364** | **19492865** | **4691297** | **25267209** | **-22.85%** |

# Glossary



**Liquor Liability**
Coverage for the liability of an entity involved in the retail or wholesale sales of alcoholic beverages, or the serving of alcoholic beverages, to persons who have incurred bodily injury or property damage arising from an intoxicated person.

**Living benefits rider**
A rider attached to a life insurance policy providing long term care for the terminally ill.

**Loan-backed Securities**
Pass-through certificates, collateralized mortgage obligations (CMOs), and other securitized loans not included in structured securities where payment of interest and/or principal is directly proportional to the interest and/or principal received by the issuer from the mortgage pool or other underlying securities.

# Poll

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

Yes

No

Can't say

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

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

| | |
|---|---|
| Yes | 80 |
| No | 20 |
| 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


GO BEYOND.
WITH REASSURANCE.
Ratings
• Claims Paying Ability: "AAA(In)" by CARE
• 11th Ranking as per S&P Global ratings 2019.
Gross Premium
₹51,030 Crore
Net worth (with Fair Value Change Account)
₹35,425 Crore
Total Assets
₹116,196 Crore as on 31.03.2020
आपत्काले रक्षिष्यामि
GIC Re
General Insurance Corporation of India
Global Reinsurance Solutions
"Suraksha", 170, Jamshedji Tata Road, Churchgate, Mumbai 400020, India. • Contact us at: info@gicofindia.com
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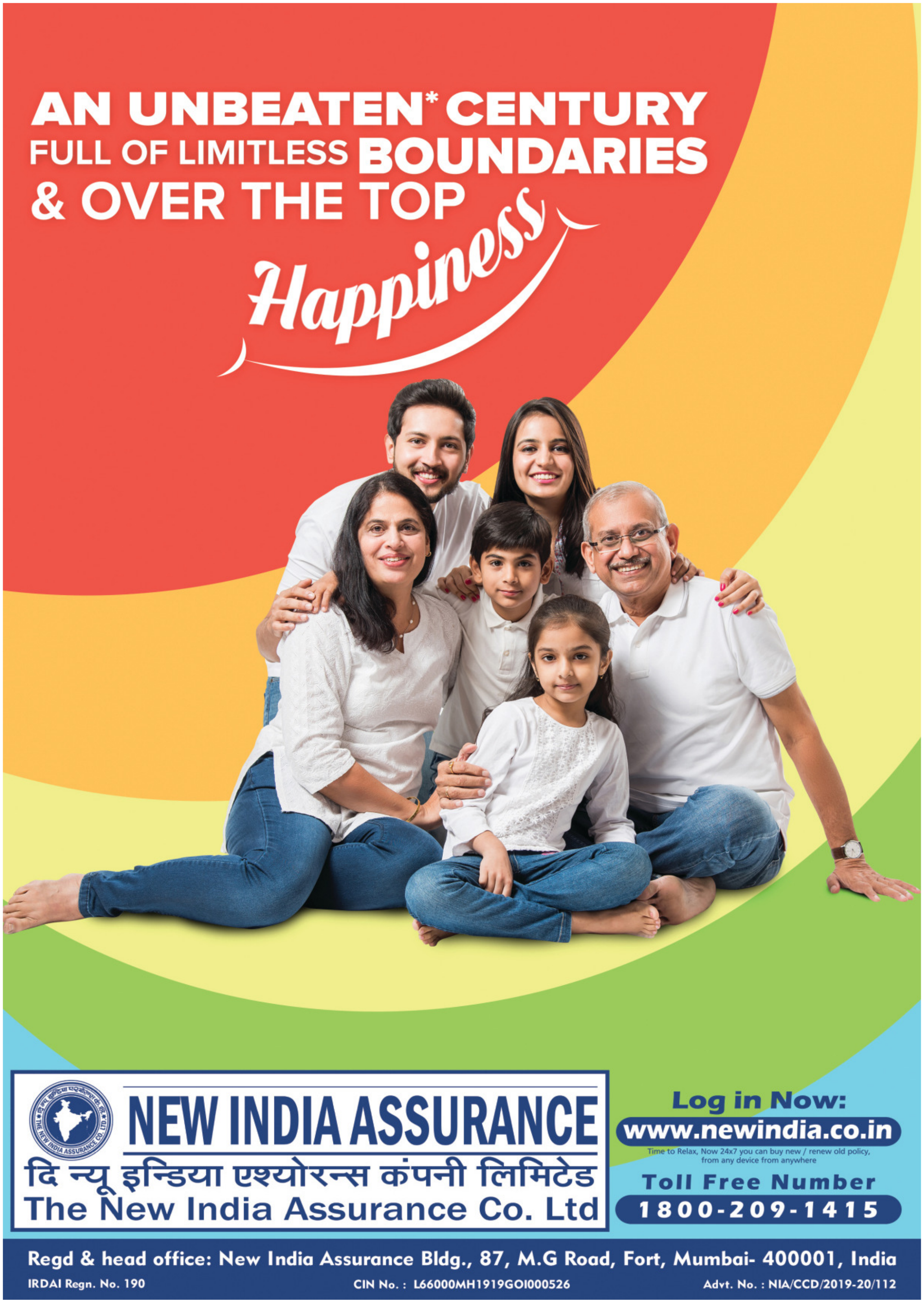


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