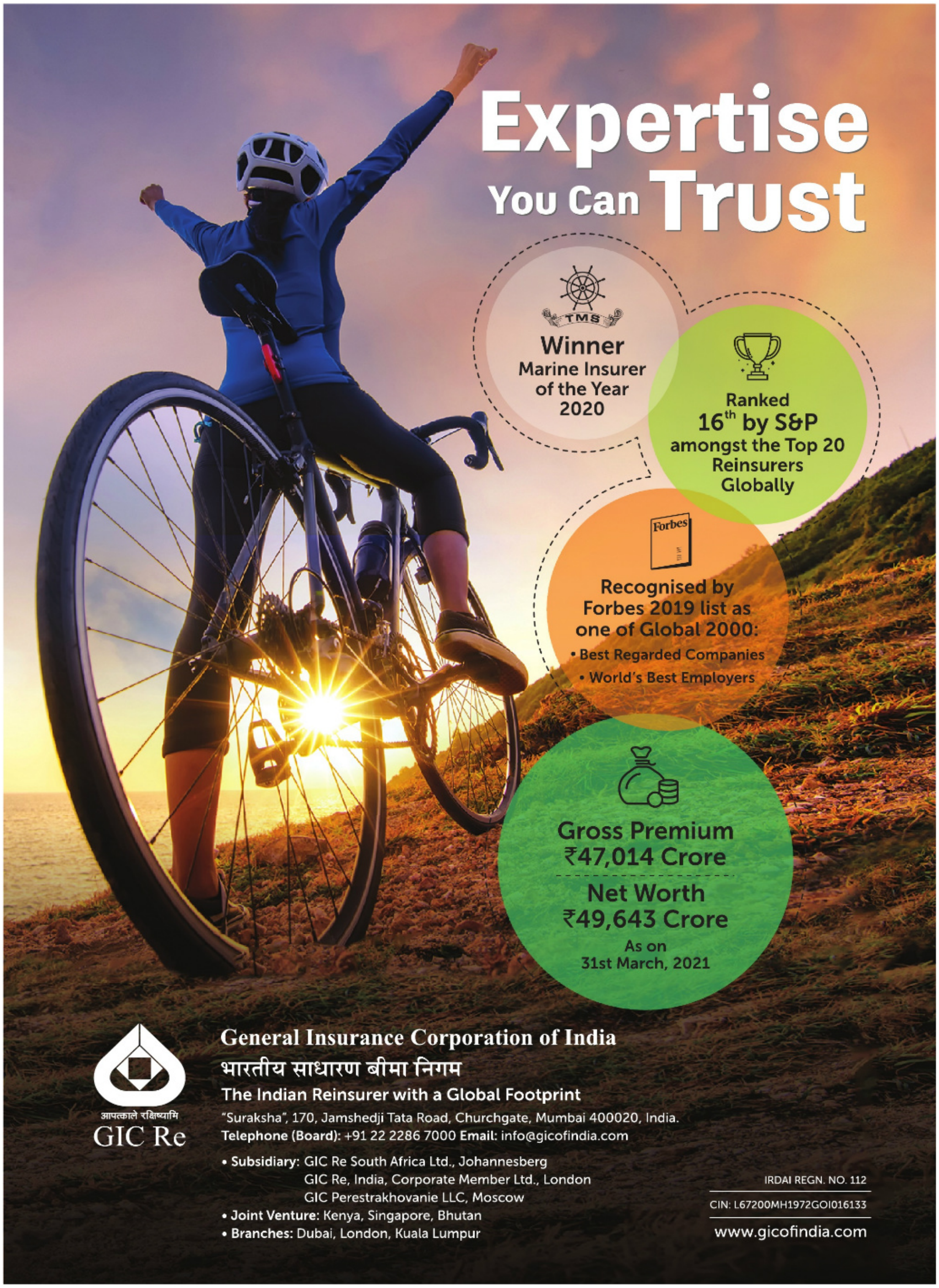
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In this issue

- A peep into some dimensions of motor third party premium increases - 2002-03 to 2019-20
- Fighting Corruption in Insurance Sector
- Is Insurtech really a disruptor for the insurance industry?

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

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Prakash Chandra Kandpal
MD & CEO
SBI General

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Bhargav Dasgupta
MD and CEO
ICICI Lombard General Ins.

"Over the last 18 months of the pandemic, and especially during the second wave, re-insurers were badly hit by the surge in claims, and there has been a lot of pressure on them to hike rates."

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Editor-in-Chief's Desk

Ram Gopal Agarwala
B.Com, LLB, FCA.

The number of Covid cases has been dwindling in past few months. Offlate there seems to be rise in number of cases. Everyone must ensure that there is no laxity in following proper protocol for safety and sanitization. Two doses of vaccine does not guarantee protection from Covid even though impact may be less.

Non Covid health treatment is increasing gradually. Earlier people were delaying avoidable procedures and now with Covid taking a back seat Insurance companies have started receiving health insurance claims.

Central Government is pushing hard for entry of Electric vehicles. It will help to solve the fuel crisis as well as reduce pollution and have positive effect on climate change. The Motor Insurance portfolio will also be impacted. The general insurance sector must closely monitor developments in this segment.

Sri B.C. Patnaik a Direct recruit office of LICI has been appointed as Managing Director of Life Insurance Corporation of India whereas he joined LICI during March 1986 and worked in different important positions of LICI since them.

Importance of Risk Management needs to be inculcated at all levels of organization. The Corporate Enterprises should focus more on avoiding risk and following safety protocols rather than to just get the Insurance premium reduced. Already due to stiff competition the insurance premium rates are at rock bottom. Insurance Companies must also educate corporates about the need of Safety and Loss prevention which will help the industry to reduce losses.

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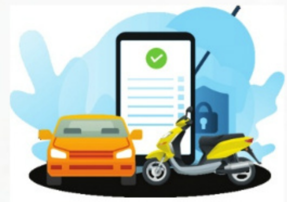

Articles

Features

General Insurance News

Digit Insurance to use funds to grow market share

Digit Insurance, which recently raised funds at a valuation of $3.5 billion, is seeing an opportunity to scale up business in the current fiscal as several insurers are facing capital constraints in the wake of adverse claim ratios. With capital at nearly thrice the statutory requirement, the company also has tech infrastructure to support growth.

The private insurer, which is already ranked 15th among the 30 non-life companies (including health), has recorded a gross written premium of Rs 2,196 crore for the first half of FY22, which is 67% more than the same period of the previous fiscal. Currently, around 55% of its premium comes from motor insurance.

Tata AIG to launch RPAS insurance

Tata AIG General Insurance Company Limited announced the launch of Remotely Piloted Aircraft System (RPAS) insurance and distribution tie-up with deep-tech startup Tropogo. Tropogo has established an integrated marketplace that provides a one-stop shop for the entire drone ecosystem.

According to the press release, "Tata AIG has been at the forefront and closely associated with the Drone Federation of India to understand the different types of risks faced by drone owners and operators. Tata AIG's RPAS Insurance is a comprehensive product covering both resolved and third-party liability risks. Tata AIG's RPAS Insurance also provides optional coverage for BVLOS operations, night flight, data loss liability, etc."

With the influx of new and exciting drone technologies and recent policy changes in India, the already highly active community of drone manufacturers, tech startups and enthusiasts are excited to make India a drone hub by 2030.

Oriental Insurance celebrates the company's 75th Foundation Day

To mark its 75th foundation year, Oriental Insurance Company celebrated the occasion by carrying out Covid test and vaccination drive, besides health check-up, at its headquarters and offices across the country.

These activities were carried out at the organisations' Regional/Operating Offices all over India.

'In the 75th year of its existence, the Company will focus on connecting with the customers to provide enhanced customer delight,' a company press release said.

Further, in consonance with the Digital India initiative of the government of India, Oriental Insurance is also launching 'customer-centric online products for a better customer experience.'

Registration renewal of vehicles over 15 years old to cost 8 times more

Owners of cars that are more than 15 years old will have to shell out eight times more money to renew their registration, according to a notification issued by the Ministry of Road Transport and Highways, as the Centre prepares ground to phase out old and polluting vehicles in line with the national vehicle scrappage policy.

According to the notification, these rules may be called the Central Motor Vehicles (23rd Amendment) Rules, 2021, and shall come into force with effect from April 1, 2022.

Registration renewal of a 15-year-old car will now cost Rs 5,000, compared to the existing fee of Rs 600. For motor bikes that are more than 15 years old, the renewal charge will now be Rs 1,000, compared to the existing Rs

300. Similarly, a fitness renewal certificate for a bus or truck older than 15 years will cost Rs 12,500 instead of Rs 1,500, and for old medium goods or passenger motor vehicles, the cost will be Rs 10,000.

SBI General Insurance expects 20% growth in FY22

SBI General Insurance is expecting close to 20 per cent growth in business in FY22 backed by a steady demand for health insurance products and an improvement in motor insurance starting third quarter of this fiscal.

In the first half (April-September), the non-life insurer had witnessed 14 per cent growth in gross direct premium underwritten to Rs. 4,129 crore, as compared with Rs. 3,620 crore in the same period last year, as per data available on the IRDAI website.

According to Prakash Chandra Kandpal, MD & CEO, SBI General, the non-life industry has come back to the pre-Covid level and has clocked a growth of around 13 per cent in the first half of this fiscal. "The industry is estimated to grow by around 15 per cent during the current fiscal driven mainly by health and motor. Though there may be some challenge for motor due to chip issue, Q3 should be good for motor insurance. We (at SBI General) expect to grow by around 20 per cent. The key areas of focus for us will be health, motor, SME and rural," Kandpal said.

Cargo Insurance premiums jump 33% this year

The sudden jump in the volume of oil, gas and coal being transported across the seas is pushing up cargo insurance premiums for India's general insurance companies.

This is significant as the cargo insurance market had declined by close to 8 per cent in FY21. However, in the current financial year (till August), the total premium for the sector has jumped by 33.6 percent, making it the second fastest after personal accident business, eclipsing heavyweights, motor and health insurance.

"The market is very competitive, but the tenders are now coming at a rapid pace," said a senior marine insurance specialist at one of the state-owned insurers.

The energy trade is fraught with the risks of spillage and natural catastrophes like hurricanes. Despite that, insurance companies are offering almost the same premium rates, banking on high volumes to make up for them. In September, almost all the refineries floated three-month tenders for insurance rates to which all the major underwriters have responded. The low rates are significant as there has been a hardening of premium for global cargo insurance, especially in the latter half of calendar year 2020, a trend which has continued into 2021. Global marine underwriting premiums for 2020 grew by 6.1 per cent to $30 billion year-on-year.

Offshore energy insurance accounts for 12.1 per cent of the total marine cargo business as per figures released by Inter - national Union of Marine Insurance (IUMI), the global organisation which tracks the sector.

Malaria and the vaccine hunt

The World Health Organization (WHO) allowed "widespread use" of the world's first vaccine against malaria, a common mosquito-borne disease that claims more than four lakh lives every year. Developed by GlaxoSmithKline (GSK), the vaccine, known as RTS,S/AS01, has already been administered to nearly 8 lakh children in Ghana, Kenya and Malawi as part of a pilot programme since 2019.

The WHO endorsement paves the way for its use outside the pilot programme, in all areas where malaria is widely prevalent. But RTS,S/AS01, known by its brand name Mosquirix, is considered only the first step towards effective immunisation of the global population. RTS,S/AS01 is able to prevent severe cases in only 30% of cases; the quest for more effective vaccines is still underway.

Underwriting losses fall, profits jump for general insurers

Despite paying a huge sum as claims and facing other challenges and constraints triggered by the Covid pandemic throughout the fiscal, the general insurance industry has seen its net profit rise almost 300 per cent year-on-year to Rs 3,868 crore and underwriting losses decline in FY21.

Two dozen general insurance players including four public sector companies, five stand-alone health players and two specialised players - Agriculture Insurance Company (AIC) and Export Credit Guarantee Corporation (ECGC) - had made losses of Rs 1,403 crore in FY20, as per an analysis based on data from General Insurance Council. The industry's total underwriting losses fell 17.24 per cent to Rs 19,416 crore in the period.

While the industry saw massive disruption due to the sudden onset of Covid-19 in terms of key parameters like gross premium, policies issued, underwriting losses/profit, combined ratio, gross claims, number of employees, FDI and investment in infrastructure and social sectors since March 2020, it witnessed significant improvement in FY21.

IRDAI

News

Dividend Criteria for Equity Investment under "Approved Investment"

In continuation to circular no: IRDAI/F&I/CIR/INV/065/03/2021 Dt 31st March, 2021 on the subject, the Authority in exercise of its powers conferred under Regulation 14(2) of the IRDAI (Investments) Regulations, 2016, hereby permits Insurers to classify investments in Preference Shares and Equity Shares as part of "Approved Investment" if dividend is paid on such Shares "for at least 2 years out of 3 consecutive years immediately preceding " instead of "for at least 2 consecutive years immediately preceding" (as required under Regulation 3(a)(4) and 3(a)(5) of IRDAI (Investment) Regulations, 2016) for the period from 1st October, 2021 to 31st March, 2022.

Irdai moots premium hike for rebuilding in disaster areas

The insurance regulator has mooted the introduction of a differential premium for insured properties that are rebuilt on sensitive terrain after a natural disaster. This followed an observation that even industries are reconstructing in the same location after a disaster event.

Highlighting the growing risk of climate change and natural catastrophe for the Indian insurance industry, Insurance Regulatory and Development Authority of India (Irdai) member S N Rajeswari quoted a report that said that India was the seventh-most vulnerable country to climate change events.

"Once-a-century storms are occurring annually. All the models for charging reinsurance or insurance premium are going for a toss. It will be difficult to have a common model as the situation is changing from country to country," said Rajeswari, speaking at the annual insurance summit organised by the National Insurance Academy.

But even as weather risks were rising, the construction density in high-risk areas was increasing. "We are seeing more and more properties being built on vulnerable plains and near coastal areas. While we have improved early warnings and humans can move to other places, the houses have to be rebuilt. This is a no-win situation for the government," she said.

She said that there was lack of awareness even among large corporates. "There is a need for awareness. Even industries are built in the same place after compensation is paid. Do we mean to say that they do not have the awareness?" she said. "We should probably ask them to pay a differential premium because this is a loss to the country," she said.

According to Rajeswari, insurance — besides providing protection — also increased awareness of risks. She quoted a study by Lloyds, which said that a 1% increase in insurance coverage can reduce the global cost of climate disasters by 22%.

Jana Small Fin Bank ropes in ex-Irdai chief

Jana Small Finance Bank appointed former Insurance Regulatory and Development Authority of India (Irdai) chairman Subhash C Khuntia as part-time chairman. The 1981-batch IAS officer was earlier chief secretary to the Karnataka government, and secretary in the Centre's department of school education.

"Financial inclusion has always been dear to my heart and I am excited at the opportunity to work with the board and the management team at Jana in their endeavour towards this noble cause," Khuntia said. Jana Small Finance Bank is proposing an initial public offer (IPO) and has filed a draft red herring prospectus (DRHP) with markets regulator Sebi.

LIC of India News

Shri B C Patnaik takes charge as Managing Director of LIC

BC Patnaik has taken charge as Managing Director of Life Insurance Corporation of India. "He was appointed as Managing Director by Government of India notification dated July 5, 2021," LIC said in a statement.

Prior to taking charge as Managing Director of LIC, Patnaik was Secretary General, Council for Insurance Ombudsmen, (CIO) Mumbai. He joined LIC of India in March 1986 as a Direct Recruit Officer.

LIC Housing Finance extends lowest home loan interest

LIC Housing Finance extended its lowest home loan rate of 6.66% for the festive season. Customers can avail themselves of home loans for up to Rs. 2 crore. In July this year, it had announced to offer home loans at an interest rate of 6.66% for an amount up to Rs. 50 lakh to new borrowers.

The new offer announced is available for all borrowers with CIBIL score of 700 and above, irrespective of their occupation i:e salaried or professional/ self-employed, a release said.

It is available for loans sanctioned from September 22 to November 30, 2021, provided the first disbursement is availed on or before December 31, 2021, it said.

The home financier's Managing Director and CEO Y Viswanatha Gowd said the lender has been an early mover in offering 6.66 per cent on home loans up to Rs. 50 lakh from July 1, 2021 and now it has extended the same rate for loans up to Rs. 2 crore.

Govt pushing for LIC IPO on time

The government is pushing to launch the initial public offering of Life Insurance Corporation of India by next March.

"We are pushing to have it done," Sitharaman said in an interaction when asked if it will manage to complete within the current financial year. "The problem is not that we don't want it or we are pussy-footing on it now, it is more a question of doing the due process."

The internal valuation that's needed "almost annually" for a company of LIC's size, "hasn't been done," Sitharaman said. Given that the 65-year-old insurer hasn't ever been valued, the process will take time, she said.

"So the delay or the time that is being consumed is not due to the lack of political will to go ahead with the stated policy," she said.

Insurance claim liable to be rejected if lapsed on account of non-payment of premium: SC

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

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

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

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

Health Insurance News

Insurers' Covid claims outgo falls

The General and health insurers have seen a fall in their outgo of Covid-related health claims after the second wave.

In the July-September quarter (Q2 of FY22), insurers settled a little over Rs 5,000 crore worth of Covid health claims. This is 35 per cent lower than the Rs 7,700 crore worth of claims they settled in Q1, sources said.

Insurers have settled around 6.2 lakh Covid health claims in Q2 compared to 7.8 lakh in Q1. So, in the first six months of FY22, insurers have settled 1.4 million claims worth Rs 12,702 crore, which is significantly higher than what they settled in the last financial year. In FY21, the insurers settled 849,034 claims amounting to Rs 7,833 crore.

Insurance industry insiders said that while Covid cases came down significantly, post the second wave, the claims trajectory did not follow the same path because there is a lag in submitting claims.

"If we compare Q2 with Q1 of FY22, Covid-19 claims have fallen by almost 35 per cent, but non-Covid claims have increased 73 per cent. So, overall, the health claims have increased by 27 per cent because non-Covid claims are back on track," said Bhaskar Nerurkar, head of health claims, Bajaj Allianz General Insurance.

"Since Covid cases are declining across the country, such claims will come down gradually. However, we are seeing dengue infections rising in some pockets. So, we are expecting more than usual claims. So far in H1 of FY22, we have crossed 68 per cent of last year's claims and by the end of FY22, we expect 120-130 per cent of last year's claims," he added.

The chief executive officer (CEO) of a private insurer said hospitals have increased their rates, and this is evident from the fact that the cost per claim has gone up by 20-30 per cent. However, hardly any insurance company has raised prices on its old products. Hence, this will put pressure on profitability.

Covid deaths: State should not deny Rs. 50,000 ex-gratia, says SC

The Supreme Court said no state shall deny the ex-gratia compensation of Rs 50,000 to the next of kin of the deceased due to Covid-19 solely on the ground that death certificate does not mention the virus as the cause of death. The ex-gratia compensation is to be disbursed within 30 days from the date of submitting the application to the concerned District Disaster Management Authority/District Administration along with the proof of the death of the deceased due to Covid-19 and the cause of death being certified as "Died due to Covid-19", the apex court said.

The amount shall be provided by the concerned states from the State Disaster Response Fund and is to be disbursed by the District Disaster Management Authority/District administration.

"No States shall deny the ex-gratia assistance of Rs 50,000 to the next of the kin of the deceased died due to Covid-19 solely on the ground that in the death certificate issued by the appropriate authority, the cause of death is not mentioned as 'Died due to Covid-19'," the apex court said.

The top court also said that if a family member of the deceased who committed suicide within 30 days from being diagnosed as Covid-19 positive shall also be entitled to avail the financial help/ex-gratia assistance of Rs 50,000 as granted under the SDRF in accordance with the guidelines issued by the NDMA.

Covid related Health Insurance Claims drops

In a relief to General insurance companies, Covid-related health insurance claims have dropped with the second wave of the pandemic.

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

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

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

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

Despite challenges 68 pc healthcare workers prefer to continue in sector: Report

Even as the burnout rate is high following the pandemic, 68 per cent of the healthcare workers said they would prefer continuing to work in the sector as it represents a respectable and stable career, according to a survey.

Despite COVID-19 challenges, 68 per cent of respondents indicated a continued preference to work in the sector. Of which 47 per cent were with more than a decade of experience, 45 per cent of freshers and jobseekers and 51 per cent of frontline workers, doctors, expressed a strong affinity for the sector, according to "Checking the Pulse of Healthcare Workers" report by global job site Indeed.

For 83 per cent of the respondents, healthcare presented a stable, respectable career and handsome remuneration, it noted.

Almost 31 per cent were motivated by the humanitarian nature of the job and a sense of purpose, while 22 per cent considered the profession as noble and challenging, it added.

"The future looks as bright as the healthcare industry wants it to be - and it largely rests with the employers in the sector.

World faces shortage of syringes as COVID vaccine doses rise

African health officials and the United Nations are warning of a looming shortage of more than 2 billion syringes for mainly low- and middle-income countries around the world as the supply of COVID-19 doses rises, and routine vaccinations could be affected, too.

The UN children's agency said the shortfall would affect up to 2.2 billion auto-disposable syringes that lock automatically to prevent them from being used again.

"We are not anticipating a significant supply shortage of the more standard syringes used in high-income countries," the agency said in a statement. It blamed "significantly higher demand," supply chain disruptions, national bans on syringe exports and an unpredictable supply of vaccines.

The threatened shortage comes as the flow of COVID-19 vaccine doses increases after months of delays to the African continent, the world's least protected region with less than 6% of its population of 1.3 billion people fully vaccinated. Just five of Africa's 54 countries are expected to reach the target of fully vaccinating 40% of their populations by year's end.

Govt plans to invest Rs 100 crore per district to upgrade healthcare infra

The government will invest Rs 100 crore on an average on every district pan-India to upgrade healthcare infrastructure at the block level and provide improved diagnostics, treatment, surveillance and containment measures for future pandemics.

Union minister of health & family welfare (MoHFW) Mansukh Mandaviya said this was a part of the government's Rs 64,180-crore PM Ayushman Bharat Health Infrastructure Mission (PMABHIM) to upgrade the country's health infrastructure. Investments under the mission would be made between 2021-22 and 2025-26. The mission seeks to plug the gaps in healthcare infrastructure and address the regional imbalances in facilities.

As a part of the programme, 79,415 health and wellness centres have been set up across the country, and the figure would go up to 1,50,000 by next year. Addressing a press conference, Mandaviya said 134 different types of tests would be done for free at district-level facilities, which will not only save costs but also reduce inconvenience for the poor. Critical care hospitals will be set up in 602 districts.

Private Life Insurance News

Insurtech startup Gram Cover raises $7 million in series A funding

Insurtech startup GramCover said it has raised $7 million co-led by Siana Capital and Inflexor Ventures in a Series A round. The fundraise also saw the participation of Stride Ventures along with existing backers Omidyar Network India, Flourish Ventures and Emphasis Ventures (EMVC).

The five-year-old startup specialises as an insurtech marketplace focused on rural India facilitating policy purchases across products like crop, motor, livestock, and health insurance. The firm said that it sold insurance covers worth Rs 110 crore in premiums.

The fresh capital will be used to strengthen the technology and product offerings and also scale up the business and support functions, the startup said in a media statement. GramCover said that it will also expand its point of sale network, tech, and operation teams across geographies. Unitus Capital acted as the financial advisor to the company on the transaction.

Tata AIA Life Insurance partners with Practo

Tata AIA Life has partnered with Practo to offer online medical consultation (teleconsultation) to new eligible consumers of specified products. Such consumers can book an online consultation with qualified doctors across 22 specialities, including cardiology, orthopedic, neurology and diabetes and endocrinology and even cases of suspected COVID infections. This allows consumers to continue practicing social distancing and consult specialists.

New Life Insurance product from Bharti AXA

Bharti AXA Life Insurance has announced the launch of a new participating savings product - Bharti AXA Life Unnati - that offers four plan options. The 'Whole Life Income' option provides guaranteed income starting from the second year onwards with cash bonuses (if declared) till age 100 years. The 'Endowment' option provides lumpsum benefit at the end of the policy. The 'Moneyback' option gives an amount equal to one annualised premium every fourth year during the policy term along with a lumpsum amount at the end of the policy term. Lastly, the 'Immediate Income' option provides regular income in form of cash bonuses (if declared), from the second policy year and provides a lumpsum amount at maturity.

Life insurance sees positive growth

The life insurance industry is slowly coming back to normal after second wave of the Covid-19 pandemic.

"The industry is doing well. With every passing month, business is improving. Private sector life insurance companies are doing well and public sector bank-led banca companies are doing especially well," said Rushabh Gandhi, Deputy CEO, IndiaFirst Life Insurance.

Gandhi said there are green shoots across the industry as well as for the insurers and there continues to be strong demand amongst consumers for life insurance.

"A large part of our portfolio is non-participating products; the contribution of protection business is growing. Quotations for term life are increasing. It is a visible and sustainable trend," he noted.

Claims, which shot up by two to three times in the second wave of the pandemic compared to the first wave, have also come down for life insurers, he further said.

ICICI Pru Life posts 47% rise in Q2 net profit

ICICI Prudential Life Insurance

reported a 46.6 per cent jump in its net profit for the second quarter of the fiscal, aided by robust growth in premium income.

For the quarter-ended September 30, 2021, the private sector life insurer posted a net profit of Rs. 444.57 crore as against a net profit of Rs. 303.22 crore in the same period last fiscal.

Net premium income increased by 8.33 per cent to Rs. 9,286.53 crore in the second quarter of the fiscal from Rs. 8,572.19 crore a year ago.

Net income from investments surged by 70.4 per cent on a year-on-year basis to Rs. 13,545.83 crore in the July-September 2021 quarter.

Life insurers see 22% new biz premium growth in September

Life insurers showed impressive growth in new business premiums (NBP) in September over the same period last year. The NBP of life companies was up more than 22 per cent year-on-year (YoY) in September to Rs 31,001 crore.

While private insurers, 23 in total, saw their NBP go up more than 42 per cent, state-owned insurance behemoth Life Insurance Corporation (LIC) saw a 12 per cent rise. The top three private insurers--SBI Life, HDFC Life, and ICICI Prudential Life - recorded NBP growth of 30.5 per cent, 37.5 per cent, and 20.8 percent, respectively, in the same period. NBP is the premium acquired from new policies in a particular year.

Term insurance premiums to rise up to 40% as re-insurers push up rates

Term insurance premium rates are set to rise by up to 40 per cent after re-insurers tightened underwriting norms in the wake of Covid-19.

While Munich Re has tightened the screws on underwriting, GIC Re hiked rates earlier this year.

"GIC, hiked rates in March and they came into effect from April. While till now we have not passed on the increased rates to customers, now we feel the need to raise the tariff on term plans taking into consideration our profitability. We will be increasing our rates on the term side this calendar year in the range of 1520 per cent, depending on age, sum assured and quality of life of the individual," said Rushabh Gandhi, Deputy CEO, IndiaFirst Life Insurance.

Vighnesh Shahane, MD and CEO, Ageas Federal Life Insurance, pointed out that over the last 18 months of the pandemic, and especially during the second wave, re-insurers were badly hit by the surge in claims, and there has been a lot of pressure on them to hike rates.

"We estimate that term plan prices are likely to rise by 20-40 per cent across the board. However, the exact rise will vary from company to company, and from re-insurer to re-insurer. It will also depend on the Claims were up 2-3 times over the first wave amount of business the company does with the re-insurer," he said.

Life insurance companies to see 15% growth

Emkay Global Financial Services has come up with a report on the growth prospects for the life insurance companies in the listed space. The analysis period is from 2020-2030.

The favourable underlying demand factors for life insurance will lead to an overall premiums growth of 15% annually for the next decade, leading to 4x increase in total life insurance premiums to Rs. 24 lakh crore by FY31.

In FY01-11, premiums had grown at a surprising 24% CAGR and then followed with an anaemic 8% CAGR in the next 10 years. However, Emkay Global is now more confident of growth in the future due to a number of underlying factors.

India has one of the highest and fastest growing Mortality protection and Retirement funding gaps in the world. India's mortality protection gap stands at $16.5tn and is compounding at ~7% over 2020-30E, but accounts for only 83% of what is needed.

Insurers seek a hike in PMJJBY premium

Life insurance companies have pitched for a re-pricing of the government's flagship Pradhan Mantri Jeevan Jyoti Beema Yojana.

According to calculations, the premium would have to be fixed at a little over Rs. 400 per annum per policy from the current Rs. 330.

Launched in 2015, the PMJJBY scheme provides a life cover of Rs. 2 lakh to people in the age group of 18 to 50 years (life cover up to age 55) having a savings bank account. The scheme is available for a one year period stretching from June 1 to May 31 and is renewable every year.

The government had chosen to keep the premium rate low in order to enable more people to take life cover and get social security.

However, insurers point out that the premium for the life insurance cover was fixed a long time ago and needs to be reviewed. Further, there has also been a rise in claims under the scheme following the Covid-19 pandemic.

"It is very, very important that the premiums for the scheme increase. It has not been hiked even once sincethe scheme was launched. It is not sustainable at the moment," said an official with a life insurance company.

International News

M&A in Singapore life insurance industry to further consolidate position of top 10 insurers in 2021

Singapore life insurance industry is highly concentrated with the top 10 insurers accounting for 95% market share in 2020. Boost in demand for life insurance products, and mergers and acquisitions (M&A) will further consolidate the country's life insurance industry in 2021, finds GlobalData, a leading data and analytics company.

Swarup Kumar Sahoo, Senior Insurance Analyst at GlobalData, comments: "The top 10 insurers have increased their combined market share from 88% in 2017 to 95% in 2020. Merger of Singapore Life with Aviva in November 2020 and the announced acquisition of AXA Singapore by HSBC will result in additional stability of the market in 2021. This will leave 11 insurers competing for the remaining market share."

Mr. Sahoo continues: "The merger of Singapore Life with Aviva will increase the market share of the combined entity to 9.0% in 2021. Similarly, the acquisition of AXA Insurance by HSBC will increase the market share of the combined entity to 3.6% and improve HSBC's ranking from the 11th largest life insurer in 2020 to 7th largest insurer in 2021."

An analysis of GlobalData's Insurance Intelligence Center reveals that the ranking of top five life insurers in Singapore remained unchanged since 2016 with the Great Eastern Life and Prudential Assurance being the top two insurers in 2020.

Great Eastern Life is the largest player with 25.5% market share in 2020. It was the only insurer among the top five life insurers to register growth in market share which increased from 21.2% in 2019 to 25.5% in 2020. Its gross written premiums (GWP) grew by 42% in 2020 after facing a decline of 7% and 9% in 2018 and 2019, respectively.

Prudential Assurance is the second largest insurer with 16.9% market share in 2020. The company's market share declined from 18.6% in 2019 to 16.9% in 2020. However, in terms of GWP, the company registered a higher growth of 8% in 2020, as compared to 7% growth in 2019.

Mr. Sahoo concludes: "Large customer base, diversity in products and economies of scale will help the leading insurers retain their market share in 2021. Decreasing profitability due to market consolidation may prompt the smaller insurers to increase premium rate in the short term."

Digitalization to support online life bancassurance sales in Asia-Pacific

An accelerated pace of digitalization in the financial sector across the Asia-Pacific (APAC) region due to the COVID-19 pandemic is expected to support the growth of online life bancassurance, according to GlobalData, a leading data and analytics company.

GlobalData's latest report, 'Global Bancassurance Market to 2025 – Analysing Key Performance Indicators, Key Trends, Drivers and Challenges, and Competitive Landscape', reveals that in APAC, prolonged period of low interest rates aggravated by lackluster credit growth due to the pandemic highlighted the need for banks to diversify their revenue options.

As a result, banks and insurers are leveraging technologies such as artificial intelligence, robotic process automation, open finance and blockchain to understand customers preference and provide personalized solutions in real-time.

Consequently, the digital accessibility of insurance services gained traction as social distancing norms restricted functioning of traditional distribution channels like brokers and agents, which was mostly face-to-face.

Deblina Mitra, Senior Insurance Analyst at GlobalData, comments: "Traditionally, agencies and brokers account for the largest distribution share in APAC insurance. In China, agencies' share in life insurance new business DWP was 63.6% in 2020 while in Taiwan, Hong Kong and Singapore, it was above 30.0%."

The emergence of aggregators and API-enabled cross-selling platforms have intensified competition causing loss of business to banks.

In China and South Korea life insurance, the new business DWP generated by bancassurance declined at a CAGR of -16.8% and -14.9%, respectively, during 2016-2020.

To overcome this, banks are adopting digital and omnichannel approach to diversify their reach. K Bank, a South Korean digital only bank, has been offering both life and general insurance products in collaboration with many insurers via its mobile app since 2017. Kakao Bank plans to launch digital insurance operations in 2022.

Several large banks in China are already using sales automation, where insurance companies collaborate in the underwriting systems of the banks. Automation enables direct processing, and policy documents are issued in real time. The Bank of China (BoC), for instance, integrated its mobile banking authorization interface and personal customer account information with BoC Insurance.

Ms. Mitra concludes: "Digitalization in the insurance value chain to improve operational efficiencies gained momentum during the last five years. This, in turn, has provided an impetus to the online bancassurance sales. With banks being at the forefront of digital developments such as app-based services and contactless payment, they are at an advantageous position to leverage their digital infrastructure to further capture the growing online insurance business."

Over 33% of UK SMEs have increased their support of mental and physical wellbeing compared to before the COVID-19 pandemic

More than one third of UK small-to-medium enterprises (SMEs) have, to some extent, increased their support for mental and physical wellbeing since the start of the COVID-19 pandemic, according to a survey* by GlobalData. The leading data and analytics company notes that this comes as 67.8%** of people in the UK were found to be at least slightly concerned about their mental wellbeing as a result of the pandemic.

Benjamin Hatton, Insurance analyst at GlobalData, commented: ''It is refreshing to see that a healthy percentage of UK businesses are acknowledging the importance of supporting their employees' mental health, especially after such a difficult period. Some of the support we have seen ranges from establishing a head of wellbeing to paid mental health sick days to mental health cover on private medical insurance. The cost to businesses and insurers for these problems continues to rise, so it makes sense to see so many firms looking to enact such changes".

Insurance firm Zurich reported that the proportion of income protection claims made by individuals citing mental health problems in the UK more than doubled to *** 27% in 2020, from 13% in 2019. Complementary to this finding, Zurich released a free-to-use digital tool for UK businesses to establish the risks and exposures they face with regards to mental wellbeing and the steps they can take to mitigate them.

According to GlobalData's report, United Kingdom (UK) Income Protection Insurance Market to 2025, mental illness-related claims accounted for the largest proportion of paid income protection claims value in 2020, at 32.4%.

Hatton continued: "As the most expensive claim on income protection policies, and with mental health claims becoming more commonplace it is in everyone's best interests to alleviate these problems".

In the build-up to World Mental Health Day, Zurich has also teamed up with UNICEF to promote mental wellbeing among adolescents in seven countries across the world.

Hatton adds: "Giving young adults and their caregivers in underdeveloped nations the tools to build healthy behavioural habits and emotional support is vital for their long-term health".

A PEEP INTO SOME DIMENSIONS OF MOTOR THIRD PARTY PREMIUM INCREASES - 2002-03 TO 2019-20

Abstract :

Third party liability insurance of vehicles is a social security mechanism designed by the modern societies to protect the victims of road accidents. It also provides security to the owners of the vehicles. Over the years, with exponential growth in the number of vehicles plying on the roads, the emerging scenario has acquired a dimension of huge significance. In the past few years, the third party insurance premium rates have leap frogged. Though the rate related data compilation has seen huge improvement over the years, yet the mystery surrounding the workings of the premium rates is a matter of heart burning for the stakeholders. This write up is a humble attempt to analyse the reasons behind the hefty increases in motor third party insurance premiums in India. Prima facie, the insurers become the target of consumers ire caused by rate revisions. Worsening accident situation too, is faulted for these increases. Thus, insurers, vehicle owners, drivers, road conditions and traffic management are at the receiving end of the flak. The article, objectively analyses the facts to find out the true reasons behind the significant increase in premium, while simultaneously attempting to demystify the metrics of motor third party insurance premium rating. Are we right in faulting the insurers and the worsening accident scenario for the increasing premium rates ? The analysis might change our perception if not totally, at least in part.

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(This write up, in its analysis, uses weighted averages. Composition of vehicles (Annexure C) forms the basis for weightage. The ratio of number of each class/category of vehicle to the total number of vehicles, is the weightage assigned to respective category of vehicles. In the absence of data on the composition of vehicles for the year 2019,

the composition of 2017 is considered while calculating weighted premium for 2019-20. I believe that this will not make material or significant difference, either for analysis or for the results and conclusions flowing therefrom. The analyses also omits rates of certain categories of vehicles, because these categories are not amenable to provide (because of the method of rating) precise premium figures. I again believe that this omission is also not likely to materially affect the analysis or its conclusions. The increase in premium per vehicle is the basis for analysis. Hence the number of vehicles is immaterial in the analysis, except only in the paras relating to "validation of increase by alternate methods"- Author)

Introduction

April is the beginning of financial year of the government as well as of many corporate and non corporate, commercial and non commercial organisations. A period full of hopes and plans for the ensuing 12 months. April is also eagerly awaited by another segment of our society for reasons other than being a beginning of financial year. It represents a season for onset of changes in motor third party premium rates. During this period the Insurance Regulatory and Development Authority of India, after following due process, notifies the rates of premium for insurance of motor third party risks. While the vehicle owners (Insurance customers) will be praying for status quo, so that their budget is not upset and the insurers will be looking for substantial relief, by way of hike in the rates, so that their struggle to balance their budget (revenue and the claims) remains smooth. The regulator will be struggling to strike an acceptable balance amongst the clashing expectations. Thus, rating of Motor Third Party Insurance is an interesting dynamics of facts, pulls and pressures.

The primary principle of rating process is economic, and is supposed to be based on the concept "rates should reflect the long term claims experience". Though at times, in pursuit of set objectives, this principle may be tweaked a bit by the regulator, yet the principle remains the core of the rating process. Claims ratio, more particularly the combined ratio of the industry represents this economic base. It reflects the actual cost of insurance. The claims ratio, is in fact made up of multiple components. With respect to Motor Third Party Liability segment, components which shape the size and magnitude of the element which goes by the description of claims experience / ratio (also called Pure Risk Cost) can be broadly listed as follows.

1. Incidence of accidents (outcome of vehicles, roads, enforcement of rules and regulations etc)
2. Rate of inflation
3. Quantum of relief (Security content) which depends on
    a. Legal provisions
    b. Profile of the victims, like age, income / occupation, dependents etc
    c. The trend reflected in Judicial pronouncements

The role of each one of the above components, in the increase in the premium rates is the subject of this write up. Rating is also affected by other factors like the extent of acquisition costs (commission) and insurer's operating expenses. During the period of the analysis (which covers 2002-03 to 2019-20) covered by this article, no significant changes are observed in these factors. More over relevant published figures point towards some minor reductions in these costs. Therefore these factors are kept out of this analysis.

Incessant, year-after year, steep hike observed in motor third party claim amounts, has been the defining story of Indian insurance industry in the last three decades. In view of the size of the Motor Third Party Liability portfolio, it's performance has been the prime accused for the huge underwriting losses of insurers and also for the deteriorating solvency. "How long can this continue?" seemed to be an unending riddle. No segment of general insurance business has seen the type of extensive and close scrutiny that the motor third-party segment has been subjected to. Yet every one has been gasping for satisfactory solutions. The high claims ratio in excess of 100% (at times going up to 200 to 250%) year after year, without any respite for several years, was a challenge which could not be surmounted by any of the insurers. It seems, of late it has moderated a little, which might have been the outcome of rate revision, rather than the result of improvements in any ground realities. Hence the unending search for solutions continues.

This write-up analyses the factors listed above in one of the preceding paras, which are supposed to have contributed to the increasing claims ratio and thereby to increasing premiums, with a view to facilitate genuine and objective understanding of role of each one of these factors and also to look for some useful lessons which can guide the future of this segment. It also attempts to quantify, step by step, the impact of each of these factors in the claims ratio / rating. Attempt is made initially to separate and quantify the impact of three factors - incidence, inflation and quantum of relief, followed by further attempt to quantify the impact of different factors under the category of "quantum of relief". Since all these factors jointly and simultaneously operate on the claims experience, while quantifying the impact of a particular factor, other factors are assumed to have remained operationally constant. Let us begin our analyses by unravelling the mystery of Incidence.

1. Incidence of Accidents :

Incidence of accidents is a term which defines the chance / probability / frequency of risk, devoid / stripped of its monetary attribute. As stated earlier the vehicles, operating conditions, standard of enforcement of law and regulations etc do determine the rate of incidence of accidents. Following are some (not exhaustive) incidence indicators relevant to the topic under consideration.

1. Number of accidents,
2. Accidents per 10,000 vehicles,
3. Accidents per 10,000 kilometers of road network, and
4. Accidents per 1,00,000 population.

The frequency of the incidence can also be measured by further bifurcating the accidents into fatal and nonfatal, grievous and minor injury casses. The Ministry of Road Transport and Highways, Government of India, compiles the relevant data regularly and publishes these indicators. The information for last five decades is found on the Ministry's website. We need to carefully examine these indicators for the facts they reveal and the message they convey. Some indicators from the data published by the said ministry for the accident years 2001 and 2018 are furnished below. Why years 2001 and 2018? Since years 2001 and 2018 (sometimes averages of few corresponding previous years) constitute the base year for rates of 2002-03 and 2019-20 respectively (years for which premiums are compared in this analyseis), the accident data of these years becomes relevant and important.

TABLE I - Some Incidence indicators of Accidents

	2001	2018	Percentage Change
Accidents per 10,000 vehicles	74	15	-80%
Accidents per 10,000 kms of road network	1202	762	-37%
Accidents per 1,00,000 population	39	34	-13%

(The above information is an extract of "Annexure - A" attached, which provides the changes that have occurred in incidence of vehicle accidents during last five decades)

All the above three incidence indicators, convey the message unequivocally, that the accident frequency over the years has steeply fallen. The frequency severity indicated per 10,000 vehicles has seen a huge fall of 80%. As the rating mechanism uses the individual vehicle as a base for fixing premium, this incidence per 10000 vehicles is more relevant for this study (road network and population do not play any role in current rating mechanism). The message loudly and clearly conveyed by this indicator is also adequately and undisputedly supported by many other incidence indicators including the ones listed above.

Incidence rate and Premium rate : Divergence

When accidents per 10000 vehicles have come down by 80%, the premium rates too should have shown corresponding decline. A look at the premium rates, prevailing in the two years (appropriate to above refered accident years) under consideration, in the table below tells an altogether different story.

Indian Motor Third Party Premium Rates, applicable during 2002-03 and 2019-20 (in rupees) Vehicle category wise, along with Weighted Premium and Average Premium

Category of Vehicle	Sub Category	Rates for 2002-03	Rates for 2019-20	No of times Increase	Weigh-tage 2002-03 %	Weigh-tage 2019-20 %	Weightagd Premium 2002-03	Weightagd Premium 2019-20
Private Cars	Not exceeding 1000 cc	500	2072	4	13	13	65	276
	Exceeding 1000 cc but not exceeding 1500 cc	600	3221	5	13	13	77	428
	Exceeding 1500 cc	700	7890	11	13	13	90	1049
Two Wheelers	Not Exceeding 75 cc	135	482	4	71	74	95	356
	Exceeding 75 cc but not exceeding 150 cc	160	752	5	71	74	113	555
	Exceeding 150 cc but not exceeding 350 cc	175	1193	7	71	74	124	881
	Exceeding 350 cc	190	2323	12	71	74	134	1716

Category of Vehicle	Sub Category	Rates for 2002-03	Rates for 2019-20	No of times Increase	Weigh-tage 2002-03 %	Weigh-tage 2019-20 %	Weightagd Premium 2002-03	Weightagd Premium 2019-20
Goods Carrying Vehicles Public Carriers Other Than Three Wheelers	GVW not exceeding 7500 kg	3280	15746	5	17	13	541	2022
	GVW Exceeding 7500 kg but not exceeding 12000 kg	3480	26935	8	17	13	574	3458
	GVW Exceeding 12000 kg but not exceeding 20000 kg	3580	33418	9	17	13	591	4291
	GVW Exceeding 20000 kg but not exceeding 40000 kg	3680	43037	12	17	13	607	5526
	GVW Exceeding 40000 kg	3980	41561	10	17	13	657	5336
Goods Carrying Vehicles Private Carriers Other Than Three Wheelers	GVW not exceeding 7500 kg	2940	8438	3	17	13	485	1083
	GVW Exceeding 7500 kg but not exceeding 12000 kg	3120	17204	6	17	13	515	2209
	GVW Exceeding 40000 kg	3560	24825	7	17	13	587	3188
	GVW Exceeding 12000 kg but not exceeding 20000 kg	3200	10876	3	17	13	528	1396
	GVW Exceeding 20000 kg but not exceeding 40000 kg	3300	17476	5	17	13	545	2244
Goods carrying Motorised Three Wheelers and Motorised Pedal Cycles Public Carriers	Except e-carts	900	4092	5	17	13	149	525
Goods carrying Motorised Three Wheelers and Motorised Pedal Cycles Private Carriers	Except e-carts	850	3914	5	17	13	140	503
Four Wheeled Vehicles used for carrying passengers for hire or reward - Capacity not exceeding 6 passengers	Not Exceeding 1000 cc	2210	12429	6	13	13	285	1653
	Exceeding 1000 cc but not exceeding 1500 cc	2610	13188	5	13	13	337	1754
	Exceeding 1500 cc	2910	16453	6	13	13	375	2188
Three Wheeled Vehicles used for carrying passengers for hire or reward - Capacity not exceeding 6 passengers	Except e-rickshaw	1410	10041	7	17	13	233	1289
Motorised Three wheeled vehicles used for carrying passengers for hire or reward - Capacity exceeding 6 but not exceeding 17		4065	30356	7	17	13	671	3898
Motorised Two Wheelers used for carrying passengers for hire or reward	Not Exceeding 75 cc	150	1441	10	71	74	106	1064
	Exceeding 75 cc but not exceeding 150 cc	175	1441	8	71	74	124	1064
	Exceeding 150 cc but not exceeding 350 cc	195	1441	7	71	74	138	1064
	Exceeding 350 cc	210	2834	13	71	74	148	2093
Special type of vehicles	rating not exceeding 6 HP, and Plane Loaders	375	1550	4	17	13	62	199
	Hearses	115	1550	13	17	13	19	199
	Other Miscellaneous and special type of vehicles	785	6847	9	17	13	130	879
	Average Rate						**298**	**1754**

(The ratio of number of each class/category of vehicle to the total number of vehicles is assigned as the weightage to respective category of vehicles - "Refer Annexure C" for number of different category of vehicles. And columns for weighted premium are calculated by multiplying premiums of respective years with weightage relating to those years)

It is clear from the information reflected in the table, that the premium rates in 2019-20 have gone up without exception, by several times compared to premium rates of 2002-03. This increase ranges from 3 to 13 times, depending on the category of vehicle. And average (weighted) increase comes to 6 times (1754/298).

Going by the data on incidence analysed in the previous paras, and presuming all factors other than incidence to have remained unaltered/constant, logically the premium rates should have come down. But in reality the rates have gone up. How come the premium rates have galloped over the years, when the incidence of accidents has been continuously falling? Had the rates been in tune with the falling incidence of accidents (keeping for a moment, the operation of other factors constant), they would have looked like the numbers given in table below.

Indian Motor third party premium rates applicable during 2002-03 and 2019-20 (in rupees) Adjusted to incidence of claims

Category of Vehicle	Sub Category	Rates for 2002-03	Rates for 2019-20	Premium rates for 2019-20 adjusted for incidence of accidents
Private Cars	Not exceeding 1000 cc	65	276	13
	Exceeding 1000 cc but not exceeding 1500 cc	77	428	15
	Exceeding 1500 cc	90	1049	18
Two Wheelers	Not Exceeding 75 cc	95	356	19
	Exceeding 75 cc but not exceeding 150 cc	113	555	23
	Exceeding 150 cc but not exceeding 350 cc	124	881	25
	Exceeding 350 cc	134	1716	27
Goods Carrying Vehicles Public Carriers Other Than	GVW not exceeding 7500 kg	541	2022	108
Three Wheelers	GVW Exceeding 7500 kg but not exceeding 12000 kg	574	3458	115
	GVW Exceeding 12000 kg but not exceeding 20000 kg	591	4291	118
	GVW Exceeding 20000 kg but not exceeding 40000 kg	607	5526	121
Goods Carrying Vehicles Private Carriers Other Than	GVW Exceeding 40000 kg	657	5336	131
Three Wheelers	GVW not exceeding 7500 kg	485	1083	97
	GVW Exceeding 7500 kg but not exceeding 12000 kg	515	2209	103
	GVW Exceeding 12000 kg but not exceeding 20000 kg	528	1396	106
	GVW Exceeding 20000 kg but not exceeding 40000 kg	545	2244	109
	GVW Exceeding 40000 kg	587	3188	117
Goods carrying Motorised Three Wheelers and Motorised Pedal Cycles Public Carriers	Except e-carts	149	525	30
Goods carrying Motorised Three Wheelers and Motorised Pedal Cycles Private Carriers	Except e-carts	140	503	28
Four Wheeled Vehicles used for carrying passengers for hire or reward - Capacity not exceeding 6 passengers	Not Exceeding 1000 cc	285	1653	57
	Exceeding 1000 cc but not exceeding 1500 cc	337	1754	67
	Exceeding 1500 cc	375	2188	75
Three Wheeled Vehicles used for carrying passengers for hire or reward - Capacity not exceeding 6 passengers	Except e-rickshaw	233	1289	47
Motorised Three wheeled vehicles used for carrying passengers for hire or reward - Capacity exceeding 6 but not exceeding 17 Motorised Two Wheelers used for carrying passengers for hire or reward	Not Exceeding 75 cc	106	1064	21
	Exceeding 75 cc but not exceeding 150 cc	124	1064	25
	Exceeding 150 cc but not exceeding 350 cc	138	1064	28
Special type of vehicles	Exceeding 350 cc	148	2093	30
	Pedestrian controlled agricultural tractors with HP rating not exceeding 6 HP, and Plane Loaders	62	199	12
	Hearses	19	199	4
	Other Miscellaneous and special type of vehicles	130	879	26
	Average Rate	298	1754	60

(Incidence adjusted premium is calculated by dividing the premium of 2002-03 by five)

Thus based on incidence experience average premium in 2019-20 should have been Rs 60/-. However the actual average premium in 2019-20 is Rs 1754/-. A huge increase of 28 times (29 less the base) from what it was in 2002-03. Merely based on incidence improvement the premium should have remained 28 times lower than their current (2019-20) levels. This indicates that other factors (other than incidence) have contributed to this hefty increase in premium and such increase was much more than the reduction in premium which the falling incidence might have contributed. Which are these other factors and can we determine the extent of contribution of each of these factors? Before we attempt to find an answer to this question, let us validate the above inference of 28 times increase by alternate methods. Such validation by two alternate methods is attempted herein below.

Alternate approaches to work out the increase / change :

Motor third party premium rates are tariff (decided by a central authority) rates. The premium figures found in the table above are taken from the All India Motor Tariff / IRDAI prescribed rates pertaining to respective years. The increase of 28 times (29 less the base) reflected in the incidence adjusted premium rates of 2019-20 and 2002-03 is also supported by two alternative methods of working out such increase, based on the industry total premium and industry total claims. Since the premium rates and claims experience are positively correlated, it is just and appropriate to verify the increase in premium rates from the changes reflected in claims experience.

1. Validation of premium increase by Industry Total Premium

The total industry premium for motor third party segment (as per data published by IRDAI) in 2019-20 is Rs 42655/- Crs. The corresponding motor third party premium for the year 2002-03 is Rs 1473/- Crs (Refer notes/explanations below, for source and calculation). Thus, the motor third party premium of Rs 42655/- Crs. for 2019-20 (also extracted from year book of General Insurance Council of India) is 29 times the corresponding premium of Rs 1473/- pertaining to 2002-03.

Notes/Explanations :-

1. *During the year 2002-03, premiums for third party segment and own damage segment were not compiled separately. However the ratio of own damage premium to third party premium was approximately 70:30. The published figures of OD TP break up of premiums extracted from the Year Books of General Insurance Council of India for the periods beginning from 2006-07 are furnished in "Annexure B", and the data validates the ratio of 70:30 mentioned above.*
2. *The total industry net motor premium in 2002-03 was Rs 3928 Crs. (extracted from https://cag.gov.in Report No. PA 15/2008- Chapter 2). Considering the mandated rule of 20% compulsory cession to the national re-insurer, the gross premium works out to Rs 4910/- Crs., and the third party premium component works out to Rs 1473 Crs. (being 30% of Rs 4910 Crs).- TP Premium ratio to Total premium might even be lesser than 30%. Every 5 % reduction in percentage of TP premium to total premium will result in increase of impact by about six times. (refer "Annexure D"). Therefore increase in total industry premium is at leaset 29 times. It could be higher. It only goes to show that the increase in claim amounts is higher than the increase in per vehicle premium rates which appears to be contrary to the fact of moderation in the claims ratio observed in recent years. In any case the basic premise of this article of 'hefty increase in premium' stands adequately validated.*

Though the vehicle population during the period under examination has increased by five times (refer annexure 'A"), coincidentally, the accident incidence during that period has come down by 1/5th. These two factors more or less cancel the impact of each other in the total premium amount of Rs 42655/- crs. Hence the above increase of 28 times (29 less the base) is in addition to the impact of increasing number of vehicles and decreasing incidence of accidents.

2. Validation of premium increase by Industry Total Claim

Another independent confirmation of the increases in premium rates is reflected in the data published by the General Insurance Council of India relating to Indian motor third party incurred claim amounts which show the following figures :

Year 2006-07	Rs 4611 Crs, and
Year 2018-19	Rs 33185 Crs.

Though this data is for a shorter period (than the period actualy under study), yet it is consistent with and confirms, the hefty increase referred in preceding paras.

(Alternatively, same inference can be derived by calculating the per vehicle amounts of above premium and claims on

the presumption that the percentage of insured vehicles in both the years is same).

Having reasonably satisfied with the correctness of the extent of increase in the premium rates by different methods, now we can confidently proceed to examine the core issue manifested in the above paras - Which other factors (as the impact of incidence is already separated above) have contributed to 28 times increase in the premium rates during 2002-03 to 2019-20? Following paras attempt to identify and quantify the impact of the such other factors which might have contributed for the increase.

The quantification of the impact of incidence was comparatively simple as, ready and reliable, information (independent of premium mechanism) relating to incidence was available in the data published by Ministry of Road Transport and Highways. Though it may not be so easy with respect to other factors yet we can attempt to understand the impact by using available best tools and by deductive reasoning. Now let us attempt to understand the impact of inflation on the increase in the premium rates.

2. Inflation

Inflation, has been a defining economic feature of all modern societies. No citizen can claim its ignorance and nor any particular sector can be immune to it's effects.. This monetary phenomenon constantly erodes the value of money. What can be bought by one rupee today needs two rupees a year after. Hence tomorrow's two rupee is equal to today's one rupee. The accident relief provided is intended not only to reimburse the expenses caused by the accident but also to compensate the economic, personal and social deprivation caused to the victims of such accident. While reimbursements and income based dependency calculations automatically compensate for increased costs, the other components of nominal compensation have to be increased to ensure that the value of real compensation is not eroded. Thus inflation contributes to the increase in the amount of claims and thereby to the increase in premium.

Therefore the premiums of two different periods can not be compared without considering the effects of inflation. Fortunately few indices on inflation are available to facilitate the conversion of nominal figures into real figures with reference to a base year. There are several indices in use, each one designed to serve some specific purpose. There is no separate inflation index meant to be used for the matter under consideration. The index being considered here is Cost Inflation Index (CII) used for ascertaining the capital gains by the income tax department. The Cost Inflation index for the year 2019-20 is 289 against the index of 105 for the year 2002-03. This Index of 289 in 2019-20 over 105 of 2002-03 represents an average inflation rate of 6.5% per annum. To confirm the appropriateness of it's use a comparison is made with an alternative index (The CPI for India published by IMF with a base year of 2010, shows a change of 1.7 times during 2010 to 2019, as against 1.9 times change for the same period in cost inflation index (CII)). This consistency in CII and IMF CPI, clearly validates the use of cost inflation index for this analysis. Yet there could also be a suggestion to use medical inflation index which is likely to reflect higher increase than the general index of inflation. Some recent figures of health/medical inflation are as follows (Published in Business Line dated 23rd June 21)

Jun 21	7.7%	
May 21	8.4%	(Headline inflation rate 6.3%)
Jan 21	6.0%	
Dec 20	3.8%	

It may be noted that medical inflation index is relevant only for hospitalisation expenses arising from accidental injuries and not for other components of compensation. Even if we decide to take a higher rate of inflation the impact of such higher rate as worked out in "Annexure E" will be as mentioned below.

"Every 0.5% higher inflation rate will result into an increase in premium by 0.70 times".

Thus use of a slightly higher inflation rate will not alter the inference of this write up derived, based on cost inflation index, but only lays a little greater emphasis on dominance (by 0.7 to 1.4 times) of contribution of inflation to the increase in premium.

The table below presents the inflation index adjusted premium figures of 2019-20 along with premium figures of 2002-03.

Indian Motor Third party premium rates for 2002-03, 2019-20 after adjusting for the inflation factor

Category of Vehicle	Sub Category	Premium (Rs.) 2002-03	Premium Rs. 2019-20	2019-20 Premium (Rs.) without inflation could have been
Private Cars	Not exceeding 1000 cc	65	276	100
	Exceeding 1000 cc but not exceeding 1500 cc	77	428	156
	Exceeding 1500 cc	90	1049	381
Two Wheelers	Not Exceeding 75 cc	95	356	129
	Exceeding 75 cc but not exceeding 150 cc	113	555	202
	Exceeding 150 cc but not exceeding 350 cc	124	881	320
	Exceeding 350 cc	134	1716	623
Goods Carrying Vehicles Public Carriers Other Than Three Wheelers	GVW not exceeding 7500 kg	541	2022	735
	GVW Exceeding 7500 kg but not exceeding 12000 kg	574	3458	1257
	GVW Exceeding 12000 kg but not exceeding 20000 kg	591	4291	1559
	GVW Exceeding 20000 kg but not exceeding 40000 kg	607	5526	2008
	GVW Exceeding 40000 kg	657	5336	1939
Goods Carrying Vehicles Private Carriers Other Than Three Wheelers	GVW not exceeding 7500 kg	485	1083	394
	GVW Exceeding 7500 kg but not exceeding 12000 kg	515	2209	803
	GVW Exceeding 12000 kg but not exceeding 20000 kg	528	1396	507
	GVW Exceeding 20000 kg but not exceeding 40000 kg	545	2244	815
	GVW Exceeding 40000 kg	587	3188	1158
Goods carrying Motorised Three Wheelers and Motorised Pedal Cycles Public Carriers	Except e-carts	149	525	191
Goods carrying Motorised Three Wheelers and Motorised Pedal Cycles Private Carriers	Except e-carts	140	503	183
Four Wheeled Vehicles used for carrying passengers for hire or reward - Capacity not exceeding 6 passengers	Not Exceeding 1000 cc	285	1653	601
	Exceeding 1000 cc but not exceeding 1500 cc	337	1754	637
	Exceeding 1500 cc	375	2188	795
Three Wheeled Vehicles used for carrying passengers for hire or reward - Capacity not exceeding 6 passengers	Except e-rickshaw	233	1289	468
Motorised Three wheeled vehicles used for carrying passengers for hire or reward - Capacity exceeding 6 but not exceeding 17		671	3898	1416
Motorised Two Wheelers used for carrying passengers for hire or reward	Not Exceeding 75 cc	106	1064	387
	Exceeding 75 cc but not exceeding 150 cc	124	1064	387
	Exceeding 150 cc but not exceeding 350 cc	138	1064	387
	Exceeding 350 cc	148	2093	761
Special type of vehicles	Pedestrian controlled agricultural tractors with HP rating not exceeding 6 HP, and Plane Loaders	62	199	72
	Hearses	19	199	72
	Other Miscellaneous and special type of vehicles	130	879	319
	Average Rate	298	1754	637

(Actual premium figures of 2019-20 are divided by the index of 289 (relevant to year 2019-20) and multiplied by index 105 (relevant to 2002-03) to arrive at the inflation adjusted premiums of 2019-20. And the average rate in the above table is the average of such inflation adjusted figures).

Using the above index figures and the index adjusted premium figures, it should be possible to calculate the impact of inflation in the increased premium. There can be two approaches for calculation of inflation impact on premium figures. It can be done either by adjusting the premium figures of 2002-03, or by adjusting the figures of 2019-20. Both these methods have been used. And both the methods yield almost same results.

Approach I :

Average actual premium rate for 2002-03 is	Rs 298/-
Removal of Incidence impact 80% reduction	Rs 238/-
The premium for 2019-20 should have been (assuming other factors to have remained unaltered)	Rs 060/-
Inflation should have increased this premium of Rs 60 to (60*289/105)	Rs 165/-
Inflationary content in Rs 1754 Premium of 2019-20 (1754-(1754/289*105), alternatively (1754-637) refer table IV above)	Rs 1117/-

The total increase in premium being 28 times, once we separate the impact of inflation from total increase the balance will naturally represent the impact of quantum of relief. Hence the above figures can be used to quantify the impact of inflation as well as that of quantum of relief. The inflationary content of Rs 1754 is Rs 1117/- (1754-(1754/289*105) (refer table IV above). Thus the inflation impact of Rs 1117/- amounts to 18.61 times the incidence adjusted premium of Rs 60/-. Actual premium of Rs 1754/- against the expected premium (with inflation) of Rs 165/- represents the impact of factors other than inflation and incidence. This is 11 times.

Approach II :

Average premium rate for 2019-20 is	Rs 1754/-
Remove the hidden benefit of incidence reduction of 80%	Rs 7016/-
The premium for 2019-20 (without incidence benefit) should have been	Rs 8770/-
Remove the inflationary content (8770-(8770/289*105))	Rs 5584/-
The average premium (without inflation and without incidence benefit)	Rs 3186/-

Inflation content of Rs 5584/- on original premium of Rs 298 works out to 18.73 times. Similarly the current premium (without inflation and without incidence benefit) of Rs 3186/- compared with premium of Rs 298/- of 2002-03 works out 11 times This represents the impact of factors other than incidence and inflation. Both results are similar to the results of approach I. (Since the premium is per vehicle the increase in number of vehicles makes no difference)

Thus the increase of 28 times in premium figure (from Rs 60/- to Rs 1754/-) can be summarised as follows.

Caused by Inflation	: about 17/18 times
Caused by Quantum of relief	: about 10/11 times

The element of incidence improvement (Rs 7016/-) mentioned in approach II above workouts to be 23 times the premium of 2002-03 of Rs 298/- Thus the increase of six (6) times mentioned in the para after table II can be analysed as follows.

Incidence improvement	(-) 23/24 times
Inflation	17/18 times
Other factors	10/11 times

Having attempted to quantify and separate the contribution of factors of Incidence, Inflation and Quantum of relief in the increase in premium rates, now we can try to further direct the contribution of quantum of relief which appear to have led to 10/11 times increase / change in the premium rates. In view of absences of factual data to facilitate this analysis, the inferences are drawn based on deductive reasoning, from relevant common knowledge. Let us continue our analysis.

3. Quantum of Relief :

a) Legal provisions :

The Insurance of vehicles for third party liability is a statutory mandate. The scope of the coverage is also defined in the law. The said law in India is "The Motor Vehicle Act". Hence any change in the provisions of the Motor Vehicle Act is a factor which might affect the claims experience and thereby the premium rating. The Motor Vehicle Act has seen several amendments during these years. Though some of the amended provisions are yet to be notified, many changes have already been operationalised. The changes in amount of no-fault liability and solatium payments have definitely contributed in some measure to the increasing claims experience. They were made effective only from the middle of 2019. Hence the impact of these changes remains minimal. Considering the number of cases and the amount of increase in the compensation of such claims (in comparison with he total amount of claims), all those familiar with the mechanism will agree that extent of their contribution in increasing the rates is not likely to be really significant. Therefore operationalised changes in legal provisions can not be faulted for hefty increase seen in premiums.

b) Profile of the victims, like age, income/ occupation, and dependency.

The amount of compensation (except for 'no fault liability') depends on the profile of the victims. India has seen significant socio-economic and demographic changes during

2002-03 to 2019-20. Has it also changed the profile of the road accident victims? If so what is the extent of such changes? In the absence of relevant factual data, it is difficult to get a fully satisfactory answer to this question. However, again, people keeping track of demographic developments during the period of analysis will agree that the said profile, from the point of view of third party insurance liability is not likely to have changed significantly and might not have been responsible for the huge increase in premium rates. Even if there is some impact, it might be in a small measure. The profile of victims being a chance factor (there can not be a selection), statistically it must have remained same.

Assuming the effect of factors mentioned above under sub-titles "legal provisions" and "profile of the victims" to be minimal, we have to probe further to seek an explanation / answer to our issue of 10/11 times increase caused by factors other than inflation and incidence.

c) Security content reflected in Judgements

(in liberal interpretation of legal provisions, as well as in definig the security in terms of amount of compensation, independent of inflationary content)

This security mechanism is in place for last several decades. The working of amount of compensation payable to the victims of road accidents has seen several improvements. The compensation is not a consolidated amount. It is a sum of amounts logically worked out separately under different identified heads. And amount payable under each head is determined by the judiciary on what judges deem to be just and adequate under the prevailing conditions. In a changing society, with the passage of time, the notions of justness and adequacy have also changed. Over the years, liberal compensations are granted. Apart from the liberal approach in terms of amount under each identified traditionally accepted heads, some new heads (which were not recognised earlier) of compensation and improvised procedure to ensure delivery of justice were also added/ initiated during this period under examination. Some such major initiatives during the period under consideration, which were seen to be making significant difference are,

A. Concept of "Future / Prospective Income"

Earlier the compensation was based on the income of the victim at the time of accident. Under the new concept of 'prospective/future income', the expected future increases in income are also incorporated into the calculations of the compensation, thereby increasing the compensation by a huge margin. Though it depends on facts of specific case, it is observed in many cases the consideration of prospective income in calculation of dependency has the effect of more than doubling the amount of compensation.

B. Concept of "Pay and Recover"

Earlier, a breach of policy condition by the insured, discharged the insurers from the liability. But under this concept of 'pay and recover' insurers are asked to first pay the compensation to the petitioners and subsequently recover the said amount from the insured. Chances of recoveries being remote, insurers end up with this additional burden.

C. Enhanced Scope of Compensation for Loss of Consortium

Compensation for loss of consortium which was traditionally restricted to spousal consortium is now extended to parental consortium (to a child dependent) and filian consortium (to a parent dependent).

In the absences of any other verifiable reasons, the impact of this judicial trend (apart from inflation) appears to be the main reason for the rising claims experience. Thus under the circumstances analysed in the preceding paras, it can safely be concluded that the hefty increase in the premium rates attributed to the category of quantum of relief (if not all, a major portion of 10/11 times change referred above) is most likely, due to the a two new concepts referred above representing expanding social and security quotient of judicial pronouncements of learned judges. Some of it might have been contributed by increasing mounts awarded on the traditional heads of compensation. Impact of the legal provisions mentioned in one of the previous point, might, as stated, not be significant, yet whatever little impact they must have had, is again all about the social and security content impact only.

Concluding Remarks

Statistical technicalities and niceties, like, some data on financial year basis and some on calendar year basis, choice of index, omission of data of some categories of vehicles, element of time lag in the behaviour of different economic drivers involved in the analysis, might slightly alter the situation reflecting indicators (percentages / times), but in any case, change in indicators is not likely to be to the extent of altering the inferences arrived at. Steps to develop systems to collect the relevant data might facilitate future objective and accurate analysis. This analysis might clear our vision about the factors which drove the motor third party premium rates in India in last two decades.

It is necessary to mention here, the following three factors, the relative indicators of which are assumed (for the purpose of above analyis) to have remained more or less same during the period under consideration.

1. The irresponsible attitude of owners and drivers, poor maintenance of vehicles and roads, poor traffic management, and poor traffic sense amongst other road users, clearly visible in every day life, might have definitely applied brakes on the sliding incidence rate. Otherwise things would have been much better. Thus today's rates do have an element of charge on this count and it cannot be totally ignored.
2. Often, insurers are blamed for poor management of their Third Party Liability claims portfolio. Expert awards, poor drafting of written statements, abscence of effective control over dealing advocates, lack of co-ordination amongst offices and similar other deficiencies are widely noticed. It is possible that some amount of blame for increase in premium rates may have to be attributed to these factors, if they are found to have aggravated over the years. At the same time it might be noted that the Motor Third Party Liability portfolio has been the focus of managements of these units and continuous and constant efforts are made to improve its management.
3. Scope for frauds, corruption and inefficiencies in the system and processes seems to be relatively higher in this mechanism than in other segments of human activities. The premium rates do carry an element of this cost.

In any case these will not undermine the dominant role of inflation and enhanced security content of judgements in the huge hike seen in motor third party premium rates in the period under review. Thus it can be concluded that inflation and enhanced relief content have contributed to the hefty increase in premium during 2002-03 to 2019-20.

Though it is risky to predict the future, yet the scope for further liberlisation in the security content discussed above seems to be limited (Only possibility of liberal treatment, may relate to due recognition of services of housewife). Hence coming decades may not witness the type of increase in claims ratio / premium rates which was observed in the period under study. Some amount of inflation being a normal feature of modern economies, it will continue to drive (might be at a moderate rate) the increase in claims and premium rates. As against this, despite several initiatives by the government, the future improvement in incidence remains a matter of guess. Therefore under any circumstances we should not be lulled into any complacency in matters relating to a mechanism so vital to a healthy and safe society.

References :

a. All India Motor Tariff Booklet (2002) - Tariff Advisory Committee.

b. IRDAI Circular IRDAINL / NL / NTFN / MOTP / 91 / 06 / 2018 on Motor Third Party Premium Rates for the year 2019-20

c. Report of Ministry of Road Transport and Highways - Road Accidents in India 2019

d. Segmentwise Premium data published by General Insurance Council.

Annexure - A

Indicators of Road Accident Incidences 1970 - 2019 - Extract of Annual Report of Ministry of Road Transport and Highways.

Year	Number of Accidents	Number of Vehicles (000)	Accidents per 10000 vehicles
1970	114100	1401	814.4
1980	153200	4521	338.9
1990	282600	19152	147.6
1994	325864	27660	117.8
1995	351999	30295	116.2
1996	371204	33786	129.9
1997	373671	37332	100.1
1998	385018	41368	93.1
1999	386456	44875	86.1
2000	391449	48857	80.1
2001	405637	54991	73.8
2002	407497	58924	69.2
2003	406726	67007	60.7
2004	429910	72718	59.1
2005	439255	81502	53.9
2006	460920	89618	51.4
2007	479216	96707	49.6
2008	484704	105353	46.0
2009	486384	114951	42.3
2010	499628	127746	39.1
2011	497686	141866	35.1
2012	490383	159491	30.7
2013	486476	181508	26.8
2014	489400	190704	25.7
2015	501423	210023	23.9
2016	480652	230031	20.9
2017	464910	253311	18.4
2018	467044	272988	17.1
2019	449002	297190	15.1

Annexure - B

Break up of Indian Motor Premium (Gross) (Rupees in Crores)
Source :Year Books of General Insurance Council of India

Year	Total Premium	Own Damage Premium	Third Party Premium
2006-07	11080	7739	3341
2007-08	13063	8419	4644
2008-09	16400	8795	7605
2009-10	18443	10105	8338
2010-11	22030	12423	9607
2011-12	31102	15289	15813
2012-13	30942	18109	12833
2013-14	35115	19607	15508
2014-15	38761	20755	18006
2015-16	44024	22731	21293
2016-17	51809	25160	26649
2017-18	60723	27763	32960
2018-19	66165	28108	38057
2019-20	69207	26552	42655

Annexure C

Composition of Vehicles in percentages (Extract of Year Book Of Ministry of Road Transport and Higways)

Year	Category of Vehicles			
	Two Wheelers	Cars Jeeps and Taxis	Others	Total
2002	70.60	12.90	16.50	100
2017	73.86	13.30	12.84	100

Annexure D

Impact of 5 % reduction in percentage of TP premium to total premium

The ratio of TP Premium to total premium taken at 25% instead of 30% considered in the article will give for the year 2002-03 Rs 1228/- as TP Premium (4910*25%). Total Premium of Rs 42655 will be 34.73 times of Rs 1228. This will be about six times higher than 29 times arrived at based on TP to Total premium ratio of 30%. Thus every 5% change in TP to Total Premium Ratio will have an impact of about Six times.

Annexure E

Indian Motor Third party premium rates for 2002-03, 2019-20 after adjusting for the higher inflation factor (higher by 0.5%)

Category of Vehicle	Sub Category	2002-03	2019-20	2019-20 Premium without inflation could have been
Private Cars	Not exceeding 1000 cc	65	276	93
	Exceeding 1000 cc but not exceeding 1500 cc	77	428	145
	Exceeding 1500 cc	90	1049	355
Two Wheelers	Not Exceeding 75 cc	95	356	121
	Exceeding 75 cc but not exceeding 150 cc	113	555	188
	Exceeding 150 cc but not exceeding 350 cc	124	881	298
	Exceeding 350 cc	134	1716	581
Goods Carrying Vehicles Public Carriers Other Than Three Wheelers	GVW not exceeding 7500 kg	541	2022	685
	GVW Exceeding 7500 kg but not exceeding 12000 kg	574	3458	1171
	GVW Exceeding 12000 kg but not exceeding 20000 kg	591	4291	1453
	GVW Exceeding 20000 kg but not exceeding 40000 kg	607	5526	1872
	GVW Exceeding 40000 kg	657	5336	1808
Goods Carrying Vehicles Private Carriers Other Than Three Wheelers	GVW not exceeding 7500 kg	485	1083	367
	GVW Exceeding 7500 kg but not exceeding 12000 kg	515	2209	748
	GVW Exceeding 12000 kg but not exceeding 20000 kg	528	1396	473
	GVW Exceeding 20000 kg but not exceeding 40000 kg	545	2244	760
	GVW Exceeding 40000 kg	587	3188	1080
Goods carrying Motorised Three Wheelers and Motorised Pedal Cycles Public Carriers	Except e-carts	149	525	178
Goods carrying Motorised Three Wheelers and Motorised Pedal Cycles Private Carriers	Except e-carts	140	503	170

Category of Vehicle	Sub Category	2002-03	2019-20	2019-20 Premium without inflation could have been
Four Wheeled Vehicles used for carrying passengers for hire or reward - Capacity not exceeding 6 passengers	Not Exceeding 1000 cc	285	1653	560
	Exceeding 1000 cc but not exceeding 1500 cc	337	1754	594
	Exceeding 1500 cc	375	2188	741
Three Wheeled Vehicles used for carrying passengers for hire or reward - Capacity not exceeding 6 passengers	Except e-rickshaw	233	1289	437
Motorised Three wheeled vehicles used for carrying passengers for hire or reward - Capacity exceeding 6 but not exceeding 17		671	3898	1320
Motorised Two Wheelers used for carrying passengers for hire or reward	Not Exceeding 75 cc	106	1064	360
	Exceeding 75 cc but not exceeding 150 cc	124	1064	360
	Exceeding 150 cc but not exceeding 350 cc	138	1064	360
	Exceeding 350 cc	148	2093	709
Special type of vehicles	Pedestrian controlled agricultural tractors with HP rating not exceeding 6 HP, and Plane Loaders	62	199	67
	Hearses	19	199	67
	Other Miscellaneous and special type of vehicles	130	879	298
	Average Rate	298	1754	591

The Cost Inflation Index 105 in 2002-03 will become 289 in 2019-20 at a rate of 6.5%. At a higher rate of 7.0% (0.5% higher than 6.5%) it will become 310. The impact of inflation with this index of 310 will be as follows.

Average premium rate for 2019-20 is	Rs 1754/-
Remove the hidden benefit of incidence reduction of 80% (In the absence of incidence reduction premium should have been 1754*5/1=8770 and 80% of 8770 is 7016)	Rs 7016/-
The premium for 2019-20 should have been	Rs 8770/-
Remove the inflationary content (8770-(8770/310*105))	Rs 5799/-
The average premium (without inflation and without incidence benefit)	Rs 2970/-

Inflation content of Rs 5799/- on original premium of Rs 298 works out to 19.46 times. Similarly the current premium (without inflation and without incidence benefit) of Rs 2970/- compared with premium of Rs 298/- of 2002-03 works out 10 times (increase of 9 times). This represents the impact of factors other than incidence and inflation. (Since the premium is per vehicle the increase in number of vehicles makes no difference). Alternatively it can be worked out as follows. Inflation Impact in Rs 1754 is Rs 1163 (1754-591 reflected in table above). This impact of Rs 1163 is 19.38 times incidence adjusted premium of Rs 60/-.

There is no specific design or bias in the selection of year 2002-03 as a beginning point of this analysis. It was driven by the availability of Published Motor Tariff Booklet. Similarly the last year of the period covered was driven by the availability of published official accident statistics. Choosing any other year as the beginning period of analyses I do not think is likely to make any material difference either for the analyses or for its conclusions. The analyses covers the period during which public as well as private insurers were in operation. ❑

FIGHTING CORRUPTION IN INSURANCE SECTOR

Introduction and need

Every year central and state vigilance commission issue instructions to their line departments to celebrate vigilance campaign with full enthusiasm. This mere symbolic tokenism for a short period has been continuing for the past several years without much sustained efforts all along the remaining year. Even for current year, this programme was restricted from fortnight to weeks period only. Does this restrictive exercise yield the desired effects at the ground level and produce appreciable results palpable by a common man remains merely the fact to be pondered with ?

Addressing this vital issue seriously that is actively eating our nation at all levels assume utmost and urgent importance. Insurance sector is no longer an exception to this socio economic evil, that is equally eating out this important income generating beneficial industry of our country.

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Counting on accountable functioning of this sector, public at large expect concrete steps by the government of the day and its regulator , at least to have mass awareness against this menace that produces more importantly a deterrent effect rather than punitive results. Zero tolerance policy towards corruption is the need of hour in this non banking financial sector, which must be fully activated immediately at all levels in its operations and functioning. Finance Ministry and Insurance Regulator Development Authority of India also needs to be serious in its commitment towards implementation of anti corruption measures by regularly sensitizing their employees and insured public continuously throughout the year.

At least prevention of corruption, mainly by creating sustained public awareness campaign, is an exercise where not only insurance companies and their employees need to be involved but both insured as well as insurer en mass need to play their responsible role for ending up this exercise with a great success.

Genesis of corruption

Before combating corruption, it is equally important to understand the genesis of corruption, so as to tackle it more specifically rather than holistically. Normally corruption in our society is perceived to be financial fraud or economic crime. Actually corruption is much more broader term with wide ambit and different ramifications. It ranges from intellectual corruption to physical corruption, to sexual corruption, to moral corruption, to social corruption, to religious corruption, to ethnic corruption and to very many types of corruption, all having negative implications on development and progress of our society. Basically corruption comes in to existence either by need or by greed and both these modes are directly related with the mindset of an individual. It is fundamentally connected with moral and ethical values those develop during the upbringing of a person and society only shapes up such ethos. Ultimately it results in to a financial mistake having malafide intentions caused for illegal unlawful unethical immoral financial gain for no reasonable cause at the cost of public exchequer.

Concept of corruption

Vigilance, only tool of anticorruption, has two ways in dealing with the fight against corruption. One aspect is punitive of vigilance that deals with creating much needed awareness so as to follow thumb rule of " prevention is better than cure ". It not only creates fear in the mind of corrupt due to horrible end results of corruption but also builds morale against unfair and illegal practices that ultimately leads to self satisfaction of a person. All actions under this exercise are aimed to create deterrent effect in the mind of a common man that creates sense of discipline and responsibility in him. This approach is purely educative, informative and propulsive in nature. It is very common in insurance industry and has also produced desired results with little financial burden.

The other part of vigilance activity is punitive vigilance that provides punishment after committing the crime or acts of commission or omission. It is reformative that corrects human aberrations and serves lesson for others. Having major drawback that it can be used as a tool for victimization and vindication, so in practice and discharge of duties, it is less encouraged to preventive vigilance.

Implementation

Commissions and departments associated with vigilance must be equipped with complete infrastructure and provided with well trained and proven honest manpower who are dedicated towards this vital cause. Stress must be laid on granting them more powers and adequate judicial authority rather than empowering them with vast administrative jurisdiction. They need to be more accountable and result oriented so that insuring people have faith and develop confidence in such departments of insurance companies. At the same time, there is a need to have proper check and balance on their functioning also, so as not to misuse such departments in office setups for settling personal scores and taking unethical vendetta, that is equally common in insurance industry also.

All related agencies in insurance set up, fighting corruption must identify the seriousness of this malignancy and establish a connect with the insuring people for not only to expose this menace completely but to generate sufficient knowledge about its consequences especially among the uneducated and rural poor availing insurance facilities. Officers and their concerned staff associated with vigilance department, who work with limited manpower resources and deficient budgetary funds instead strive for creating awareness against corruption, need to be highly recognised and suitably encouraged. Sufficient examples of discouraging such front runners in the insurance industry exist, which not only reflect unexpected attitude of higher management but waste public money and in turn conveys the message of inefficient governance of insurance corporate to the society.

Role of Public

Role and responsibility of an ordinary employee to create vigilance awareness for eradication of corruption menace can not be undermined. It simply needs to be activated and channelized properly with the co operation of both higher and operational management particularly in an insurance organizational setup, rather than to leave it on vigilance department only.

Public from all walks of life need to act as a watch dog on the functioning of insurance companies, be it a government undertaking or a private sector functionary, in order to prevent misuse of our public money and funds raised for good cause of nation building, in order to prevent loss to the exchequer. Even involving our basic fundamental legal rights through various acts constituted for awareness and knowledge, need to be invoked for exposing such unsocial elements existing in an organization or society.

Underwriting in Insurance

To begin with the underwriting of insurance, constituting initial and basic aspect of any insurance operation starting before its actual inception, the way of its business procurement expenses, that is expected to incur before bringing a customer or a client in to its books of operation, seems to be the first baby of corruption in this sector. It serves a lawful way of legitimizing corruption for a corrupt insurer, by not obliging the pre customer for petty gains but also legitimizing its illegal financial gain out of this exercise. Thereafter, the prevailing official system further strengthens the apprehension of legalized corruption by way of allowing payment of commission or brokerage to intermediaries for bringing in such insurance income to its organization. Allowing these prevailing practices of financial benefits in insurance sector, all happening under the nose of government of the day and its regulator, up brings the chances of mal practices that breeds the corruption right from its inception.

Further the loopholes and the safety security principles supposed to be followed during the implementation of insurance proposals through its IT system process, typically creates chances of manipulation, mainly for financial gains of the insured, at the cost of financial loss of the insurer, ultimately resulting in to unexpected corruption. Employee operators who are IT savy having knowledge of cyber manipulations, are most likely prone to such unlawful mal practices, mostly done at the behest of insured and also for its selfish petty gains, thereby causing heavy direct and indirect loss to the exchequer and the insurer.

Then misuse of administrative powers by the competent authorities, by way of allowing irrational discounts in premium rates, disallowing ethical costs and not following laid down prudent underwriting procedures, hiddenly in collaboration with insured, enhance the tendency of corruption. All such acts of omission and commission for

causing financial loss to the organization and undue financial gain to the insured are some of the common acts of corruption that the insurance industry is facing now a days. These intentional lapses committed in connivance with underwriters and business procuring agencies, committed not only as acts of errors but intentional mistakes, are deliberately done as a part of their corrupt ethos thereby encouraging corruption in Indian insurance industry. Prudent and safe underwriting has always been a key to the success of any insurance operations and that too corrupt free practices in its implementation finally generates much needed clean profits that is highly required for the survival of the companies.

Claims Management in Insurance

Claims management in insurance sector, which is also an integral component of functioning of an insurance organisaton, is no longer an exception to such menace and to illegal corrupt practices, primarily due to involvement of financial transactions and economic considerations. Such financial frauds and economic crimes in existing system of claims processing in insurance sector, enlarges apprehension of corruption, mainly due to involvement of various third party intermediaries during these financial settlements.

Insured at large, without understanding the logics behind timely finalization of their claim amount, tend to inflate it and rely on to make profit out of such exercise, for which it is assumed to use insurance as mean of their financial gain. This unlawful tendency prevailing in our society, somehow generates willingness, sooner or latter, among our dealing employees, to indulge in to such illegal practices. Unless not timely and regularly sensitized, succumbing to such evil menace not only take little time but involve an easy process of falling pray in to this trap. This unwanted process gets easier to execute with the help of intermediates in the form of surveyors, auto dealers, business procurement agencies including agents, brokers, advocates etc.

Initially misguidance and wrong commitments by our marketing forces, easier way of getting claims that too inflated one by our brokers, personnel petty gains and favours by our surveyors and loss assessors, considering only development of their own business by auto tie up dealers at the cost of insurance company, getting enhanced claim amounts by legally misrepresenting in various courts of compensation are some of the main examples of corruption engulfing the process of claims portfolio in insurance sector.

Insurance companies often remain helpless in dealing with their bulk portion of their majority of claims pertaining to motor business , which are settled and disposed by their auto tie up dealers right at dealer point, primarily after obtaining concurrence from surveyors satisfying the insured, without involving insurance companies in the process of finalization of this claim amount, who at the end of the day simply turn as good pay masters. Similarly, the quantum of remaining claims emanating out of non motor business portfolio, are usually settled amicably by the surveyors and the insured itself, without taking consent of insurance companies, who latter on in connivance with insured, tend to justify and finally recommend such claims amount to the insurer for their payment.

Equally judicial partners of insurance companies instead of defending their job provider, again in connivance with those litigants and claimants approaching prevailing compensation seeking judicial system, by misrepresenting the facts suiting the claimants, finally resulting loss to the exchequer. Allowing such prevailing practices of financial benefit in claims aspect of insurance sector, all happening under the nose of government of the day and its regulator, breed the chances of mal practices that ultimately cause corruption from its inception of such operations.

Management of insurance claims need to be serious and true in its commitment towards the implementation of anti corruption measures at all levels of its settlement. It must regularly sensitise its claim handlers and intermediaries like agents, brokers, surveyors, arbitrators, advocates besides claims dealing employees and office incharges too, continuously throughout the year. Vigilance departments need to be involved in reality and needs be supported with complete infrastructure and equipped with well trained honest manpower, who are sincerely dedicated towards the cause. Stress must be laid on granting them adequate administrative powers rather than empowering them with vast jurisdiction. Such credible caretakers must not succumb to undue tactical pressure of their governors for petty benefits for goofing up the facts that send wrong message to the masses and encourage law breakers.

Other Miscellaneous Channels

Typical miscellaneous actions prevailing in Indian insurance sector , which can be avoided, also encourage corrupt practices causing loss to the profits of organization and ultimately affects the financial heath of society. Practice of exchange of gifts, on various festive occasions, primarily created for this purpose only under the garbage of retaining business prospect, involve huge money, both through legitimate and illegal means, end up in corrupt practices due to their illegal unprocedural procurement.

Similarly official tours, which are avoidable, particularly undertaken by the executives of higher management to different places all across the country or even abroad, simply result in the exchange of pleasantries through hidden form of undeclared gifts, also generate a different form of corruption, ultimately causing huge loss to the insurance company.

Conclusion

Conclusively all related agencies need to identify the seriousness of this malignancy and establish a connect between the customers and the employees including third part intermediaries for not only to expose this menace completely at the grass root level but to create sufficient knowledge about its consequences.

Together with the management, employees at the operational level and the insured public need to change the mindset, feel consciously responsible and fight for creating much needed vigilance awareness for the good governance of our organization which in turn proves beneficial for our society, to strongly fight against corruption menace, so as to rebuild our insurance companies for generating profits, at least for their future survival. Compromising with our moral and ethical values by succumbing to this evil for our petty gains, destroy us and our organisation, which we can not afford at any cost under ongoing rapid changing global scenario. ❑

IS INSURTECH REALLY A DISRUPTOR FOR THE INSURANCE INDUSTRY?

Introduction

A relatively recent phenomenon observed in the insurance industry is the incursion of Insurtech. Insurtech or Insuretech, made up of the English words Insurance and Technology, is the result of the confluence of digitization and disruptive innovation strategies in the insurance sector.

The insurance sector is closely related to the banking and finance sectors. As in case of the latter, the insurance sector is also utilizing innovative techniques such as artificial intelligence, machine learning or big data to modernize and digitize the insurance sector. This has correspondingly led to the birth of startups, focused on offering this type of solution to create novel insurance products. This has strengthened and consolidated Insurtech. Enhanced digitization of office operations for the industry has also led to greater choice and convenience for consumers.

About the author

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There is a view that Insurtech is a disruptor. But is it really a disruptor? If so, how much of a disruptor has it been so far? Moreover, if it is not really a disruptor then what is it? What has its contribution been to the insurance industry globally and what and where are Insurtech entities situated?

If one attempts to find answers to these questions then only can one come to a considered opinion on this matter.

What is a Disruptor?

A dictionary meaning of disrupt is - disorder, unsettle, agitate or spoil. This conveys the popular meaning of the word- disrupt.

Unlike what the term disruptor popularly connotes, it has a positive and transformative ring to it, in the business context. To be a disruptor is to create a product, service, or a technique of doing things which effectively displaces the existing market leaders.

Their impact on the system is positive since they challenge current organizational habits and procedures, to find positive and enhanced alternatives. Examples of disruptive technology include e-commerce, online news sites, ride-sharing apps, and GPS systems.

Insurtech and the incursion of Emerging Technologies

Insurtech is posing a challenge to the status quo of the insurance industry. By using new emerging technologies, such as Artificial Intelligence (AI), Robotic Process Automation (RPA), blockchain and Big Data they are overhauling conventional processes of the insurance value chain to improve efficiency and increase the customer experience significantly.

A part of digital disruption is digitization of the business process. It helps the organization by increasing its efficiency, cost-effectiveness and productivity. Further it also makes the organization more customer-friendly.

Some important Insurtech entities in India and abroad

There are a number of insurtech entities leveraging new technology to enrich the insurance eco-system by offering innovative products and digital claims procedures geared to modern customer preferences.

Some of the important players abroad are- ZhongAn in China; Lemonade in USA; BIMA in Sweden; and Oscar Health, Slice and Trov in USA to name just a few representative entities. Entities such as the Parisian firm Shift Technology, UK based Quantemplate and USA based Slice offer technical solutions to the insurance industry.

In the Indian sector, Acko General Insurance which is totally digital and sells bite-sized products via online channels, Go Digit- the new Indian unicorn of 2021 and insurance start-up Toffee Insurance are amongst the well known insurtech entities in India. One of the oldest entities Mantra Labs, Pentation Analytics, and Bengaluru based Artivatic Data Labs are some other Indian entities well-known for their offerings of advanced technical solutions.

Contribution of Insurtech to the Insurance industry

It would be necessary at this juncture to enumerate the numerous contributions of Insurtech. It has enriched the insurance industry significantly.

- **Advanced data analytics capabilities**

  Today's digital consumers have triggered a digital revolution, which has led to review and modifications of legacy systems and infrastructure to meet current demands. Big data analytics play a major role in getting 360-degree insights of customer behaviour and preferences.

- **App-based consumer engagement products**

  Insurers are creating lifestyle apps that provide additional consumer value on a continuing basis.

- **New sources of customer information**

  Insurtech firms gather customer information through devices such as wearables and smart-phone apps. This data is expected to incentivize better behavior and eventually lead to lower premiums.

- **Using IoT (or Internet of Things)**

  Numerous companies are now offering solutions based on vehicle telematics, environmental sensors, asset tracking, and home security. Insurance companies have been among the earliest adopters of this technology as this enables them to offer relevant packages based on actual use and behavior rather than averaged statistics.

- **Leveraging social media for meaningful interaction**

  Insurtech companies effectively use social media for efficient communication & interaction with people. They have realized that it is a convenient ally in connecting with customers and thereby improving their business volumes.

- **Improved fraud management**

  Identifying fraudulent claims is often difficult. Predictive analysis is now in use which uses a combination of rules, modeling, text mining, database searches, and exception reporting. This new technique identifies fraud sooner and more effectively.

Insurtech and disruption in the insurance industry

Though there are numerous Insurtech firms globally that are addressing the requirements of the insurance industry, but Insurtech is still in a stage of infancy. New exciting business models to take over the insurance industry, such as micro-insurance and pay-as-you-go insurance, have emerged.

But what will truly change the nature of the industry is the shift from complex, long-term insurance products to the fractions of insurance for a particular moment, time, and miles count. These new opportunities are increasingly tied to mobile devices.

As mentioned earlier, a disruptor in the business context is an organization bringing in new technologies and other innovation into the industry, to cause a radical change therein. Though Insurtech is commonly associated with disruption, in my view, it is still premature to categorize Insurtech as a disruptor. Insurtech had emerged on the scene with the potential to bring in radical change as a disruptor but now things appear to be taking a different turn.

In their own time there have been other sweeping changes which have brought about, what can be more appropriately termed as disruption or radical change. An instance, though not from the domain of finance, would be the sweeping change in the transportation sector. Upto the eighteenth century, road-travel was mainly undertaken by horse-drawn carriages. Subsequently, there was a change when steam engines and then the internal combustion engines were introduced. The travel industry grew and gradually horse carriages went into disuse and the steam engines were later replaced by diesel engines and even later by electrical locomotives, bullet trains, driverless trains, Maglev etc. Thus, new technology in transportation was first a disruptor, was gradually absorbed into the industry and eventually became an integral part of the sector.

The entire eco-system changed and many organizations connected with the earlier forms of transport, went into closure. But the transportation industry thrived and provided convenience at an affordable cost for consumers. Similarly air travel has put the erstwhile passenger liners out of business and become part of the travel industry. Mass travel is now common and affordable. This would be a good instance of disruption.

But remarkable change and not radical change may take place in many different ways. The degree of change and the extent of the impact on the sector concerned is required to be 'measured' in order to evaluate the role of the new-comers. To focus on a relatively modern development, in the hospitality and travel sector, the "Airb&b" concept arrived as a potential disruptor in the hospitality sector. They provide personalized comfort, stay and even food at relatively affordable rates to travelers all over the world. Bookings take place online and they have their scheme of certification for the discerning traveler to choose from. But they have not put the traditional hotels out of business. Both systems exist side by side and their advent would, in the medium to long-run increased the size of the market, which is a positive for any industry.

The travel market has also grown and there are travelers with a variety of preferences and budgets to cater to. So the hospitality sector has absorbed this new trend, and not necessarily to the detriment of the traditional players in the hospitality sector.

What really emerges from these instances is that some remarkable changes may even lead to facilitation and not necessarily disruption in an existing industry.

The dictionary meaning of a facilitator (noun) is a person or entity that helps in assisting another in doing something more easily by discussion, providing advice, mentoring, etc., rather than offering a ready-made solution without any involvement of the recipient. For example, a teacher acts as a facilitator of learning. Therefore, in the context of the insurance industry, it would refer to entities assisting the insurance industry to achieve some goal or providing help in modernizing the industry with new learning leading to better benefits for all stake-holders. It is thus beneficial and not detrimental to the insurance industry.

Though the Insurtech new-comers made their presence felt in the insurance industry with cutting edge technology and innovative products, and may even have been viewed as upstarts, they are here to stay and now co-exist with the established insurers. At this stage, it would be appropriate to state, in my view, that Insurtech has provided a great deal of value-addition to the insurance industry by their innovative products and use of emerging technology.

As Insurtech is forging a new path in the insurance sector, which brings multiple benefits with it may now be argued that the established but adaptable insurers are possibly viewing them as new entrants who have something constructive to offer the legacy bound global insurance industry.

At this juncture, it may be prudent to carefully observe the changes taking place in the insurance to frame a proper response or policy on the same. A considered analysis about the role of Insurtech, with more data, in this respect will then emerge which will assist in coming to a proper conclusion in the matter.

Determinants required to assess whether Insurtech is actually a Disruptor?

One would need some determinants of the extent of the impact made on the insurance industry to arrive at, a conclusion, as to whether Insurtech is really a disruptor. The following determinants, in my view, would at least be required for such an assessment:

- It is yet too early to say how much of the Insurtech presence has contributed to a significant premium growth or increase in turn-over for the insurance industry. Some estimates say that Insurtech is likely to increase their premium beyond USD 556 billion by 2025, a 123% leap from the USD 250 billion in 2020. But more data over a period of time, is required to arrive at how much increase in overall premium figures, this translates into. More data is also required on changes in growth and profitability indices, before arriving at any opinion.

- Insurtech has as of now, increased customer satisfaction and raised expectations with their new digitized offerings. Many of these products are low cost products which have increased affordability and also brought in inclusivity, as already described earlier.

  With the increase of the customer base, awareness of insurance is also growing globally. This is definitely beneficial for the insurance industry. It is to be hoped that in the long run this will only increase penetration and inclusivity.

  But it would of course, be necessary to go beyond the business figures and other such general trends and also reflect on the impact of Insurtech on the basis of other factors such as changes in affordability of products, customer satisfaction, spread of insurance awareness, increase of penetration and inclusivity. These would be the other important indices, findings on which would be required to come to a definitive conclusion.

- One would also need determinants in respect of whether there has globally been any radical or significant change in the market-structure of the insurance industry. There are no Insurtech monopolistic, duopolistic or cartel-like market-structures emerging anywhere in the world, at least at this point of time. But such changes may take more time to crystallize.

- Data does not support the contention that there has been a major adverse impact after the incursion of Insurtech, on the traditional insurance industry in any country. No old legacy insurer has been forced out of the business, as yet.

  Rather, Insurtech has utilized emerging technologies, which have been described at length, to revitalize this sector. Old legacy businesses are slowly converting their methods as their survival is at stake. Other agile organizations have already made the required learning and are making many changes to their work-processes. Determinants are also required to gauge the extent of this change.

- Any industry becoming more competitive is a positive development as it leads to new product-innovation, makes products available to a wider consumer-base and overall increases price-competetiveness which is good for the consumer. So a determinant is also required to assess how competitive has the insurance industry become after the incursion of Insurtech.

It would be acceptable to experts, in my opinion, if an independent rating organization with established credentials were to rate the new and also the older and established organizations, on these criteria, to arrive at impartial and reliable findings for the benefit of the entire industry. Only then would it be possible to assess the impact of Insurtech on the insurance industry and understand how much of disruption have they actually caused.

Conclusion

Can it now be argued that Insurtech with their innovative, agile and digitally advanced work-processes are really being over-rated by being called disruptors? While they must be evaluated dispassionately, rather than with euphoria, for bringing a breath of fresh-air into age-old work and thought processes, they have not yet taken the industry by storm, and brought in sweeping and radical changes, as it were.

The insurance industry rather seems to be bestowing on them the role of facilitators as other organizations are drawing on their technological offerings and other learning to revamp and modernize themselves and increase their customer-base and turnover.

So a balanced view about Insurtech appears to place them somewhere in between the two categories of disruptor and facilitator, for the time being.

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EXCELLENT OPPORTUNITY TO UPGRADE YOUR PROFESSIONAL CAREER IN REINSURANCE !!

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

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

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

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

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

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

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

Who should attend this Course?

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

Why this Course?

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

Benefits of Certification

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

Highlights of the Course

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

Course Modules:

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

Module 2 : Methods and types of Reinsurance

Module 3 : Reinsurance Programme

Module 4 : Reinsurance Underwriting

Module 5 : Reinsurance Accounting

Module 6 : Reinsurance Claims Management

Module 7 : Current trends in Reinsurance Management

Module 8 : Additional Lectures on Reinsurance

For details visit www.smartonlinecourse.org / reinsurance

SBI General Insurance collaborates with Google Pay to offer health insurance

SBI General announced a technological collaboration with Google Pay enabling users to buy SBI General's health insurance on the Google Pay App in a quick and hassle-free way. The collaboration also marks Google Pay's first such alliance with an insurer in the country and will make health insurance available to customers, on-the-go on Google Pay Spot.

Starting today, Google Pay users will be able to:

- Buy SBI General's health insurance - Arogya Sanjeevani on Google Pay Spot
- Arogya Sanjeevani is a standard Health Insurance Policy that was launched to provide standard coverage at affordable premiums and will help in improving the penetration of health insurance in the country.
- Users will be able to buy both individual and family plans under Arogya Sanjeevani policy through Google Pay Spot

Prakash Chandra Kandpal, MD & CEO, SBI General Insurance, said, "Today's customers are well-informed and evolved about their requirements. The pandemic has boosted the usage of digital platforms for various needs and at their expectations from financial solutions have also matured. This collaboration is yet another endeavour to address this growing need for health insurance, thereby, bring a larger number of people under the insurance fold. With this collaboration, Arogya Sanjeevani, a standard health insurance plan will be offered on the Google Pay platform at an affordable premium by SBI General."

KOLKATA INSURANCE INSTITUTE

(Formerly Indian Insurance Society)

Celebration of Teacher's Day

Kolkata Insurance Institute, a Pioneer Educational Institute celebrated the Teacher's Day on 6th September, 2021 at the Board Room of National Insurance Co. Ltd., CRO-I. About 25 members attended the programme. KII honoured Mr. B. K. Nayak, Working President, KII, and Mr. Ram Prahalad Chowdhury, Professor of Calcutta University this year for their tremendous contribution towards Insurance Education. KII President. Mr. Ravi (General Manager, National Insurance Co. Ltd. and Board Member of III) presided over the meeting. Mrs. Kasturi Sengupta, KII, Vice President, conducted the programme.

Seminar on recent changes in Fire Insurance Policy

A Seminar on recent changes in Fire Insurance Policy was organized by Kolkata Insurance Institute on 25th September, 2021 at 11.00 A.M. to 1.30 P.M. at the Training Centre of National Insurance Co. Ltd., CRO-I. The Seminar was inaugurated by Sri P. N. Karmakar, Manager, College of Insurance, Kolkata. Hony. General Secretary, Mr Samir Chatterjee said in order to maintain the Covid Protocol, limited number of participants were allowed in the seminar.

Mr. Karmakar spoke on the Add on cover in Fire Policy. Mr Arnab Nandy who was the Key Speaker, nicely elaborated the recent changes by IRDAI in Fire Insurance Policy. Mr. Uttam Banerjee co-ordinated the seminar.

Seminar on how to make Motor Insurance Profitable

A Seminar on How to make Motor Insurance Profitable was organized by Kolkata Insurance Institute on 25th September, 2021 from 2.00 P.M. to 4.45 P.M. at the training Centre of National Insurance Co. Ltd., CRO-I.

Hony General Secretary welcomed the members. The seminar was coordinated by Mr. Sanjay Ghosh. He outlined the key factors for sustaining the loss in this segment. He sought for strict vigilance of the regulators and need to frame stringent directives for the claim management.

Mr. Joy Verma the key Speaker spoke at length on prudent underwriting of various vehicles, OD Claims and TP Claims. Including the Survey part.

Underwriting losses decline for general insurers

Despite paying a huge sum as claims and facing other challenges due toCovid pandemic throughout the fiscal, the general insurance industry has seen its net profit rise almost 300 per cent year-on-year to Rs 3,868 crore and underwriting losses decline in FY21. The general insurance players including four public sector companies, five stand-alone health players and two specialised players - Agriculture Insurance Company (AIC) and Export Credit Guarantee Corporation (ECGC) and private players - had made losses of Rs 1,403 crore in FY20, as per an analysis based on data from General Insurance Council. The industry's total underwriting losses fell 17.24 per cent to Rs 19,416 crore in the period.

While the industry saw massive disruption due to the sudden onset of Covid-19 in terms of key parameters like gross premium, policies issued, underwriting losses/profit, combined ratio, gross claims, number of employees, FDI and investment in infrastructure and social sectors since March 2020, it witnessed significant improvement in FY21.

With a gross premium of over Rs 2 lakh crore, posting a 9 per cent growth, of the total 31 players, 17 - including two specialised insurers AIC (along with underwriting profit) and ECGC - posted healthy net profits, including in FY21.

Insurers saw a significant rise in health claims in the year. While FY21 results of the industry point to a turnaround in fortunes, a deeper analysis shows the same was driven by some few one-off factors: motor claims were low amid a prolonged lockdown, agriculture had a good year and property insurance prices remained stable. The insurance industry's losses were relatively benign due to a variety of reasons in the first wave of Covid, analysts said.

New India Assurance, the largest Indian multinational general insurer, had recorded a net profit of Rs 1,605 crore in FY21 as compared to Rs 1,417 crore in FY20. Its gross global premium had expanded by 6 per cent to Rs 33,046 crore (Rs 31,573 crore of gross Indian premium) in FY21.

However, the first half of 2021-22 has seen a reversal in several aspects. The second Covid wave has hit the health insurance portfolio much harder and motor insurance has seen more intense price competition due to lower demand of new vehicles. Prices for small and medium risks have plummeted in the property space. "All these point towards a much worse performance of the industry going forward," analysts said.

RISK MANAGEMENT INTEGRAL TO HIGHER EDUCATION

Even before the pandemic hit, the global economy was rapidly evolving, with technological innovation and changing geopolitical realities driving the transformation. Covid-19 has accelerated the need for Indian businesses to develop a conscious approach to Enterprise Risk Management (ERM), given that it is vital, not only for dealing with emerging uncertainties, but also for proper allocation of resources, and organisational growth.

As we gradually move towards post-pandemic normalcy and work towards revitalising our economy, we will need greater risk intelligence among professionals across industries, to make India, its economy and corporations resilient enough to face future crises.

To reach this goal, it is important that we facilitate ERM education from a very early stage, preferably through higher education curriculum. This will also be in line with the aim of developing multidisciplinary abilities among students, as outlined in the National Education Policy 2020.

Resilience-based education

When it comes to higher and technical education, the emphasis has traditionally been on management and leadership training.

This has often led to skewed understanding, where a lot of stress is laid on pursuing opportunities, without considering the risks associated with them.

As a result, even our business graduates lack a well-rounded enterprise risk perspective.

In streams such as sciences, humanities, engineering, or medicine, risk management is completely ignored.

Risk competency is rarely seen as important for non-managerial professions. However, this is a shortsighted view that is based on a limited understanding of risk management. In practice, every profession contains varying degrees of uncertainty. The ability to identify, assess, and mitigate these risks is vital in any profession.

Hence, it is time we shifted focus towards resilience-based education across different disciplines, as the future is laced with myriad uncertainties.

The recently released sixth assessment report from the United Nation's Intergovernmental Panel on Climate Change (IPCC) has once again firmly put a lens on the reality of climate change and its manifold impact on the lives of nations and citizens across continents.

Nobody is being spared by the rapidly changing and increasingly fragile ecosystem .

In the 21st century, every profession and industry will have to work within the ever-changing environment. Hence risk, resilience and responsibility are vital focus areas that need to be nurtured during the formative years of students in the higher education system.

Leading through a crisis

The role of leadership has also undergone a steady transformation. The pandemic required business leaders to quickly adapt to new technologies, in the face of a highly volatile environment.

Even as normalcy has returned in some small measure, the challenge lies in ensuring that we can stay agile in a changing global situation.

Leaders, whether they head businesses or smaller teams within an organisation, must therefore have the skills to manage a crisis.

By integrating ERM education into the university curricula, we can help students develop risk competency from an early age.

Such holistic education ensures an in-depth knowledge of the principles and practices of ERM and lays the foundation of a risk-conscious approach in our future leaders.

In the last few years, we have seen an increasing demand for risk-intelligent professionals. This demand has shot up further during the pandemic as businesses realised the importance of a risk-aware organisational framework. The aim is to ensure that ERM is adopted as an integral part of organisational culture and decision-making, instead of being an intermittent and compliancebased exercise.

Shifting focus

With emerging risks from cyber-attacks, geopolitics, climate disasters, terrorism, wars, and other corporate governance-related issues, we will see an increasing focus on enterprise risk compliance, and a corresponding rise in demand for risk-intelligent professionals. The inclusion of ERM in the higher education curriculum can also improve the employability of graduating students.

A tightening compliance strucin ture, with strict enforcement from regulatory bodies, has also added to the increasing demand for risk-intelligent professionals. For instance, the Reserve Bank of India mandates the appointment of Chief Risk Officers (CROs) in non-banking finance companies beyond

a certain asset size. For insurance companies, risk compliance comes under corporate governance guidelines, as specified by the Insurance Regulatory and Development Authority of India.

With the Securities and Exchange Board of India expected to announce a risk regulatory structure for the top 1,000 listed companies, these regulations may be extended beyond financial institutions. As more regulatory bodies mandate the appointment of risk committees and CROs, ERM qualifications/examinations will facilitate faster career advancement for professionals and more resilient organisations

Moving beyond finance

Traditionally, risk compliance has been confined to financial institutions such as banks, NBFCs, brokerage firms or insurance companies. Consequently, risk management qualifications were pursued only by students who aspired to work in the financial sector.

However, with compliance structures now extending to non-financial organisations, there is a push towards risk-embedded corporate governance in different sectors. To facilitate this growing demand, ERM examinations that provide a pathway to Certified Fellowship (CFIRM) — provided by the Institute of Risk Management — should be included higher education curricula.

Under the NEP2020, students can opt for a second degree, in parallel with their primary course. This means that five-level ERM qualifications can also be pursued, along with almost any graduation or postgraduation programme.

Students and working professionals can opt for higher-level qualifications as they gain experience and develop a deeper understanding of the subject.

A robust economy demands that our emerging workforce be capable of staying agile in the face of an uncertain business environment. This demands a risk-conscious approach that is deeply embedded within organisational structures. It has become imperative for future leaders to equip themselves with the knowledge of risks, as applicable to every aspect of business. We must ensure that future professionals and business leaders have the academic knowledge and the competence to take decisions using a risk-conscious framework. Towards this end, including ERM courses in the Indian higher education curriculum would be the first step. *(Courtesy: Business Line)* ❑

SHOULD YOU OPT FOR A TERM INSURANCE POLICY WHEN YOU ARE 50 OR ABOVE

It is easy to feel a little past your prime by the age of 50, especially in today's youth-centric world. However, turning 50 is a watershed moment in one's life. This age will not only provide you with chances, but also present you with obstacles. The good news is that you will most likely make more money in your 50s than you did early in your career, affording you financial freedom. At the same time, you may be faced with additional large expenses, such as your children's higher education or marriage, or even the prospect of purchasing a new house.

In such a situation, if, for instance, your existing life insurance policy term gets over, or you haven't even purchased a policy yet, then should you renew or buy a term life insurance when you turn 50? Let us take a look at the pros and cons.

Pros: One advantage of buying a term insurance policy at 50 is that it can provide financial support to your children or family members who are financially dependent on you in case something unfortunate happens to you. Your spouse can avail death benefits of this policy in case you die, which could make her self-reliant and financially equipped. It might also help compensate for legal costs or property taxes that you might have incurred. Rakesh Goyal, director, Probus Insurance, said having a term insurance policy can help your family members or dependents (post your demise) repay the hefty loans you owe. "The term policy can offer benefits during retirement years as it can be a good alternative for a regular income for the family during these years. The policy also comes with several tax benefits," said Goyal.

Cons: A disadvantage of buying a term insurance policy at 50 could be the age factor. It can be challenging to find the right plan to suit your requirements at this age, and the policy premium rates would always be higher compared with plans bought earlier. Also, a retiree with insufficient savings can find it difficult to pay these high premium rates. Health factors could be another issue.

Naval Goel, founder and chief executive officer, PolicyX.com, said there are higher chances of such persons contracting diseases, which can affect the premium on account of loading charges. "Another disadvantage for those purchasing term insurance at the age of 50 is the lower sum assured. While a person of 30 years of age can get a sum assured 10-20 times their current income, a person at 50 years of age will get only 5-10 times of the income sum insured," Goel added.

Now, let us examine the life situations that are likely to trigger the purchase of term life insurance even if you are in your 50s.

Outstanding debts: Sajja Praveen Chowdary, head - term life insurance, Policybazaar.com, said there are people who have not saved enough or who are in debt. "It is possible that you may die before paying off your mortgage. This is when term insurance comes in handy. To cover the specific loan amount, a term insurance policy can be purchased. If the individual is no longer alive, the sum assured can be used to pay off loans while causing no inconvenience to family members," said Chowdary.

Financially dependent children: Life insurance decisions can also depend on your responsibilities, and not just age. "People no longer marry at 23 and have children between 25 and 28 years of age. Nowadays, one of the most common demographic shifts is that more and more people postpone marriage, and starting a family. As a result, by the time one is 50, one's children are most likely still in school and may require your financial assistance; thus, purchasing term insurance at the age of 50, even at a higher premium, can be a wise decision," said Chowdary.

Deciding factors: "The premium rates of the term insurance policies would be on the higher side for people who purchase a policy at or above the age of 50. But there is no right age to buy a term insurance. Sooner the better, of course, but better late than never," said Nayan Goswami, head of sales and service, SANA.Insure.

Adding to it, Col. Sanjeev Govila (retd), chief executive officer, Hum Fauji Initiatives, said, "Buying a term insurance is never to be linked to age but to the future liabilities—their quantum and duration."

The liabilities could pertain to anything from children's requirements (education, higher education, marriage, even medical requirements etc.) to own house, retirement living, travel, medical necessities and even lifestyle requirements such as family vacations in case the primary breadwinner dies

Besides, how much and for how long to take the term insurance will depend on carefully calculating the assets and liabilities at various points of time in life for the whole family, with inflation and taxation also factored in practically.

Govila further said that the basic tenet of this calculation is that the family's standard of living, including critical and lifestyle goals, should not suffer if a person dies.

Of course, it should be remembered that life insurance is neither a wealth creation tool nor a succession planning tool for the family. It is a sustenance tool for the interim so that the family can get back on its own after the family head's death. *(Source: Mint)*

Max Life Adopts the Account Aggregator System; Aims to Provide Frictionless Financial underwriting to Customers

Max Life Insurance Co. Ltd. ("Max Life" / "Company"), is the first life insurer to enter the Account Aggregator (AA) ecosystem, an RBI regulated framework. AA ecosystem allows the customers to digitally share their financial information and data across various financial institutions within the AA framework. The sharing of information requires consent from customers, making the process highly transparent and secure.

Max Life has collaborated with FinVu and Finarkein to adopt the AA ecosystem for seamless and secure access of customers' financial information, thereby reducing timelines for policy issuance. During the initial deployment phase, Max Life will run a pilot project with a specific cohort of customers to closely examine the agility of data flow, technological requirements, embracement of the AA ecosystem by the customer, and other relevant factors. Based on the result of the first phase, Max Life will release the commercial scale-up plan in the next fiscal, followed by the commercial roll-out.

Speaking on the AA integration, Manu Lavanya, Director and Chief Operations Officer, Max Life said, "Innovation within the financial services ecosystem has increased manifold that has paved the way for greater collaboration. Our partnership with Finvu and Finarkein is a step towards bringing greater flexibility, scalability, and security to the customer financial data management, and at the same time, aiding to provide an agile and frictionless underwriting experience. In the coming months, we intend to expand the AA ecosystem across our customers and strengthen our position in insurance innovation."

Finvu (Cookiejar Technologies Pvt. Ltd.), an account aggregator and Finarkein (Finarkein Analytics Private Limited), a technology service provider will aid Max Life in building robust and streamlined data flow journeys and architecture to consume data through the AA framework and further assist with the solution design. Finarkein will leverage its machine learning capabilities to create a model that provides insightful summaries on the customer's financial health.

KNOW HOW NETWORK, NON-NETWORK HOSPITALS AFFECT YOUR HEALTH CLAIM

The pandemic has made it evident that uncertainties will always find their way into our lives no matter how well-prepared we are. It is enough to make people realize that everyone is more exposed and vulnerable to deteriorating diseases, irrespective of their age.

Thus, knowing how expensive hospitalization and treatments are, it is wise to buy a health insurance policy and to understand the role of hospitals, which play a crucial part in settling claims. We often ignore the meaning of non-network hospitals and network hospitals in health insurance until someone gets hospitalized and a claim arises.

Network hospitals vs non-network hospitals

When you buy a comprehensive health insurance plan, the insurance company provides you with a network hospital list. Insurance companies and the mentioned network hospitals have a tie-up that offers the policyholder the benefit of cashless hospitalization.

Amit Chhabra, head - health insurance, Policybazaar.com, said that while getting treatment from a network hospital, one doesn't have to worry about making preparations for money at the last moment. The health insurer settles the hospital bills directly, thereby taking the burden off the policyholder's shoulders.

"Whereas, if you choose to get the treatment from a non-network hospital, all the expenses will be borne by you at that moment, and later you will get reimbursed for the same," he said.

How network hospitals work?

The network hospital and the insurance company are informed about the hospitalization in advance in case of a planned hospitalization. Following that, the policyholder or his/her dependents have to file a pre-authorization form available at every hospital's insurance desk to address insurance and cashless claim related queries. You can also download and get the printout of the document from the third-party administrator's (TPA's) website. After filling the form, the insured person is admitted.

After submitting the form, the hospital will verify the details and notify your insurance company regarding the claim. Once your insurance company approves the claim request, it will send an authorization letter to the hospital stating the amount for the medical procedure. After that, the claim amount is paid directly to the hospital by your insurer. This process takes approximately 30 minutes to 2 hours, depending on the insurer.

Effect on health claims

Now, let's suppose the hospitalization is unplanned, and you are admitted to a hospital.

Case 1: When patient 'A' is admitted to a network hospital, the insurance company will take care of all the expenses, and the patient can avail of the cashless claim facility with the help of a third-party administrator. 'A' will pay some expenses for the components needed for the treatment, which are not mentioned in the policy. After that, the documents are collected for other records.

Chabbra said, "The insured need not pay a penny to the hospital in case of hospitalization during medical emergencies when they get admitted to these network hospitals (there could be exceptions for specific treatments as per your policy). The medical expenses are usually reasonable for such services as the hospitals get an increased number of patients owing to the insurer."

Case 2: When patient 'A' is admitted to a non-network hospital, it is difficult for him/her to avail the full benefits of the health insurance policy.

Aatur Thakkar, co-founder and director, Alliance Insurance Brokers, said, "The policyholder can file a claim for reimbursement after the entire medical treatment and after bearing medical expenditure out of the pocket. However, it is necessary to submit all the original supporting documents like treatment-related reports, medical invoices, etc. After that, the documents are checked. And, according to the underwritten policy, the policyholder gets the reimbursement amount."

Rakesh Goyal, director, Probus Insurance, added, "The process of reimbursement usually comes with a waiting period of 10 to 15 days wherein the insurer verifies the submitted documents and then approves the claim; if everything looks good."

What you should do

In the case of non-network hospitals, there are chances that the insurance company may not cover certain expenses that are reasonable and justified enough to be approved under the terms of the policy. Thus, to get a speedy claim settlement process, especially if it is an unplanned treatment, you must always check the list of network hospitals that are accessible to you and get the treatment done there itself.

Ajay Shah, director and head - retail business, Care Health Insurance, said, "In case of network hospitals, the insured has an advantage of cashless hospitalization. This, in turn, means they do not need to go through a lengthy process of compiling and filing paperwork to file a claim."

Besides, there is no waiting period linked to such cashless claims and saves one from the tiring submission process of documents, bills, etc., which otherwise would be mandated during the reimbursement process.

Goyal further said, "It's highly suggested to look for network hospitals while buying a health insurance plan as it saves you from the hassle of the reimbursement process (which could be the case if you go for non-network hospitals). One should only opt for non-network hospitals if the necessary treatment is not available in any of the network hospitals." *(Source: Mint)*

ACKO General Insurance Extends Partnership with Chennaiyin FC

Two-time Indian Super League (ISL) champions Chennaiyin FC (CFC) have extended their association with purely digital insurer ACKO General Insurance as an Associate Sponsor on a multi-year deal. CFC and ACKO shared a fruitful association after joining hands for the first time in the 2020/21 season of the Indian Super League. "After a successful first year of the partnership last season, we're glad to welcome ACKO General Insurance back as part of the CFC family. The faith that ACKO have displayed in Chennaiyin FC is clear in the multi-year renewal that the brand has chosen to enter into with the club. We hope for a successful season ahead, insured by ACKO," Vita Dani, co-owner of CFC, said.

PhonePe gets in-principle approval as an Account Aggregator from RBI

PhonePe Account Aggregator Pvt Ltd, a fully owned subsidiary of the PhonePe Group, today announced that it has got an in-principle approval from RBI to operate as an Account Aggregator (AA). The licence permits PhonePe to launch its Account Aggregator platform that will enable free and instant exchange of financial data between the Financial Information Users (FIUs) and Financial Information Providers (FIPs) with due consent from customers, in a safe and secure manner. This will help Indian consumers avail financial services in a faster, cheaper and more convenient manner.

Commenting on the development Rahul Chari CTO and Co-founder of PhonePe said, "The Account Aggregator licence will allow us to play a pivotal role in shaping the emergent Account Aggregator ecosystem for consent-based financial data sharing. Our AA technology stack will enable any Financial information user (FIU) to instantly retrieve financial information with customer consent from the Financial information provider (FIP). We are looking forward to working closely with all the industry stakeholders to take forward RBI's vision of driving deeper financial inclusion across the country.''

BIMTECH
BIRLA INSTITUTE
OF MANAGEMENT TECHNOLOGY

BIMTECH Insurance Colloquium - 2021 -Combating Challenges in emerging Insurance Scenarios

The fifth edition of fancied BIMTECH INSURANCE COLLOQUIUM was held on a virtual platform on October 8th, 2021, with the passionate theme of "Combating challenges in the emerging Insurance scenarios: A perspective post-Pandemic. It received a tumultuous response from the viewers both from India and abroad. The Program of Insurance Business Management of Birla Institute of Management Technology (BIMTECH) organizes this eagerly awaited annual event every year in the month of October.

In his welcome address in the inaugural session, Dr. Harivansh Chaturvedi, Director, BIMTECH, articulated the impact of the pandemic on economies and societies. Dr. Chaturvedi felt that the healthcare sector was under severe stress, and serious efforts were needed to address this gnawing problem. He complemented the Insurance business management program for choosing a well-thought-out theme for the Colloquium. According to him, climate change awareness was necessary, and society should consider what kind of legacy the present generation leaves for our future generations.

In his theme address, Mr. Saurabh Mishra, Joint Secretary, D.F.S. (Ministry of Finance) Government of India, too, felt the theme was relevant in the current times we were living in. He thought that it was time we looked at loopholes exposed in the health infrastructure during the pandemic and ensured the availability of health facilities in the future. A mindset of protection and prevention needs to be indoctrinated to meet the challenges in the future. The underprivileged had faced the brunt of the pandemic, and corporates need to look beyond balance sheet profits towards these sections. Sustainable Action goals are more relevant now, and the insurance sector has an essential role in this area.

In his Keynote address, Mr. G. N. Bajpai, Former Chairman SEBI & L.I.C., reminded the audience that the current situation exposed societies to risks and opportunities in a changing landscape. The risk landscape was going through a rapid transformation, and insurance companies that democratized risk saw business models change. A peep into the customer's mind emerging from his aspirations and patterning products accordingly is immensely becoming problematic in the face of changing lifestyle. Insurers should gauge the risk seminating from an individual's lifestyle and come out with suitable products.

The first-panel discussion was on the theme of "Combating Challenges in the emerging Insurance Scenarios: Way forward to Health Insurance/Healthcare.". The panel discussion focused on healthcare's key challenges, including the surge in chronic healthcare expenditure due to demographic and epidemiological shifts, with Covid further compounding this problem. An enhanced customer experience requires moving away from over-reliance on episodic hospital and specialty care. It calls for all inclusive new care models across the care continuum focus on prevention and health promotion, proactive management of chronic disease, and home-based alternatives to hospitals or long-term residential care.

The panel discussion was moderated by Prof(Dr) Abhijit K. Chattoraj, Dean (SW&SS),& Chairperson-PGDM-IBM - BIMTECH and chaired by Mr. Suresh Mathur -Executive Director-IRDAI. Mr. Kiran Anandampillai, Advisor Technology at the National Health Authority (N.H.A.), Mr. Syed Moinuddin Ahmed, Managing Director, G.D. Assist & Additional Managing Director, Green Delta Insurance Co. Ltd. Bangladesh, Dr. Nishant Jain, Programme Director German Development Cooperation Agency (G.I.Z.) and Mr. Joydeep Roy, PwC Global Leader-Health Insurance & PwC

India Leader-Insurance Practice Pricewaterhouse Coopers Pvt Ltd joined the stimulating discussion.

The second panel discussion on theme "Combating Challenges in the emerging Insurance Scenarios: Employee Benefits" was chaired by Mr. Nilesh Sathe, former Member-Life, IRDAI, & moderated by Prof. Manoj Kumar Pandey. Mr. Sathe in his initial comments talked about the traditional employee benefits plans & the need of bringing new benefits looking at the changing profile of the work force. The theme focusedon the multi-generation workforce in organizations and the growing trend of GIG work force. The employers face the challenge of balancing the resources at hand & the growing aspirations of the employees. Pandemic& related developments had added more worries. Traditional benefits remained important, but the pandemic had exposed the fragile health care infrastructure & unavailability of mental health support systems. The complete shutdown of the offices &arrival of remote working had added new dimensions. The panel members talked about the initiatives taken by their respective organisations during covid time.

Mr. Vikramjeet Singh, Chief Human Resources Officer, Bajaj Allianz General Insurance Co. Ltd, Mr. Ashish Mittal, Head of People Function, Aviva India, and Mr. Sajith Kumar-Chief Executive Officer, Howden Insurance Brokers, Dubai added fizz in discussion with their perspectives.

Prof. Pratik Priyadarshi moderated the third panel discussion on the theme of "Combating Challenges in the emerging Insurance Scenarios: Climate Change Risks. "In his opening remark, Mr. Praveen Gupta, a well-known thought leader on climate issues, set the tone of the discussion with his incisive perspectives. The theme focused on climate change, which brought multiple changes in different regions, increasing global warming.

Mr. Arup Chatterjee, Policy and Regulatory Expert - Insurance, Pensions, & Insurtech, Mr. Jonathan Anchen, Leadership and Market Intelligence, Swiss Re, Ms. Mitali Chatterjee, and Mr. Rushva Parihar, Corporate Mentorship Board Member, I.R.M. India, participated in the discussion based on the above theme.

BIMTECH acknowledges outstanding contributions in the field of Insurance by conferring Life Time Achievement Awards upon eminent professionals from the industry. This edition of the colloquium honored Mr. Prabodh Thakker, Chairman Global Insurance Brokers (GLOBAL), for his outstanding and exemplary contribution to the growth of the Indian insurance industry. In his acceptance address, Mr.Thakkerthanked BIMTECH for honoring him.

Dr. Manoj Pareek proposed the vote of thanks to everyone for the successful conduct of the Colloquium.

The Insurance Times and Chartered Insurance Institute (CII)-India were the Journal Partner and Education Partner.

Asia Nat Cat Climate Change Virtual Conference

The Asia Nat Cat Climate Change Virtual Conference was held on 5th and 6th of October 2021.

This conference was organised by the Asia Insurance review, Singapore. The 2 days conference had speakers from across the globe and covered one of the most relevant topics of the day- Climate Change. Prof Pratik Priyadarshi, Associate Professor, Insurance and Risk Management, BIMTECH, was invited to be a speaker for the conference on the 6th of October 2021.

He spoke on the “one of its kind “ Parametric Insurance solution which has been tailor made for the state of Nagaland. His session was followed by a questions and answer session as well.

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Two-time Indian Super League (ISL) champions Chennaiyin FC (CFC) have extended their association with purely digital insurer ACKO General Insurance as an Associate Sponsor on a multi-year deal. CFC and ACKO shared a fruitful association after joining hands for the first time in the 2020/21 season of the Indian Super League.

"After a successful first year of the partnership last season, we're glad to welcome ACKO General Insurance back as part of the CFC family. The faith that ACKO have displayed in Chennaiyin FC is clear in the multi-year renewal that the brand has chosen to enter into with the club. We hope for a successful season ahead, insured by ACKO," Vita Dani, co-owner of CFC, said.

LEGAL

SC upholds 1700% hike in accident damages

A Supreme Court bench of Justices R Subhash Reddy and Hrishikesh Roy has dismissed an appeal filed by the National Insurance Company Limited against an order of the Madras HC that enhanced the compensation paid to the family of an accident victim by 1,700% from 10.4 lakh to 1.85 crore based on Form-16, salary slip and other tax papers filed by the victim's family.

On October 14, 2013, Subash Babu, a 35-year-old manager of a private firm, was killed in an accident while driving a car from Perumanallur to Erode. His wife and other family members who were travelling with him escaped with injuries. His wife, an eyewitness, told Tiruppur motor accident claims tribunal that a van which was going in front of their car turned right without showing any signal and their car rammed against the van and her husband died in the impact.

The tribunal, however, fixed 75% contributory negligence on the victim based on police FIR, which blamed Babu for negligent driving, and awarded Rs 10.4 lakh as compensation by fixing Babu's monthly income at Rs 20,000 per month.

Aggrieved by the order, the family moved the HC. In August 2018, Justice N Kirubakaran and Justice Krishnan Ramasamy of the Madras HC quashed the order of the tribunal and held that since there was no rebuttal witness provided by the insurance company, the accident happened only due to the negligence of the van driver. Taking into consideration the victim's tax records and pay slip, the court fixed the victim's annual income at 12.3 lakh and computed the compensation to be paid by the insurance company as 1.85 crore.

HC sets aside insurer appointments by BBB

The Delhi high court has set aside appointments made by the Bank Board Bureau (BBB) in public sector general insurance companies stating that the same is ultra vires of the Banking Companies Act 1980. The order could have implications for the board's role in the selection of senior management for the insurance industry.

The order was in a petition filed by a senior executive of National Insurance Company on the ground that the BBB is not a body competent to make the selections. According to the petition, the BBB is a banking body established under the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980.

"The very jurisdiction of BBB to make the selections to PSU general insurance boards is questioned and selection and appointments set aside. In my view, this should equally apply to CMD selections by BBB," said K K Srinivasan, former member of insurance regulator IRDAI. Recently, the BBB had shortlisted candidates for the post of MD in the Life Insurance Corporation of India (LIC) as well.

The petition also stated that the appointments committee of the Cabinet has no role in appointing an employee of a public sector insurance company on the board as these appointments are made ex-officio. It also stated that the board contains banking experts but none from the insurance sector.

Court: Smoker can't be denied mediclaim for lung cancer

A consumer court here has ordered an insurance company to reimburse the expenditure on medical treatment for lung cancer after the company refused mediclaim on the grounds that the patient was a chain smoker and contracted cancer due to his smoking.

The consumer court said there was no proof that the cancer had been caused by the patient's smoking habit.

The case involved one Alok Kumar Banerjee from Thaltej, who underwent treatment for adenocarcinoma of the lung from Vedanta Institute of Medical Science in July 2014 and incurred a medical bill of Rs 93,297. He had medical insurance cover. But his claim was rejected by the insurer.

After Banerjee passed away, his widow Smita sued the insurer in 2016 in the Consumer Dispute Redressal Commission, Ahmedabad (additional), where the insurance company took the defence that Banerjee was treated in different hospitals for his illness, which had a direct nexus with his smoking habit, and that this was reflected in his case papers.

The consumer commission did not agree. It cited a higher forum's order and said that a discharge summary itself cannot be treated as primary or conclusive evidence in the absence of any independent proof.

SC questions insurance waiver to state buses

The Supreme Court has asked the Union government to consider withdrawing the exemption from insurance to 1.5 lakh buses owned by state road transport corporations (SRTCs), steeped in heavy losses, as it found victims and injured in accidents involving these buses are made to wait for years to get compensation from government-run corporations.

This was one of the major issues before a bench of Justices Sanjay K Kaul and Justice Hrishikesh Roy, which for the last six months is engaged in streamlining the process for speedy disbursal of compensation to victims or injured by the Motor Accident Claims Tribunal (MACTs). The bench has entrusted additional solicitor general Jayant Sud with the task of analysing the difficulties, devising innovative solutions in co-ordination/consultation with the states and appraising the court for issuance of directions for all-India implementation.

During a hearing on the issue recently, Justice Kaul-led bench said, "The vehicles of the State Transport Corporations are not insured because of exemption provided and, as a result thereof, compensation is not paid for long period of time as most of these corporations are running in losses".

Owner, insurance firm told to pay Rs.1.03 crore

The Motor Accident Claims Tribunal has directed the owner of a car and an insurance firm to pay Rs.1.03 crore to family members of a Havildar of the Indian Army, who was killed in a road accident involving the same vehicle.

The Tribunal has directed the car owner and insurer to pay the amount within three months of the announcement of the decision.

Failing to do so, they would be liable to pay 7.5 per cent interest per annum from the date of filing of complaint by the victim's family till the amount is realised.

The complaint was filed by deceased's wife, parents and two minor sons against owner of the Swift Car Harbhajan Singh and the National Insurance Company with which the vehicle was insured.

Advocate Swarndeep Singh, legal counsel for the complainant, said Amarjit Singh (29) working with the Army had died in a hit and run case while he was jogging near his home during his holidays. He added that the driver of the car had fled from the place but the registration plate had fallen at the place from which the vehicle was tracked.

He said brother-in-law of the deceased was also with him when the accident had occurred. He added that the tribunal has directed the opposite party to deposit the amount with it in three months.

AM Best reaffirms credit ratings of General Insurance Corporation of India

AM Best (US-based credit rating agency) has re-affirmed the ratings assigned to General Insurance Corporation of India Limited (GIC Re) and further revised the outlook of Long-Term issuer Rating. The company said in a filing said that A M Best has reaffirmed the Financial Strength Rating at B++ (Good); Stable. The long-term issuer credit rating is bbb+ (Good) with the outlook revised to Stable from Negative.

IRDAI Circular

Maintenance of Current Accounts in multiple banks by Insurers

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

Date:06-10-2021

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

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

Public Disclosures by Insurers

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

Date:30-09-2021

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

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

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

Committee for review of IRDAI (Appointed Actuary) Regulations, 2017

Appointed Actuaries play pivotal role in functioning of an insurance company. Procedure for appointment of an Appointed Actuary in an insurance company, his/her duties, obligations, powers etc. are prescribed in the Appointed Actuary Regulations. Keeping in mindthe changes which have happened in the business environment in the past few years more particularly since notification of the IRDAI (Appointed Actuary) Regulations in the year 2017 and considering importance of role of Appointed Actuaries in an insurance company, a need has been felt to review these Regulations.

In this regard, a Committee has been constituted with the following members:

1. Mr. D Sai Srinivas, Chairperson of the Committee.
2. Mr. Varun Gupta, Member
3. Mr.SharadS Ramnarayanan, Member
4. Ms. R Padmaja, Member
5. Ms. PreetiChandrashekhar, Member
6. Mr. C S Kumar, DGM (Actuarial), IRDAI, Member Convenor.

Terms of reference of the Committee shall be as follows:

1. To study global practices on system of Appointed Actuaries or Statutory Actuarial positions in terms of duties, functions and eligibility conditions for appointment of Appointed Actuaries or similar statutory position, as applicable.
2. To review existing provisions of IRDAI (Appointed Actuary) Regulations, 2017 and recommend suitable amendments to these Regulations considering the current and future expected business environment.
3. The Committee may invite external experts for discussion on need basis.

Committee shall submit its report within 45 days from the date of this order.

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

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

In the August 2020 circular, the RBI had instructed banks not to open current accounts for customers who have availed of credit facilities in the form of cash credit (CC) / overdraft (OD) from the banking system. On a review, the central bank in December last year permitted banks to open specific accounts that are stipulated under various statutes and instructions of other regulators/ regulatory departments, without any restrictions placed in terms of the August 2020 circular.

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

Insurers maintain separate current accounts with banks at different operational levels (Branch offices, Controlling offices, Corporate office) for different purposes, including, premium collection, management expenses, policy payments, investment operations. Maintenance of current accounts at different operational levels for specific purposes helps the insurers in managing funds, reconciliation of transactions and servicing claims of policyholders efficiently, Irdai said. The regulator also said the audit committee of the insurers shall review annually the need for having multiple current accounts and rationalisation, if any, as may be required.

Performance STATISTICS - LIFE INSURANCE

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

(₹ Crores)

Sl. No.	Particulars	Premium in Rs. Crores					No. of Policies / Schemes				
		Month of Sep-2021	Upto Sep-2021	Month of Sep-2020	Upto Sep-2020	YTD Variation in %	Month of Sep-2021	Upto Sep-2021	Month of Sep-2020	Upto Sep-2020	YTD Variation in %
1	**Aditya Birla Sun Life Insurance Co. Ltd.**										
	Individual Single Premium	25.69	112.97	10.70	53.11	112.70%	253	1069	184	914	16.96%
	Individual Non Single Premium	216.14	867.36	166.30	738.62	17.43%	19711	95458	21810	113201	-15.67%
	Group Single Premium	769.34	1270.91	206.09	1154.05	10.13%	8	35	6	27	29.63%
	Group Non Single Premium	2.28	3.44	1.00	9.63	-64.24%	1	2	0	1	100.00%
	Total	**1061.30**	**2323.77**	**388.32**	**2000.44**	**16.16%**	**19982**	**96616**	**22043**	**114424**	**-15.56%**
2	**Aegon Life Insurance Co. Ltd.**										
	Individual Single Premium	0.01	0.11	0.09	0.31	-65.67%	0	506	3	15	3273.33%
	Individual Non Single Premium	0.72	7.25	4.49	21.46	-66.22%	393	5134	1677	8696	-40.96%
	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	**0.90**	**12.53**	**5.27**	**29.60**	**-57.68%**	**393**	**5657**	**1691**	**8753**	**-35.37%**
3	**Ageas Federal Life Insurance Co. Ltd.**										
	Individual Single Premium	26.54	116.95	30.42	111.44	4.95%	486	2251	621	3320	-32.20%
	Individual Non Single Premium	30.96	133.22	27.30	82.31	61.85%	3336	15412	3781	12366	24.63%
	Group Single Premium	12.91	55.00	8.03	27.60	99.27%	0	0	0	0	---
	Group Non Single Premium	0.00	0.00	0.00	0.00	-48.48%	0	0	0	1	-100.00%
	Total	**70.40**	**305.18**	**65.75**	**221.35**	**37.87%**	**3822**	**17663**	**4402**	**15687**	**12.60%**
4	**Aviva Life Insurance Co. Ltd.**										
	Individual Single Premium	0.83	4.98	1.60	7.78	-36.02%	9	26	97	200	-87.00%
	Individual Non Single Premium	15.59	66.47	11.10	58.17	14.27%	2158	8650	1715	9460	-8.56%
	Group Single Premium	0.66	2.04	0.11	0.77	164.87%	1	1	0	0	---
	Group Non Single Premium	0.09	0.49	0.13	0.81	-39.57%	0	0	0	0	---
	Total	**23.10**	**118.10**	**19.97**	**98.71**	**19.64%**	**2175**	**8741**	**1825**	**9738**	**-10.24%**
5	**Bajaj Allianz Life Insurance Co. Ltd.**										
	Individual Single Premium	35.71	122.13	4.80	23.71	415.09%	415	1666	103	430	287.44%
	Individual Non Single Premium	296.62	1293.58	183.28	862.95	49.90%	40294	184413	33327	188257	-2.04%
	Group Single Premium	720.27	1955.09	211.73	1153.37	69.51%	9	44	13	33	33.33%
	Group Non Single Premium	0.00	0.00	0.00	0.00	-100.00%	0	0	0	0	---
	Total	**1084.25**	**3522.38**	**413.73**	**2114.00**	**66.62%**	**40725**	**186168**	**33449**	**188747**	**-1.37%**
6	**Bharti AXA Life Insurance Co. Ltd.**										
	Individual Single Premium	6.15	30.29	8.97	66.67	-54.57%	53	220	279	2530	-91.30%
	Individual Non Single Premium	65.08	274.44	41.92	202.04	35.83%	10893	50083	8684	45561	9.93%
	Group Single Premium	13.35	73.45	10.45	47.60	54.29%	0	5	-1	7	-28.57%
	Group Non Single Premium	0.00	0.00	0.00	0.00	---	0	0	0	0	---
	Total	**85.09**	**378.95**	**63.03**	**318.00**	**19.17%**	**10948**	**50310**	**8965**	**48101**	**4.59%**
7	**Canara HSBC OBC Life Insurance Co. Ltd.**										
	Individual Single Premium	51.72	182.72	56.61	216.15	-15.46%	378	1704	382	2007	-15.10%
	Individual Non Single Premium	128.36	455.52	84.24	287.92	58.21%	18642	65778	17663	68200	-3.55%
	Group Single Premium	62.92	591.33	39.50	337.80	75.05%	1	3	1	3	0.00%
	Group Non Single Premium	0.12	1.10	0.35	1.57	-29.77%	0	0	0	0	---
	Total	**243.80**	**1333.53**	**182.53**	**971.12**	**37.32%**	**19024**	**67529**	**18051**	**70243**	**-3.86%**
8	**Edelweiss Tokio Life Insurance Co. Ltd.**										
	Individual Single Premium	1.32	11.22	0.23	2.79	302.04%	23	474	4	59	703.39%
	Individual Non Single Premium	41.23	154.48	37.35	150.31	2.77%	5097	25237	6555	35827	-29.56%
	Group Single Premium	3.09	12.55	0.91	4.20	198.84%	0	0	0	0	---
	Group Non Single Premium	0.00	0.00	0.00	0.85	-100.00%	0	0	0	0	---
	Total	**45.72**	**179.05**	**38.52**	**160.37**	**11.65%**	**5120**	**25715**	**6560**	**35901**	**-28.37%**
9	**Exide Life Insurance Co. Ltd.**										
	Individual Single Premium	17.05	80.08	5.51	37.29	114.78%	189	608	134	595	2.18%
	Individual Non Single Premium	70.90	272.17	51.52	205.08	32.72%	12696	54207	14547	62649	-13.48%
	Group Single Premium	0.08	0.37	0.07	0.23	63.62%	0	0	0	0	---
	Group Non Single Premium	0.24	26.78	2.33	8.17	227.61%	0	10	3	14	-28.57%
	Total	**100.89**	**435.60**	**64.90**	**268.07**	**62.50%**	**12885**	**54825**	**14684**	**63258**	**-13.33%**
10	**Future Generali India Life Insurance Co. Ltd.**										
	Individual Single Premium	0.83	1.89	0.22	0.88	115.68%	15	63	9	40	57.50%
	Individual Non Single Premium	25.40	100.22	21.75	115.38	-13.14%	3377	14021	4284	23300	-39.82%
	Group Single Premium	1.93	13.19	6.79	9.17	43.82%	0	0	0	4	-100.00%
	Group Non Single Premium	0.00	0.00	0.00	0.00	---	0	0	0	0	---
	Total	**32.49**	**185.19**	**30.32**	**149.36**	**23.99%**	**3397**	**14098**	**4294**	**23359**	**-39.65%**
11	**HDFC Life Insurance Co. Ltd.**										
	Individual Single Premium	341.16	1812.13	339.05	1578.17	14.82%	3805	20873	4105	18783	11.13%
	Individual Non Single Premium	700.13	3237.50	577.37	2653.17	22.02%	72793	388219	82138	425404	-8.74%
	Group Single Premium	1716.56	5221.59	1092.95	4257.28	22.65%	16	39	17	81	-51.85%
	Group Non Single Premium	0.00	0.00	0.00	0.00	---	0	0	0	0	---
	Total	**2788.84**	**10441.40**	**2028.75**	**8561.64**	**21.96%**	**76616**	**409161**	**86268**	**444329**	**-7.91%**
12	**ICICI Prudential Life Insurance Co. Ltd.**										
	Individual Single Premium	340.55	1519.15	188.51	863.42	75.94%	3340	15381	2136	10101	52.27%
	Individual Non Single Premium	589.39	2435.86	423.33	1798.15	35.46%	58118	270897	49640	266615	1.61%
	Group Single Premium	283.13	1108.88	192.90	620.30	78.76%	15	56	6	27	107.41%
	Group Non Single Premium	0.04	0.19	0.00	0.00	---	0	0	0	0	---
	Total	**1468.65**	**6460.61**	**1215.80**	**4456.34**	**44.98%**	**61501**	**287123**	**52232**	**278085**	**3.25%**

Performance STATISTICS - LIFE INSURANCE

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

(₹ Crores)

Sl. No.	Particulars	Premium in Rs. Crores					No. of Policies / Schemes				
		Month of Sep-2021	Upto Sep-2021	Month of Sep-2020	Upto Sep-2020	YTD Variation in %	Month of Sep-2021	Upto Sep-2021	Month of Sep-2020	Upto Sep-2020	YTD Variation in %
13	**IndiaFirst Life Insurance Co. Ltd.**										
	Individual Single Premium	6.17	30.99	2.78	9.02	243.50%	166	771	64	359	114.76%
	Individual Non Single Premium	132.03	492.29	81.83	278.75	76.60%	25641	101152	18021	72802	38.94%
	Group Single Premium	78.25	570.36	41.89	544.94	4.67%	17	178	17	94	89.36%
	Group Non Single Premium	0.02	0.36	0.06	0.28	28.53%	0	0	0	2	-100.00%
	Total	**216.48**	**1094.01**	**126.56**	**833.00**	**31.33%**	**25824**	**102101**	**18102**	**73257**	**39.37%**
14	**Kotak Mahindra Life Insurance Co. Ltd.**										
	Individual Single Premium	89.14	443.23	96.50	389.00	13.94%	3048	10721	6493	18966	-43.47%
	Individual Non Single Premium	166.08	626.08	128.39	558.99	12.00%	25115	104946	25265	119240	-11.99%
	Group Single Premium	134.62	572.08	73.15	262.27	118.13%	8	50	23	93	-46.24%
	Group Non Single Premium	0.04	0.11	0.06	0.23	-51.47%	1	5	2	10	-50.00%
	Total	**618.87**	**2164.15**	**481.38**	**1655.28**	**30.74%**	**28204**	**116050**	**31826**	**138679**	**-16.32%**
15	**Max Life Insurance Co. Ltd.**										
	Individual Single Premium	169.17	753.02	144.54	643.74	16.98%	728	3314	638	2441	35.76%
	Individual Non Single Premium	437.98	2011.74	408.71	1693.43	18.80%	51574	255445	53307	280750	-9.01%
	Group Single Premium	67.24	324.75	37.76	102.39	217.16%	2	23	5	6	283.33%
	Group Non Single Premium	0.00	0.00	0.00	0.00	---	0	0	0	0	---
	Total	**685.16**	**3108.73**	**601.28**	**2494.76**	**24.61%**	**52305**	**258789**	**53964**	**283537**	**-8.73%**
16	**PNB Metlife Life Insurance Co. Ltd.**										
	Individual Single Premium	13.71	63.76	5.74	37.69	69.20%	179	903	93	526	71.67%
	Individual Non Single Premium	144.11	569.15	119.49	499.46	13.95%	23098	103861	21258	99654	4.22%
	Group Single Premium	41.17	172.69	26.33	92.94	85.80%	0	1	0	0	---
	Group Non Single Premium	0.08	0.71	0.06	0.29	148.73%	2	71	27	72	-1.39%
	Total	**206.89**	**866.70**	**157.26**	**651.48**	**33.04%**	**23279**	**104836**	**21378**	**100252**	**4.57%**
17	**Pramerica Life Insurance Limited.**										
	Individual Single Premium	0.51	2.93	0.13	0.79	271.65%	11	52	554	1673	-96.89%
	Individual Non Single Premium	9.70	54.27	10.05	57.13	-5.02%	2844	12131	2226	11126	9.03%
	Group Single Premium	12.54	49.49	9.61	16.63	197.63%	1	2	2	8	-75.00%
	Group Non Single Premium	0.00	0.00	0.00	0.00	---	0	0	0	0	---
	Total	**23.73**	**127.66**	**21.07**	**93.95**	**35.88%**	**2857**	**12263**	**2796**	**12939**	**-5.22%**
18	**Reliance Nippon Life Insurance Co. Ltd.**										
	Individual Single Premium	2.79	23.01	4.98	19.00	21.11%	101	767	147	675	13.63%
	Individual Non Single Premium	74.76	365.11	76.34	351.11	3.99%	13938	72384	16838	82846	-12.63%
	Group Single Premium	0.00	0.00	0.00	0.00	---	0	0	0	0	---
	Group Non Single Premium	14.41	79.43	3.15	11.49	591.20%	7	21	5	10	110.00%
	Total	**92.64**	**476.64**	**85.09**	**384.66**	**23.91%**	**14049**	**73199**	**16996**	**83549**	**-12.39%**
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	471.59	1646.19	225.05	981.67	67.69%	8916	44490	4502	18899	135.41%
	Individual Non Single Premium	1262.55	4827.70	815.58	3225.50	49.67%	171776	725040	143992	579715	25.07%
	Group Single Premium	1117.33	3627.86	1161.48	4615.34	-21.40%	19	53	29	60	-11.67%
	Group Non Single Premium	0.67	13.14	0.54	9.79	34.29%	0	0	1	2	-100.00%
	Total	**2905.02**	**10287.36**	**2225.86**	**8999.01**	**14.32%**	**180716**	**769635**	**148546**	**598854**	**28.52%**
21	**Shriram Life Insurance Co. Ltd.**										
	Individual Single Premium	6.98	32.86	3.67	18.92	73.71%	1002	3729	125	671	455.74%
	Individual Non Single Premium	53.89	205.78	50.53	185.61	10.87%	24838	104583	27578	98791	5.86%
	Group Single Premium	28.06	84.71	17.80	39.22	115.97%	0	1	1	1	0.00%
	Group Non Single Premium	0.00	0.00	0.00	0.00	---	0	0	0	0	---
	Total	**96.93**	**377.00**	**74.24**	**248.57**	**51.67%**	**25840**	**108379**	**27710**	**99471**	**8.96%**
22	**Star Union Dai-Ichi Life Insurance Co. Ltd.**										
	Individual Single Premium	20.24	71.40	22.73	64.25	11.13%	338	1363	441	1343	1.49%
	Individual Non Single Premium	118.66	383.08	83.32	214.77	78.36%	15325	50756	11953	31868	59.27%
	Group Single Premium	22.83	86.39	15.41	41.42	108.55%	0	0	2	2	-100.00%
	Group Non Single Premium	0.00	0.06	0.20	0.82	-92.77%	0	0	0	0	---
	Total	**180.33**	**792.95**	**126.93**	**383.94**	**106.53%**	**15671**	**52150**	**12398**	**33219**	**56.99%**
23	**Tata AIA Life Insurance Co. Ltd.**										
	Individual Single Premium	53.93	218.24	63.51	319.87	-31.77%	470	2323	362	1928	20.49%
	Individual Non Single Premium	377.19	1570.88	269.94	1247.53	25.92%	40913	198669	35642	197563	0.56%
	Group Single Premium	7.59	32.21	2.18	6.23	416.76%	0	2	0	1	100.00%
	Group Non Single Premium	0.29	2.04	5.61	17.93	-88.61%	1	12	6	34	-64.71%
	Total	**449.48**	**1877.82**	**346.92**	**1615.98**	**16.20%**	**41406**	**201115**	**36037**	**199652**	**0.73%**
	PRIVATE										
	Individual Single Premium	1681.79	7280.26	1216.35	5445.67	33.69%	23925	113274	21476	86475	30.99%
	Individual Non Single Premium	4957.47	20404.14	3674.13	15487.84	31.74%	642570	2906476	602101	2833891	2.56%
	Group Single Premium	5093.89	15824.93	3155.17	13333.76	18.68%	97	493	121	447	10.29%
	Group Non Single Premium	18.29	127.86	13.49	61.86	106.71%	12	121	44	146	-17.12%
	Private Total	**12480.96**	**46869.30**	**8763.48**	**36709.63**	**27.68%**	**666739**	**3022123**	**624217**	**2924034**	**3.35%**
24	**Life Insurance Corporation of India**										
	Individual Single Premium	2292.19	10100.58	2657.59	15048.35	-32.88%	93611	394054	90246	418001	-5.73%
	Individual Non Single Premium	2523.94	11805.26	1991.57	10857.39	8.73%	1683304	6967356	1573468	5732554	21.54%
	Group Single Premium	13367.09	61741.34	11366.20	57969.15	6.51%	30	93	39	106	-12.26%
	Group Non Single Premium	191.20	805.41	442.55	3863.27	-79.15%	620	3285	711	2639	24.48%
	Total	**18520.21**	**85112.59**	**16602.84**	**88018.01**	**-3.30%**	**1780165**	**7374125**	**1666521**	**6161576**	**19.68%**
	GRAND TOTAL	**31001.17**	**131981.89**	**25366.32**	**124727.64**	**5.82%**	**2446904**	**10396248**	**2290738**	**9085610**	**14.43%**

Performance Statistics - Non-Life Insurance

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

(Rs. in crores)

INSURER	For the month of September		Upto the Month of September		Market Share upto the Month of Sep. 2021 (%)	Growth over the corresponding period of previous year (%)
	2021-22	2020-21	2021-22	2020-21		
Acko General Insurance Limited	89.51	38.42	14.66	149.60	0.38	177.18
Bajaj Allianz General Ins. Co. Ltd.	1,014.75	937.91	7,483.12	6,408.94	6.88	16.76
Bharti AXA General Ins. Co. Ltd.#	52.48	393.52	---	1,555.96	(0.00)	NA
Cholamandalam MS General Ins.	405.72	376.85	2,122.17	1,950.95	1.95	8.78
NAVI General Insurance Limited	9.91	8.47	36.60	38.73	0.03	(5.48)
Edelweiss General Ins. Co. Ltd.	23.43	12.20	153.98	94.02	0.14	63.77
Future Generali India Ins. Co. Ltd.	418.50	348.58	1,817.62	1,597.39	1.67	13.79
Go Digit General Ins. Ltd.	364.45	218.48	1,780.11	973.04	1.64	82.94
HDFC Ergo General Ins. Co. Ltd.	1,841.50	1,964.64	6,525.18	5,916.70	6.00	10.28
ICICI Lombard General Ins. Co. Ltd.	1,467.81	1,088.53	8,612.63	6,491.46	7.92	32.68
IFFCO Tokio General Ins. Co. Ltd.	737.81	820.14	4,365.20	4,227.95	4.02	3.25
Kotak Mahindra General Ins. Co.	56.66	44.36	277.67	233.58	0.26	18.88
Liberty General Ins. Ltd.	112.03	105.96	689.57	650.72	0.63	5.97
Magma HDI General Ins. Co. Ltd.	120.38	94.12	689.73	513.57	0.63	34.30
National Ins. Co. Ltd.	1,686.56	2,285.21	6,888.56	7,021.00	6.34	(1.89)
Raheja QBE General Ins. Co. Ltd.	25.75	19.64	185.95	90.38	0.17	105.74
Reliance General Ins. Co. Ltd.	1,586.17	1,391.96	5,072.52	4,500.55	4.67	12.71
Royal Sundaram General Ins. Co.	219.65	218.43	1,352.69	1,219.87	1.24	10.89
SBI General Ins. Co. Ltd.	1,031.71	1,012.64	4,128.95	3,619.67	3.80	14.07
Shriram General Ins. Co. Ltd.	161.39	195.51	780.63	1,008.93	0.72	(22.63)
Tata AIG General Ins. Co. Ltd.	815.00	695.09	4,366.55	3,780.98	4.02	15.49
The New India Assurance Co. Ltd.	3,038.65	2,844.65	16,887.81	14,099.99	15.54	19.77
The Oriental Ins. Co. Ltd.	1,948.10	1,701.86	7,122.45	6,261.35	6.55	13.75
United India Ins. Co. Ltd.	1,276.51	1,633.02	7,626.53	8,266.17	7.02	(7.74)
Universal Sompo General Ins. Co.	517.27	453.78	1,570.02	1,353.68	1.44	15.98
General Insurers Total	**19,021.70**	**18,903.97**	**90,950.90**	**82,025.20**	**83.67**	**10.88**
Aditya Birla Health Ins. Co. Ltd.	155.61	109.84	763.67	550.02	0.70	38.84
ManipalCigna Health Ins. Co. Ltd.	79.46	61.07	441.61	329.17	0.41	34.16
Niva Bupa Health Ins. Co. Ltd.	231.12	141.28	1,248.97	719.27	1.15	73.64
Care Health Insurance Limited	316.48	212.79	1,677.98	1,140.18	1.54	47.17
Star Health & Allied Ins. Co. Ltd.	960.36	800.00	5,199.80	3,955.95	4.78	31.44
Reliance Health Ins. Ltd.*	(0.01)	(0.00)	(0.02)	(0.01)	(0.00)	NA
Stand-alone Pvt Health Insurers	**1,743.03**	**1,324.98**	**9,332.00**	**6,694.58**	**8.58**	**39.40**
Agricultural Ins. Co. of India Ltd.	1,351.34	2,538.38	7,961.34	7,219.54	7.32	10.27
ECGC Limited	110.34	103.49	461.05	451.78	0.42	2.05
Specialized PSU Insurers	1,461.68	2,641.87	8,422.39	7,671.32	7.75	9.79
GRAND TOTAL	**22,226.40**	**22,870.82**	**1,08,705.29**	**96,391.10**	**100.00**	**12.78**

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

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

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

Glossary

Loss Payable Clause
Coverage for third party mortgagee in case of default on insured property, secured by a loan, that has been lost or damaged.

Loss Ratio
The percentage of incurred losses to earned premiums.

Loss Reserve
The amount that insurers set aside to cover claims incurred but not yet paid.

Loss Reserves
An estimate of liability or provision in an insurer's financial statement, indicating the amount the insurer expects to pay for losses incurred but not yet reported or reported claims that haven't been paid.

Losses Incurred
Includes claims that have been paid and/ or have amounts held in reserve for future payment.

Poll

Do you think margers will help industry to consolidate?

Yes

No

Can't say

Results of Poll in our October 2021 Issue

Do you think LIC IPO will change market dynamics?

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
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Three Days Motor Technical Seminar organised by IIISLA, Rajasthan Chapter

Sawaimadhopur and Kota unit of IIISLA Rajasthan chapter under the chairmanship of Sri Tilak Raj Verma conducted a three days motor technical seminar from 15th-17th October 2021 at Hotel Reginta, Sawaimadhopur.

Around 150 delegates from all over India attended the seminar.

The occasion was blessed by Sri Raghunath Singh Meena, DGM, United India Insurance Company as the Chief Guest and Major General Anuj Mathur as the guest of Honour, Mr. M.M. Verma Regional Manager, New India Assurance Company Ltd., Shri Rahul Jadhav National President, IIISLA, Shri Ajay Girdhar Nation General Secretary, Mr. Pillai CC Member, IIISLA.

There were many officers from National insurance company and Oriental Insurance company. The MOC of the program was Mr. Ashwini Agarwal, Past National Treasurer and the observer of the entire program was Mr. Manoj Bhargava, ex CC Member and past Rajasthan Chapter Chairman.

The main Topics covered in the three days technical seminar were -

1. Major General Shri Anuj Mathur VSM (Retd.) spoke about the importance of Discipline, Unity, Knowledge.
2. Shri P C Shukla, Surveyor from Kanpur explained about the Disha and Dasha of surveyor community and the behaviour of IRDA.
3. Shri A. K. Sinha, Surveyor from Kanpur explained about the fabrication of trailer and semi trailer's body and chassis and also about the repair/painting process by the authorized dealer.
4. Shri Rakesh Soni and Shri Sunil Jurani, explained about the chassis and load body fabrication and the bus body fabrication.
5. Shri Sunil Yadav explained about the painting process.
6. Mr. B B Rai, senior surveyor of Jaipur explained about the terms and condition of Insurance Policies.
7. Mr. Pankaj Arora of Arora Diesels diesel Jaipur, explained about the FIP, Turbo Charger, Steering assy, Doser Unit and other electronic equipment, fitted in the BS VI model of vehicles.

Senior Surveyor Mr Ravindra Kumar Sharma was felicitated as PATRON of RAJASTHAN CHAPTER

Mr. R. K. Sharma blessed the entire team, who put their hard work to make the seminar a grand success.

Meet Mr Raghunath Singh Meena, DGM, United India Insurance Company Ltd.

Mr Meena was recruited as AAO in 1987. He worked as an Accountant in DO and BO and got appreciation from CMD for early closing of Accounts in the very first year of Service.

He headed BO's, DO's and RO for more than 24 years. All were vulnerable and tough offices but was able to give exemplary results in terms of manifold growth with profit.

He was posted as sole RM in 2015 to Nagpur RO and was instrumental to turn around the RO and was made CRM of the Region in recognition. He was promoted as DGM in 2018 at Nagpur.

Currently he is posted as Deputy General Manager, United India Insurance Company Ltd, in Jaipur Regional Office.

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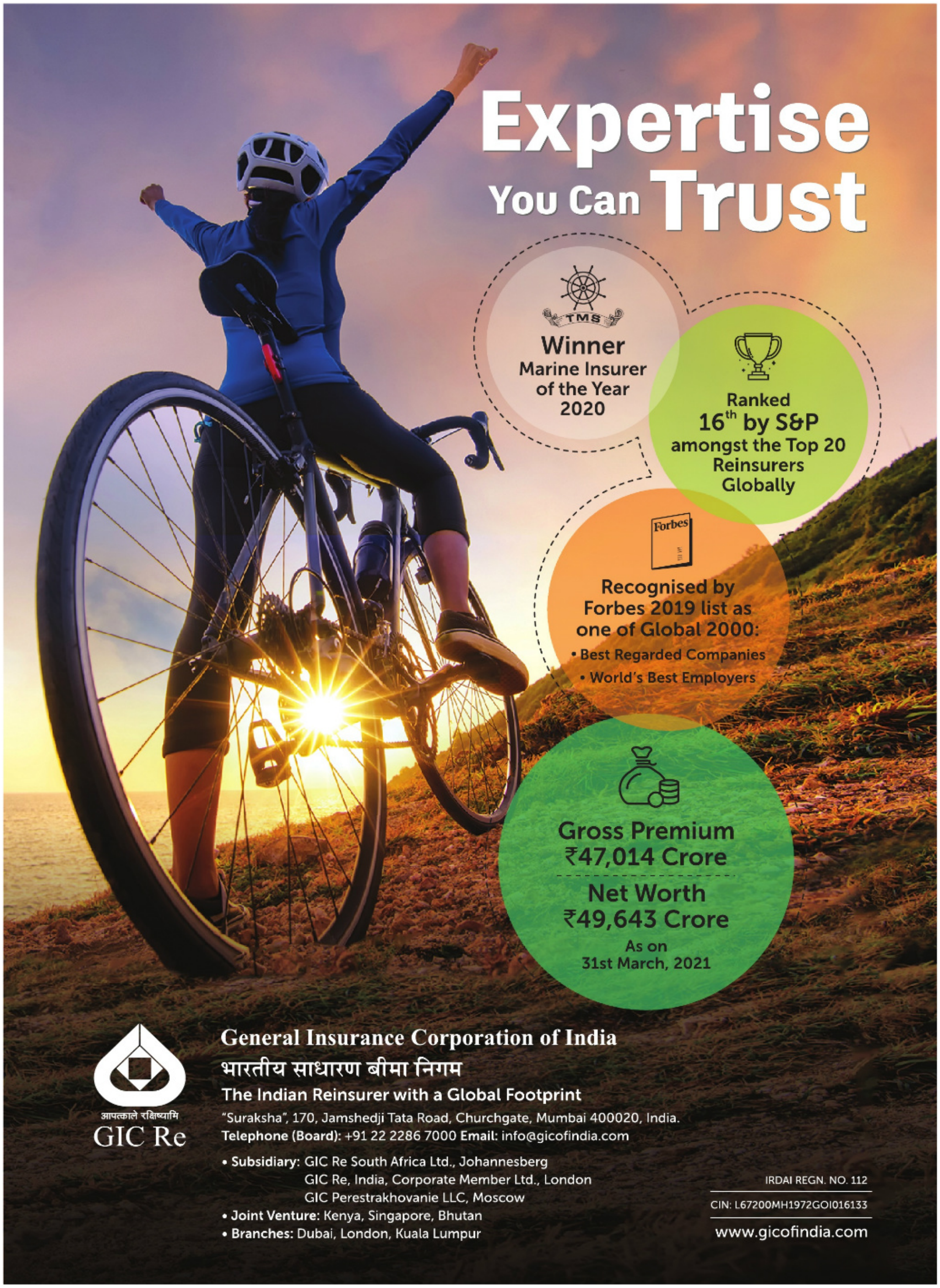

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