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THE INSURANCE TIMES

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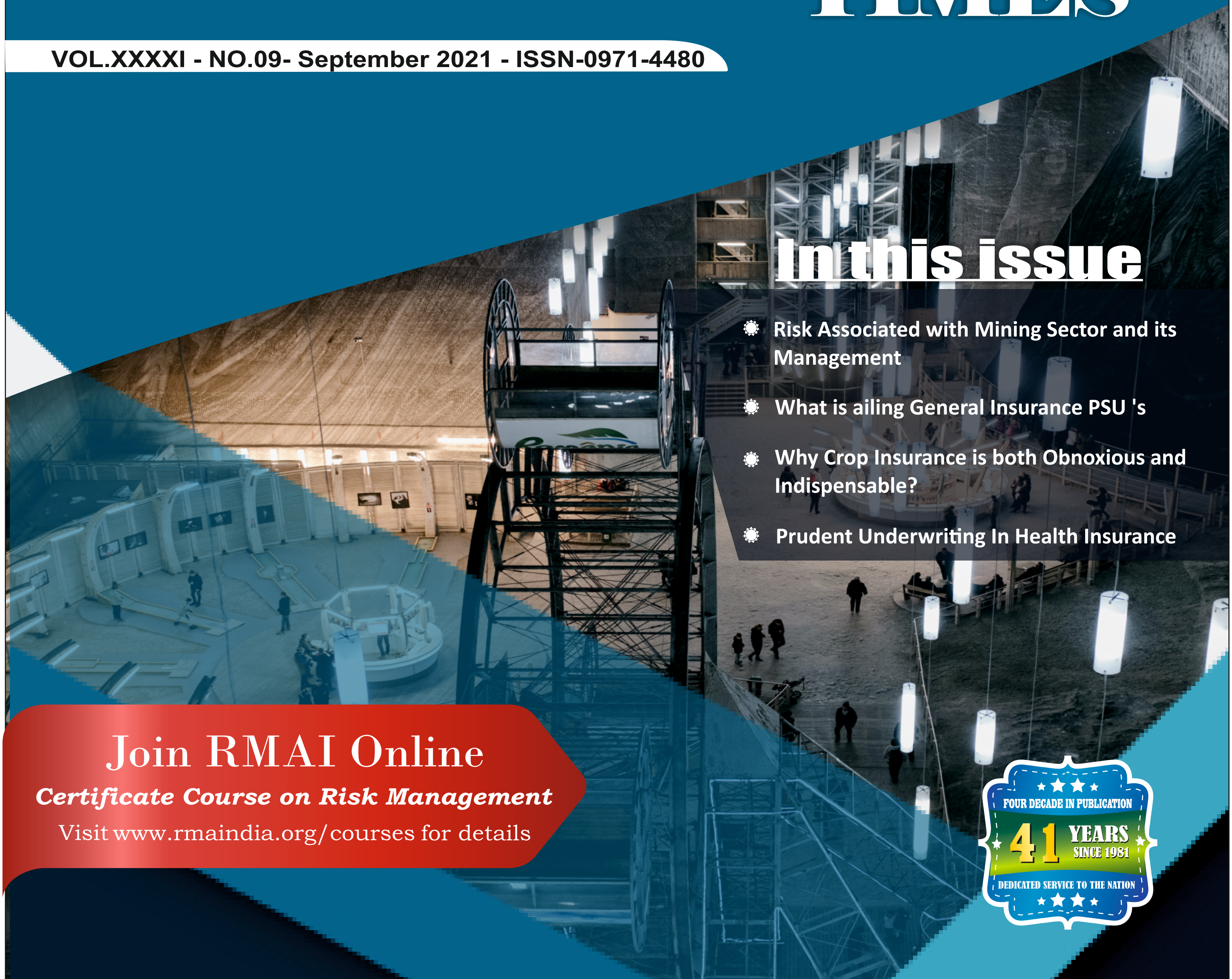

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- Risk Associated with Mining Sector and its Management
- What is ailing General Insurance PSU 's
- Why Crop Insurance is both Obnoxious and Indispensable?
- Prudent Underwriting In Health Insurance

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

"The second wave impacted the affluent class having better insurance. "Covid claims are significantly higher and the reporting tail is longer."

Bhargav Dasgupta
MD & CEO
ICICI Lombard General Ins.

"The declaration of this Rs 532 crore bonus reinforces our commitment to help our customers reach their financial aspirations through every stage of Life."

Ashish Kumar Srivastava
MD & CEO
PNB MetLife

"Across the world, health indemnity and pension are part of life insurance ...Allowing distribution of NPS and health could help improve insurance reach across the country."

Deepak Parekh
Chairman
HDFC Life Insurance

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Editor-in-Chief's Desk

Ram Gopal Agarwala
B.Com, LLB, FCA.

IRDAI is running without a regular Chairman which should be taken care by the Govt. at the earliest since IRDAI needs to closely monitor the Insurance Industry in India and in absence of full time chairman important decisions will be delayed.

Automobiles scrapping policy on 13.08.21 by the Government of India will change the whole current nature of automobile industry in India but it is still to be seen in practice how it works in time to come. Electric vehicles are also slowly gaining ground and with the aggressive approach of government the electric vehicles will gain significant market share. General Insurers must also be well prepared to adapt the new environment.

As per latest report GIC has shown loss in the first quarter of F.Y. 21-22 which might be due to the Covid-19 claim and slow down of business activities to some extent.

Government of India has increased the limit deposit insurance in Banks and Financial Institutions from 1 lac to 5 lacs which is a welcome decision in the interest of small depositors.

In a significant order, the Madras High Court has ruled that "bumper-to-bumper" insurance should be mandatory whenever a new vehicle is sold, from September 1. This must be in addition to covering the driver, passengers and owner of the vehicle, for a period of five years.

The judge passed this order, which would go a long way in coming to the aid of lots of accident victims. He, however, could not come to the rescue of the claimants in this case, as the vehicle, in which their breadwinner was travelling / driving, was covered only with third-party insurance.

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General Insurance News

Finance ministry to infuse more capital in general insurers

In a bid to improve financial health of state-owned general insurance companies, the Finance Ministry will infuse Rs 3,000 crore capital into them. The proposal to provide capital support to three public sector general insurance companies - Oriental Insurance Company Limited (OICL), National Insurance Company Limited (NICL) and United India Insurance Company Limited (UIICL) - has already been approved by the Union Cabinet.

The cabinet had also proposed to increase the authorised share capital of National Insurance Company to Rs 7,500 crore and that of United India Insurance Company and Oriental Insurance Company to Rs 5,000 crore each to give effect to the capital infusion decision. The government had halted the merger process of three National Insurance, Oriental Insurance and United India Insurance.

Recently, the government sought Parliament approval for gross additional expenditure of Rs 6.28 lakh crore for 2020-21 as part of second and final batch of supplementary demands for grants. This included Rs 3,000 crore for providing additional funds towards recapitalisation of insurance companies.

Non-life insurers' record growth in premium

Non-life insurers, which include general, standalone, and specialised public-sector, have recorded 19.46-per cent year-on-year (YoY) growth in premiums in July.

In July, non-life insurers - 33 in total - earned premiums to the tune of Rs 20,171.15 crore, against Rs 16,885 crore in the same month last year.

On a year-to-date (YTD) basis (April-July), insurers saw their premiums go up 15.49 per cent to Rs 64,607.25 crore, against Rs 55,939.85 crore in the same period last year.

General insurers, who cover risks ema-nating from a whole host of segments, such as motor, health, crop, fire, marine, and others, reported 17.61-per cent YoY growth in premiums in the reporting month to Rs 16,469.20 crore versus Rs 14,003.81 crore. Further, on a YTD basis, premiums earned by them surged 12.9 per cent to Rs 56,280.58 crore. On the other hand, standalone health insurers have reported 27.49-per cent YoY growth in premiums in July over the same period last year, driven by robust demand for health products during the pandemic.

GIC records Rs 771 crore loss

The second wave of Covid-19 has taken a major toll on the earnings of the General Insurance Corporation of India. The national reinsurer has recorded Rs 999 crore of claims in its life reinsurance book during the first quarter of FY22 as death claims surged due to the second wave of the pandemic.

The spike in deaths resulted in a sharp jump in the combined ratio to 340%. The combined ratio reflects the percentage of claims and expenses to premium. In addition, the corporation provided an additional Rs 500 crore for losses on account of cyclone Tauktae and cyclone Yaas.

The corporation has reported a loss of Rs 771 crore as compared to a profit of Rs 1260 crore in the quarter ended March 2021. GIC chairman Devesh Srivastava said, "The life insurance industry has had a setback due to Covid, although the future looks brighter, we took a very conservative approach as the aftermath of Covid is not fully known".

ICICI Lombard reports decline in net profit

Private sector general insurer ICICI Lombard has reported a 62 per cent decline in net profit at Rs 151.63 crore in April-June quarter of FY22 as its underwriting losses mounted on account of higher Covid claims.

In the April-June quarter, the insurer posted an underwriting loss of Rs 508.16 crore against an underwriting profit of Rs 38.16 crore in the year-ago period. In the March quarter, it had reported an underwriting loss of Rs 91.29 crore.

The combined ratio of the insurer stood at 121.3 per cent in Q1 against 99.7 per cent in Q1 FY21, primarily driven by Covid-19 impact. The impact on the health book of the insurer was to the tune of Rs 602 crore in Q1 against Rs 20 crore in the year-ago quarter and Rs 339 crore in FY21.

The gross direct premium income of the insurer stood at Rs 3,733 crore in April-June quarter, up 13 per cent from Rs 3,302 quarter in the year-ago period. The solvency of the insurer at the end of June quarter was 2.76x against 2.90x on March 31, 2021, and higher than the minimum regulatory requirement of 1.50x.

Vehicle scrappage policy to generate new investments

Prime Minister Narendra Modi said India's new vehicle scrappage policy has the potential to generate fresh investments of more than Rs. 10,000 crore, creating thousands of jobs.

Finance minister Nirmala Sitharaman announced the policy in her February budget for FY22 to phase out unfit, polluting vehicles.

The policy is an attempt by the government to boost automobile demand that has been hit by weak consumer sentiment amid a slowdown in the broader economy.

"The new scrappage policy is an important link in the circular economy and the waste-to-wealth campaign. This policy also reflects our commitment to reduce pollution in the cities of the country and protect the environment and fast development. This policy, by following the principle reuse, recycle and recovery, will also promote the country's self-reliance in the auto sector and in the metal sector," Modi said at an investor summit in Gujarat.

The summit is being organized to invite investment for setting up vehicle scrapping infrastructure under the voluntary vehicle-fleet modernization programme. It will also focus on the synergies presented by the ship-breaking industry at Gujarat's Alang for the development of an integrated scrapping hub.

GIC puts Dubai branch in runoff mode

GIC Re, seventh largest non-life reinsurer globally, has decided to put its Dubai branch into run off mode as the Dubai authority has not renewed the licence issued to the company. The reinsurer will now run the Dubai business from the GIFT City IFSC in Ahmedabad.

"During the quarter ended June 21, GIC Re decided to place its Dubai branch into run off because of non-renewal of license by Dubai authority, non-compliance in solvency requirement etc," GIC Re said in a stock exchange filing. The decision to place the Dubai Branch into run off, has been informed to insurance regulator IRDAI vide letter dated July 6, 2021, it said.

"GIC Re has decided to continue the activity/ operations relating to Dubai branch from GIFT City, India," it said. The board of GIC Re also accorded its approval and to carry out suitable statutory requirements if any on July 7, 2021 by a circular resolution. UAE's Insurance Authority merged with the Central Bank of the UAE earlier this year.

"Effective July 3, 2021, the Dubai branch of GIC Re will no longer underwrite business under its operations. However, the branch will continue to service the underwriting and claims run off from the business underwritten prior to July 3," GIC Re said in a letter to its business partners.

Madras High Court makes "bumper-to-bumper" insurance mandatory

In a significant order, the Madras High Court has ruled that "bumper-to-bumper" insurance should be mandatory whenever a new vehicle is sold, from September 1.

This must be in addition to covering the driver, passengers and owner of the vehicle, for a period of five years.

Thereafter, the owner of the vehicle must be cautious in safeguarding the interest of driver, passengers, third parties and himself/herself, so as to avoid unnecessary liability being foisted on the owner of the vehicle, as beyond five years, as on date there is no provision to extend the bumper to bumper policy, due to its non-availability, Justice S Vaidyanathan said in a recent order.

The judge was allowing a writ petition from the New India Assurance Company Limited in Avalpoondurai, challenging the orders dated December 7, 2019 of the Motor Accidents Claims Tribunal, Special District Court in Erode.

The Insurance company pointed out that the insurance policy in question was only an "Act Policy", which would cover only the risk that might be confronted by a third party to the vehicle and not its occupants. The coverage for an occupant of the vehicle could be extended upon payment of additional premium by the owner of the car, the insurance company contended. The judge passed this order, which would go a long way in coming to the aid of lots of accident victims. He, however, could not come to the rescue of the claimants in this case, as the vehicle, in which their breadwinner was travelling/driving, was covered only with third-party insurance.

General Insurers to recover as Covid cases fall, jabs rise

India's normal insurance coverage sector is about to regularly get well from excessive loss ratios, which hit the solvency margins of high gamers within the first half of 2021, on the again of decreasing Covid-19 instances and elevated vaccinations, ICICI Securities has stated.

"The heightened loss ratios and in flip decrease solvency for India's well being insurers in Q4 FY21/Q1 FY22 are anticipated to normalise regularly with a reduction in Covid cases and increased vaccinations (assuming there are no recurring Covid waves)," as per the report.

The industry-which includes 25 general insurers and six standalone health insurance firms - have received 1.3 million claims in FY22 on account of coronavirus, of which 1.04 million have been settled as of July 18, according to the report.

In terms of value, the insurance companies have received total claims worth Rs. 14,660 crore in FY22 till date, against Rs. 14,680 crore during the previous fiscal. Out of these claims received, Rs. 9,900 crore has been settled in FY22 till now as against Rs. 7,900 crore in the whole of FY21, as per the report.

Only select firms such as Star Health and Niva Bupa (formerly Max Bupa) posted a combined ratio below 100 in the June quarter which coincided with devastating second wave of the pandemic in India while Bajaj Allanz General Insurance, ICICI Lombard, HDFC Ergo and Care Halth all posted loss ratios in excess of 100.

PhonePe gets IRDAI license to serve as direct insurance broker

Digital payments platform PhonePe said on Monday it has been issued an insurance broking license from the Insurance Regulatory and Development Authority of India (IRDAI).

Last year, PhonePe entered insurtech sector with a limited insurance 'corporate agent' license which restricted the company to partnering with only three insurance companies per category.

Now, with this new 'direct broking' license, PhonePe can distribute insurance products from all insurance companies in India.

The new broking license also allows PhonePe to start offering personalised product recommendations to its 300-plus million users, and offering a much more diverse portfolio of insurance products for Indian consumers.

Gunjan Ghai, Vice President and Head of Insurance, said this license is a big milestone in the company's insurance journey. "This move to broking will give us further momentum and accelerate our growth in this space."

PhonePe forayed into the insurance segment in January 2020 as a 'corporate agent' and has since launched offerings across general insurance, term insurance and health insurance.

The platform is India's leading digital payments platform with over 300 million registered users. Using PhonePe, users can send and receive money, recharge mobile, DTH, data cards, pay at stores, make utility payments, buy gold and make investments.

SBI General Insurance launches its sonic brand identity

SBI General Insurance (SBIG) today launched its signature tune, thereby establishing its sonic brand identity. The newly launched musical id is a delightful symphony that encapsulates modern and forward-looking attitude.

The company's musical id is envisaged to create a deep and multisensory experience for its customers and thereby amplify its key messaging of trust and support. The music id will act as the brand's signature tune, thereby integrating the tune in digital touch points. This sonic tune is a celebration of SBIG's new brand identity which was launched last year.

Shefali Khalsa, Head – Brand & Corporate Communication, SBI General Insurance shares, "Sound has great power and can connect with people at a deeper level. Our musical logo is designed to succinctly convey and resonate SBIG's brand presence and underline the brand promise of "Suraksha Aur Bharosa Dono". The sonic derived and launched is vibrant and energetic, indicating that SBI General as progressive."

SBI General having a strong foundation with multiple milestones, this new sonic identity will be another milestone in the trajectory. ❑

IRDAI News

IRDAI to call for re-pricing of policies

Amid mounting losses facing general insurers, the insurance regulator is understood to be examining the proposal to increase the premium for Covid-specific cover, but a decision is yet to be taken.

According to sources close to the development, the Insurance Regulatory and Development Authority of India (IRDAI) is set to call a meeting of the actuaries to further discuss the issue of re-pricing of Corona Rakshak and Corona Kavach policies.

Non-life insurers, which had earlier also made a representation to increase the premium for these policies, have now pointed to their Q1, saying it is difficult to survive without a hike in the rates of these policies. "Non-life insurers are bleeding on the back of huge claims on health covers due to Covid. The combined ratios of many private sector general insurers are as high as 125 per cent.

"A review of the rates of these policies is much needed, especially since their premium is so low," noted the head of a general insurance company.

Another insurance executive said companies are awaiting further word from the IRDAI to come out with revised rates. "There has been some discussion, but we are still waiting for further directions," he said.

IRDAI will vet for FDI in bank-led insurance

Applications for foreign direct investment in an insurance company promoted by a private bank would be cleared by the RBI and IRDAI to ensure that the 74% limit of overseas investment is not breached.

The changes took effect following amendments to the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, as per the gazette notification issued by the Finance Ministry on August 19.

"These rules may be called the Foreign Exchange Management (Non-debt Instruments) (Second Amendment) Rules, 2021," it said.

In March, Parliament passed a bill to raise the foreign direct investment (FDI) limit in the insurance sector from 49% to 74%. The Insurance Act, 1938 was last amended in 2015, raising the limit to 49%, resulting in foreign capital inflow of ?26,000 crore over 5 years.

"Applications for foreign direct investment in private banks having joint venture or subsidiary in insurance may be addressed to the Reserve Bank for consideration in consultation with the Insurance Regulatory and Development Authority of India (IRDAI)," to ensure that the foreign investment limit is not breached, the notification said.

Finance Ministry explores insurance bonds as alternative

The government is considering to introduce insurance bonds as an alternative to bank guarantees, Finance Secretary T V Somanathan said. Somanathan made the announcement during a meeting between industry captains and Finance Minister NirmalaSitharaman, who is on a two-day visit to the financial capital. "Government is exploring on instituting insurance bonds as alternatives to bank guarantees," an official statement said. Bank guarantees are usually asked for while extending a loan and typically require a collateral.

An insurance bond is also a surety but it does not require any collateral. Recommended by As per reports last year, insurance regulator Irdai was also looking at the option of insurers offering surety bonds in the context of road projects. Sitharaman, who met the industry captains in the evening, said the government is committed to working towards ensuring policy certainty, adding that the regulators also have a key role in ensuring the same. She said the government is working with the regulators on this "important issue", as per the statement.

The finance minister emphasised the importance of 'India's own equity capital' while addressing the industry and assured government facilitation for sunrise sectors and startups.

Revenue Secretary Tarun Bajaj said his department was working on tax-related issues of startups and sought industryinputs on the same.

Sitharaman also assured the industry of addressing issues related to competitiveness, including high power tariffs, and matters related to cumbersome regulatory compliances, the statement said.

The economy is moving gradually from a bank-led lending model to a more market-based finance model and the operationalisation of the Development Finance Institution (DFI) will ensure long-term lending for projects, Sitharaman said. The DFI will increase competition for banks and also improve their efficiency, the statement quoted her as saying.

In the meeting, which comes in the wake of a controversy caused by her cabinet colleague PiyushGoyal's reported remarks about disenchantment with the industry for not keeping the nation's interest in mind, Sitharaman said, "This government believes in listening, working and responding and would extend all possible support."

Tata Steel's T V Narendran said for growth to take deep roots, sustained demand is critical, and the immediate source of demand has to be government expenditure.

Narendran also recommended frontloading of the committed capital expenditure, especially on infrastructure, adding that the first quarter's handsome revenues create a room for the same, as per the statement.

Insurance products for Indian consumers.

Gunjan Ghai, Vice President and Head of Insurance, states this license to be a big milestone in the company's insurance journey. "This move to broking will give us further momentum and accelerate our growth in this space."

PhonePe forayed into the insurance segment in January 2020 as a 'corporate agent' and has since launched offerings across general insurance, term insurance and health insurance.

The platform is India's leading digital payments platform having more than 300 million registered users. Using PhonePe, users can send and receive money, recharge mobile, DTH, data cards, pay at stores, make utility payments, buy gold and make investments. ❑

Rs. 10,703 cr covid claims pending

With insurance claims going through the roof amid the Covid-19 pandemic, insurance companies are sitting on almost one-third of the claims submitted by patients since the pandemic hit the country in the beginning of the financial year 2020-21. Over 3.06 lakh Covid claims for Rs 10,703 crore are pending before insurance companies as on August 6, indicating the pressure being faced by insurers despite Delhi High Court and insurance regulator IRDAI directing the insurance firms to complete the settlement of Covid claims in an hour after discharge.

Health insurance companies have received a total of 23.06 lakh claims worth Rs 29,341 crore as on August 6, 2021, according to figures compiled by the General Insurance Council. However, insurance firms have settled only Rs 17,813 crore involving 18.99 claims so far. Of the total claims, 13.19 lakh claims worth Rs 14,783 crore came between April 1 and August 6, 2021 during the financial year 2021-22 while 9.86 lakh claims for Rs 14,560 crore were reported during the financial year ended March 2021.

According to insurers, the sharp rise in Covid claims has hit them substantially. "Yes, health claims have gone up a lot. While the number of claims went up, the average cost of a covid claim is twice the size of non-covid claims. Thus, the hit has been substantial," said Kamesh Goyal, Chairman, Digit Insurance.

Star Health to raise funds by an initial share sale

Star Health and Allied Insurance Company has filed preliminary papers with SEBI to raise funds through an initial share sale. The IPO comprises a fresh issue of equity worth Rs. 2,000 crore and an offer for sale of up to 6.01 crore shares by promoters and existing shareholders, according to the draft prospectus. The selling shareholders included Safecrop Investments India LLP, Konark Trust and MMPL Trust (promoter and promoter group) and existing investors Apis Growth 6 Ltd, Mio IV Star, University of Notre Dame Du Lac, Mio Star, ROC Capital Pty Ltd, Venkatasamy Jagannathan, Sai Satish and Berjis Minoo Desai. The public offer includes a reservation for eligible employees.

LIC of India News

Mini Ipe takes charge as MD

Mini Ipe has taken charge as Managing Director of Life Insurance Corporation of India on August 02, 2021. She was appointed as Managing Director vide Government of India notification dated 5th July, 2021.

Mini Ipe is a post graduate in Commerce from Andhra University and has joined LIC in 1986 as a Direct Recruit Officer. She has rich and diverse experience in LIC having worked in various capacities. Prior to taking charge as Managing Director, she was Executive Director, Legal Department, LIC of India.

Mini Ipe was the first woman Zonal Manager (In-charge) of LIC and headed SCZO, Hyderabad. She has also worked as Executive Director (International Operations), Director & CEO of LICHFL Financial Services Ltd. and was instrumental in taking LICHFL Financial Services Ltd. to new heights in business revenue and profits during her tenure. She has also worked as Regional Manager (P&IR) and Regional Manager (Estate) of Western Zone.

Govt. to selloff 3 PSU before LIC IPO

The government is looking to complete at least three public sector disinvestment transactions before rolling out the mega initial public offer (IPO) of Life Insurance Corporation of India early next year, a finance ministry official said.

At least three firms - National Fertilisers Ltd, Mishra Dhatu Nigam Ltd and Rashtriya Chemical & Fertilizers Ltd - will be divested through offer on sale, or OFS, route within the next quarter, the official said.

"We expect that the LIC offer should hit the markets early next year, so by that time we should be able to complete these issues as already necessary approvals are in place," he said.

Earlier this month, the cabinet committee on economic affairs, or CCEA, gave its in-principle approval to list LIC.

A 10% stake sale in the insurer could fetch around Rs. 1-1.5 lakh crore as per industry estimates. The government is simultaneously pursuing strategic disinvestment in companies such as Air India and BPCL.

"We expect a good response for these OFS issues," the above-quoted official said, adding that it may also launch the initial public offer of WAPCOS Limited where it plans to offload 25% stake.

The government will disinvest 20% stake in National Fertilizers where it holds 74% stake and will sell 10% each in Rashtriya Chemical & Fertilisers and defence PSU Mishra Dhatu Nigam (Midhani) where it holds 75% and 74% stakes, respectively, the person said.

LIC listing likely by Q4 FY22

Public listing of Life Insurance Corporation of India, which is likely to be the largest for Indian markets, is expected in the fourth quarter of the ongoing financial year, department of investment and public asset management secretary TK Pandey said.

He added that the ongoing strategic disinvestments of Bharat Petroleum Corporation Limited and Air India were likely to conclude within this fiscal.

"This should be the largest issue India has seen. That's our estimate," he said in response to a question from SBI capital Markets MD Arun Mehta. "That's what I see in the last quarter," he said when asked about the timing of the listing.

The government expects LIC's initial public listing to fetch around Rs. 1 lakh crore while strategic sale of BPCL is likely to bring in Rs. 75,000-80,000 crore.

Pandey backed privatisation of government owned companies under the new Public Sector Enterprise policy where government will mandatorily exit from non-strategic sector and be present only minimally in four strategic sectors. However, he added that the private sector must come forward to participate in privatisation.

"After probably 17 years India needs to see some privatization. It's a message to all the stakeholders," he said.

LIC starts working on allotment of IPO

The Life Insurance Corporation (LIC) has started creating a database of policyholders who would be eligible for the reserved 10 per cent of the allotment in its IPO. The database is being created to obviate duplication among policyholders so that each of them is given a chance to become a shareholder of India's largest insurance firm, said an official.

Union cabinet approves LIC share sale

The stage is set for the country's biggest IPO with the Union Cabinet approving the share sale of the state-run insurance behemoth Life Insurance Corporation of India (LIC).

Agency reports said the Cabinet Committee on Economic Affairs, had cleared the IPO of LIC. While no official announcement has been made about the approval, sources said the issue was part of the agenda for the Cabinet meeting.

The report said that a panel headed by finance minister Nirmala Sitharaman will decide on the exact amount of stake dilution. Indications are that the government plans to unveil the mega IPO by the end of the current fiscal year.

LIC's IPO is expected to be the biggest in India with many analysts expecting a share sale in excess of Rs 1 lakh crore. Besides its sheer size, the corporation is seen as valuable given its share of new business and high persistency among policyholders.

It is part of the government's plan to raise Rs 1.75 lakh crore from asset sales in state-run companies in the current fiscal. The government also plans to privatise two public sector banks and a state-run insurance company as part of its overall privatisation drive to raise resources.

To ensure that the LIC IPO takes place during the current fiscal, work is in progress on multiple fronts.

The government has put in place all the legislative changes and has also extended LIC chairman M R Kumar's term by nine months.

LIC has appointed Milliman as the actuary and EY as the adviser for calculating the embedded value of the firm. Embedded value is a valuation method unique to insurance companies that includes the net present value of future earnings from policies and is crucial for pricing shares.

LIC is also planning to audit its half-yearly accounts for the period ended September 2021 for the first time.

LIC, EPFO keen to start funding start-ups

Life Insurance Corporation of India and Employees' Provident Fund Organisation (EPFO) have expressed their willingness to set up funds for startups to help budding entrepreneurs, a senior official said.

Additional Secretary in the Department for Promotion for Industry and Internal Trade (DPIIT) Anil Agrawal said it was decided that a portal will be developed by the Small Industries Development Bank of India (SIDBI) for funding purposes of startups.

These issues came up in the meeting of the National Startup Advisory Council.

Agrawal said several initiatives are underway to strengthen the startup ecosystem in the country.

About 16 programmes have been identified for the sector and it was shared with all the members of the council, he told PTI.

Agrawal also said that Manoj Kohli from SoftBank wants to make a national mentorship programme.

"Today chairman LIC was there (in the meeting). He committed to set up a fund for startups," he said, adding EPFO too has expressed the willingness for setting up a similar investment fund for startups.

Further, he said high net-worth individuals would be on boarded to become angel investors as India has only 6,000 angel investors, while the US has 3 lakh.

"We are also looking" at how to make the Startup Champions programme more effective in its second version so that the story reaches villages as well, the official said.

"So, these are the initiatives. It has never happened in the country," he added.

Meanwhile, an official statement said Commerce and Industry Minister Piyush Goyal chaired the meeting of the council. ❑

Health Insurance News

95% deaths prevented by two doses of vaccine

Two doses of Covid-19 vaccine administered to high-risk police personnel were successful in preventing 95% deaths due to coronavirus in the Delta variant-driven second wave, according to an ICMR study.

The study, presented by NITI Aayog member (health) Dr V K Paul, was conducted in Tamil Nadu to see the vaccine effectiveness in preventing Covid-19 deaths.

Around 1,17,524 police personnel were analysed for the study, out of which those unvaccinated were 17,059, while those who received one dose were 32,792 and those fully vaccinated were 67,673.

The study further showed that the number of Covid-19 deaths among unvaccinated police personnel was 20, while among those who received the first dose was 7 and second dose was four.

Moreover, vaccine effectiveness in those who took the first dose was 82 per cent and in those who took both doses was 95%.

"Two doses of Covid-19 vaccine administered to high-risk police personnel were successful in preventing 95% deaths due to coronavirus in the Delta variant-driven second wave," the study said.

"Incidence of Covid-19 deaths per 1000 was 1.17 among unvaccinated, 0.21 among partially vaccinated and 0.06 in fully vaccinated," the study showed.

Sharing the study, Paul reiterated the importance of Covid-19 vaccines in preventing severe infection.

"We would like to reiterate that our vaccines are effective and hugely safe. Pregnant women and lactating women should receive it. Patients with cancer and diabetes are even more needy in this requirement and here is real life data to show vaccine effectiveness to prevent deaths is huge," Paul said.

"But we should also remember that not just vaccines but we also need to mask up to prevent infection," he said.

HDFC Ergo launches new product

HDFC ERGO General Insurance has launched Optima Secure, a new health indemnity health insurance product.

The policy offers four distinct features. Secure Benefit doubles the insurance cover automatically on purchase of the policy. Plus Benefit increases the base coverage automatically by 50 per cent after 1 year and to 100 per cent after 2 years, even if there is a claim. Under Restore Benefit, if you run out of coverage, the policy will restore your base coverage up-to 100 per cent. Lastly, Protect Benefit ensures zero deduction on consumables and listed non-medical expenses (insurer will pay the insured for these expenses). The product also offers customers discounts of up to 50 per cent on co-payment.

SC wants Fix standards, rates for hospitals

At a time when 70% of patient care is provided by private sector healthcare institutions, the Supreme Court sought responses from the Centre, states and Union Territories on a PIL seeking implementation of minimum standards of healthcare and display of rate chart for treatments by all hospitals as per Clinical Establishments Act, 2010.

A bench of Chief Justice N V Ramana and Justice Surya Kant issued notices to all states, UTs and National Human Rights Commission and said, "Let's hope the governments will respond positively."

Appearing for NGO 'Jan Swasthya Abhiyan', senior advocate Sanjay Parikh said with the focus shifting from strengthening the public sector healthcare system to private sector, only 30% of patients get treatment from government owned hospitals and healthcare centres. With privatisation of the healthcare system, the patients are getting fleeced by the private hospitals and clinics as there is no enforcement of the Clinical Establishment Act of 2010 and the relevant Rules framed in 2012.

Parikh said the Union government, in consultation with states, is yet to frame and notify "conditions for registrations: minimum standards of facilities and services; minimum requirement of personnel; provisions of maintenance of records and reporting; fixation of rates for each type of procedure and services within the range of rates determined by the central government issued from time to time."

He said in the absence of framing and notifying the minimum standards, the clinical establishments in 17 states and UTs are operating on the basis of provisional registration.

The PIL, filed through advocate Srishti Agnihotri, sought a direction to the Centre to "operationalise all the provisions of the 2010 Act and 2012 Rules, and among others, direct that the conditions for registration which include the observance of minimum standards, display and observance of determined rates for procedures and services."

Covid claims to exceed other claims in Q1

Even as the second wave of Covid ebbs, claims continue to pour in for health insurance companies. As a result, payout due to Covid claims is likely to exceed the insurance claims of other ailments in the first quarter of the current fiscal.

Insurance companies have already settled claims of more than Rs 16,000 crore due to Covid and the numbers are still rising, according to industry executives.

Bhargav Dasgupta, MD & CEO, ICICI Lombard General Insurance in an analyst call said that the second wave impacted the affluent class having better insurance. "Covid claims are significantly higher and the reporting tail is longer. Even as the number of cases came down, moderate and critical cases had substantially increased," he said. ICICI Lombard has increased prices for group health insurance following higher claims.

"As an industry, we had 10 lakh claims in the first quarter of this year, which is the same as the number of claims for the whole of last year. The claims are close to the provisions that we had made last year," said Ritesh Kumar, MD & CEO, HDFC Ergo General Insurance. He added that if his company's experience was anything to go by, 25% of the claims were yet to come in.

According to PolicyBazaar health insurance head Amit Chhabra, in the first wave of the pandemic, claims for Covid treatment were a third of total health claims. This dropped to 31% as the first wave ebbed in the December quarter even as the share of private treatment increased. Before the second wave hit, there was a sharp drop in Covid hospitalisation cases and a rise in elective procedures, which resulted in the share of Covid dropping to 14%.

In the first quarter of the current fiscal, Covid claims are expected to be more than 50%. Even now claims are coming in for reimbursement for hospitalisation and domiciliary treatment. Another reason for the increase in Covid claims during the first quarter is the drop in other ailments due to the lockdown.

Families of Covid victims in debt trap

Families of many Covid-19 victims, who succumbed to the disease, are on the verge of a debt trap as insurers are not processing health insurance claims.

According to a report, 330,000 claims worth Rs 10,603 crore are still outstanding with insurers as they are yet to take a call on whether to process settlements based on their investigations. In FY22, 49,452 Covid-19 claims worth Rs 389 crore have been rejected on various grounds.

Insurers are contractually obligated to settle only those diseases included in the scope of coverage and Covid-19 is absent from most such lists. Survivors of those with fixed-benefit health policies covering critical illness typically bought before 2020 have been jolted by the development.

Many of these policies were sold by bank agents as bundled riders to mortgage loans - in the event of death due to disease or accident the debt is waived. However, denial by insurers mean families get caught in a debt trap.

The private insurer HDFC Ergo said this in a letter to the family of a mortgage insurance policyholder who died of Covid-19 during the second wave of the pandemic: "As the said ailment (Covid-19 sepsis) is not covered under critical illness enlisted under the terms of the policy, hence this claim is being repudiated in the light of the above."

HDFC Ergo lists nine diseases as being liable for claims under critical illness - cancer, renal failure, major organ transplant, sclerosis, stroke, heart valve replacement and paralysis, among others.

"A critical illness policy linked with home loans only covers the critical illnesses listed in the policy. Hence, it does not trigger or pay for claims beyond the purview of the policy," an HDFC Ergo spokesperson said. ❑

Private Life Insurance News

33% drop in net profit : HDFC life

HDFC Life Insurance reported a 33 per cent drop in its net profit to Rs. 302.25 crore for the quarter ended June 30, 2021 as against Rs. 451.09 crore in the same period a year ago.

The drop in profit was on the back of higher claims reserving towards heightened claims intimation expected in the second and third quarter of the fiscal. The private sector life insurer witnessed a steep rise in death claims, with peak claims in the second wave at around three to four times of the peak claim volumes in the first wave.

It paid over 70,000 claims in the first quarter. The gross and net claims provided for amounted to Rs. 1,598 crore and Rs. 956 crore respectively. Based on its current claims experience, it has set up an additional reserve of Rs. 700 crore to service the claims intimations expected to be received.

HDFC Life Insurance reported a 31 per cent growth in total premium to Rs. 7,656 crore in the first quarter of the fiscal from Rs. 5,863 crore a year ago. Total APE surged by 30 per cent to Rs. 1,561 crore in the first quarter of the fiscal as against Rs. 1,198 crore a year ago.

Rs. 532 cr bonus declared by PNB Metlife

PNB MetLife India Insurance Company has announced a bonus of Rs 532 crore for the eligible policyholders of participating products during 2020-21.

This bonus is 7 per cent higher than that in previous year. PNB MetLife said it has beenconsistently declaring bonus on participating products every year and 4.6 lakh customers, whose policies are in force as of March 31, 2021, will be benefiting from this bonus.

Policyholder bonus is the share of profits generated by the company's participating funds which is paid to the customers at various benefit events.

PNB MetLife's strong fund management capabilities coupled with robust risk management practices have enabled the company to reward policyholders with higher bonus payouts, the insurer said in a release.

Ashish Kumar Srivastava, MD & CEO, PNB MetLife, said despite these trying times, the company has delivered steady growth on participating products over the years.

"The declaration of this Rs 532 crore bonus reinforces our commitment to help our customers reach their financial aspirations through every stage of Life," he said.

PNB MetLife's shareholders include MetLife International Holdings LLC. (MIHL), Punjab National Bank (PNB), Jammu & Kashmir Bank, M Pallonji and Company Pvt Ltd and other private investors. MIHL and PNB are the majority shareholders.

Life insurers NBP drops 11%

After witnessing a marginal year-on-year (YoY) rise in new business premiums (NBP) in June, following a dip in May due to the second wave of the Covid-19 pandemic, the life insurance industry's NBP has again dropped in July.

This is mainly due to the contraction in business seen by the state insurance behemoth - Life Insurance Corporation (LIC) of India.

In July, life insurers - 24 in total - earned an NBP of Rs 20,434.72 crore, down 11-per cent YoY from last year. While private insurers managed to report a 7.53-per cent increase in NBP in July over last year, LIC saw its NBP contract almost 21-per cent YoY to Rs 12,030.93 crore.

In June, LIC reported an NBP of Rs 21,796. 28 crore, down 4.13 per cent on a YoY basis. Sequentially, i.e., on a month-on-month basis, LIC's NBP contracted 44.8 per cent. The dip in LIC's NBP was on account of a steep fall in individual single premium and group single and non-single premium.

NBP is the premium acquired from new policies in a particular year.

When compared to the pre-pandemic period (July 2019), the NBP of the life insurance industry witnessed a drop of 5 per cent, with LIC NBP declining 21.42 per cent and private insurers' NBP posting a stellar growth of 35 per cent.

On a year-to-date basis, the life insurance industry saw a marginal 1.16-per cent YoY growth in NBP to Rs 73,159.98 crore. While LIC's NBP till July totalled Rs 47,631.62 crore, down 8-per cent YoY, private insurers saw their NBP rise 24-per cent YoY to Rs 25,528.26 crore.

In the first quarter of 2021-22 (FY22), the premium collection of the life insurance industry was up almost 7 per cent to Rs 52,725.26-crore YoY, aided by a stellar 33.73-per cent growth registered by private insurers. However, LIC's NBP in Q1FY22 declined 2.5-per cent YoY to Rs 35,600.68 crore.

CII seeks life cover for borrowers under PMAY

CII has sought mandatory life insurance cover for all borrowers under the Pradhan Mantri Awas Yojana (PMAY). This, the industry body said, will ensure that the intent of providing 'Housing for All' is not hit because of death or disability of the primary borrower.

The scheme seeks to provide housing for everyone by 2022, as the country completes 75 years of Independence.

PMAY, however, falls short of covering the risk of death or disability of the borrower as the loans sanctioned under the scheme do not have an in-built insurance provision, the chamber said in a statement.

Addition of insurance component will ensure that in all circumstances, the intended benefit of the scheme of 'Housing for All' is fulfilled, and the families are able to retain their home, it said.

"There is a need for a relaunch of the PMAY scheme with an in-built credit-linked insurance or a mandatory life insurance for all borrowers under the PMAY scheme to ensure that the intent of providing 'Housing for All' does not take a hit due to death or disability of the primary borrower. The family should inherit a home - not a loan," CII Director-General Chandrajit Banerjee said.

Life insurance firms responsible for expense limit

Life insurance companies should be accountable for only one parameter, which is the expense management limit, HDFC Life Insurance Chairman Deepak Parekh has said. The companies should also be permitted to distribute health indemnity and National Pension Scheme, he added.

"Across the world, health indemnity and pension are part of life insurance ...Allowing distribution of NPS and health could help improve insurance reach across the country," Parekh said in his address to the shareholders at the annual general meeting of HDFC Life Insurance.

He further said that discussions are on with the Insurance Regulatory and Development Authority of India (IRDAI) on making expense management limit the main criteria. "This would be similar to the concept of TER or total expense ratio, which is followed by mutual funds as introduced by SEBI," Parekh said.

The impact of the second wave of the pandemic has been milder and has been largely restricted to the first quarter of the fiscal, he said.

While the second wave impacted life insurance companies, it is expected that business will pick up in the second quarter with the easing of the lockdown restrictions.

Noting that the pandemic has increased the awareness of people, including millennials to life insurance, Parekh said the industry has moved to a hybrid or phygital model for offering contactless services.

ICICI Pru Life reports huge net loss

ICICI Prudential Life Insurance Company reported a net loss of Rs 185.73 crore for June quarter 2021-22.

The company had posted a net profit of Rs 287.59 crore in the year-ago period. In the previous quarter (January-March 2021), the insurer reported a profit of Rs 63.78 crore.

Total income was down at Rs 16,724.05 crore in the quarter under review as against Rs 19,057.42 crore in the year-ago period, ICICI Prudential said in a regulatory filing.

Of this, the net premium income was Rs 6,601.85 crore as against Rs 5,551.07 crore.

The company said it had COVID-19 claims of Rs 500 crore (net of reinsurance) for June quarter 2021-22.

Provisions of Rs 498 crore have been held for future COVID-19 claims including IBNR (incurred but not reported) provisions, it added.

ICICI Prudential stock settled at Rs 604.85 on BSE, down 3.39 per cent from the previous close. ❑

International News

Indonesian life insurance industry to recover

The life insurance industry in Indonesia is forecasted to recover in 2021, driven by increased consumer confidence.

As per the latest data, Indonesia's life insurance industry is projected to grow from IDR185.1 trillion (US$13.1bn) in 2019 to IDR196.8 trillion (US$13bn) in 2024, in terms of gross written premium (GWP).

"The Indonesia economy continues to face the impact of rising number of COVID-19 cases. Restrictions imposed due to the pandemic worsened the economic outlook, which is expected to derail a full-scale recovery in the life insurance segment in 2021."

Along with the negative impact of the pandemic, decreasing consumer confidence due to the financial crisis involving select state-owned insurers in 2018-19 also impacted life insurance growth in 2020. As a result, life insurance premium declined by 7.6% in 2020 to be valued at IDR171 trillion (US$11.7bn).

To address liquidity concerns, the Financial Services Authority of Indonesia (OJK) mandated select insurers to inject additional capital. Additionally, the government issued regulation permitting foreign insurers to increase ownership in local insurance companies effective January 2020. This was previously limited up to a maximum of 80%.

Increased demand for life and health products due to the pandemic has prompted insurers to offer new products with COVID-19 specific benefits. Recovery in business activity due to the gradual reopening of the economy, and increased revenue from the bancassurance channel in the first half of 2021 has led to recovery in life insurers premium.

As per the Indonesian Life Insurance Association (AAJI), the industry registered a net profit of IDR62.7 trillion (US$4.3bn) in Q1 2021, compared to a net loss of IDR460 billion (US$0.03bn) during the same period in 2020.

Aon, Willis Towers Watson terminate merger

Insurance brokers Aon Plc and Willis Towers Watson Plc said they had agreed to terminate their $30 billion merger agreement and end their litigation with the US Department of Justice.

The deal would have put London-headquartered Aon ahead of the world's largest insurance broker Marsh & McLennan Cos Inc.

"Despite regulatory momentum around the world, including the recent approval of our combination by the European Commission, we reached an impasse with the US Department of Justice," Aon Chief Executive Officer Greg Case said in a statement.

Aon will pay $1 billion as termination fee to Willis, it said. In June, the Department of Justice (DOJ) had sued to block the deal, saying it would reduce competition and could lead to higher prices.

The DOJ had alleged that combining the two large insurance brokers would harm competition in reinsurance broking, retirement and pension planning and private retiree multicarrier healthcare exchanges.

General insurance industry in Japan to have massive growth

The general insurance industry in Japan is projected to grow from JPY11.1 trillion (US$104.1bn) in 2020 to JPY12.6 trillion (US$133.1bn) in 2025, in terms of gross written premiums (GWP).

As per the latest data, the general insurance industry in Japan is expected to grow at a compound annual growth rate (CAGR) of 2.6% over 2020-2025, primarily due to recovery in economy after witnessing a decline in 2020.

"Japanese economy declined by 4.6% in the fiscal year ending March 2021 due to the recurrence of new COVID-19 variants and slow vaccine rollout. Restrictions imposed on manufacturing and construction activities translated into slower growth of general insurance lines of business in 2020."

Motor insurance is the largest segment in the Japanese general insurance industry with 51.5% of GWP in 2020. It is forecasted to grow by 1.4% in 2021 against the decline of -3.6% in 2020, backed by improved vehicle sales. According to the Japan Auto Manufacture Association (JAMA), new vehicle registrations during January-April 2021 increased by 4.2% as compared to same period in 2020.

The segment is expected to grow at a CAGR of 1.7% during 2020-2025. The launch of fully autonomous vehicles targeting local and global markets as well as expansion of electric car market is expected to drive growth of the motor insurance segment during the forecast period.

Property insurance is the second largest segment, accounting for 25.1% of general insurance premium in 2020. The segment is expected to grow at a CAGR of 5.1% during 2020-2025. Frequent natural catastrophic events and increasing demand for real estate will support the growth of property insurance in the country. For instance, according to the General Insurance Association of Japan, 221,994 insurance claims were filed for damages caused by the Fukushima earthquake as of 12 May 2021.

"The Japanese economy is expected to face challenges in the short-term due to the impact of COVID-19 pandemic. Product innovation in the automobile sector and the country's vulnerability to nat-cat events will drive the growth for general insurance industry during the forecast period."

Climate change disrupts US natural hazard & fire insurance market as premiums no longer cover sums paid out

The regularity of severe weather and fire events across the US last year led to the US natural hazard & fire insurance market paying out more in claims than it received in premiums in 2020. As wildfires continue to rage in California and the recently published U.N. Intergovernmental Panel on Climate Change (IPCC) report warning of 'code red for humanity' with increasingly extreme heatwaves, droughts and flooding becoming the norm over the next decade the current trend of increased pay outs is likely to continue at an unsustainable level, says GlobalData a leading data and analytics company.

GlobalData's recent report, 'Climate Change and its Impact on Insurance Market – Thematic Research' reveals that the US insurance market received $58bn in fire and natural hazard premiums in 2020, while it paid out $59bn in the same year driven by the regularity of severe weather events across the country. This included wildfires in California, hurricanes in the South and severe thunderstorms in the Midwest in 2020.

The US is already the biggest natural hazard & fire insurance market in the world for both incoming premiums and outgoing claims, so the ability of customers to keep up with ever-increasing premiums to cover the anticipated escalation in claims over the next decade is questionable.

Ben Carey-Evans, Insurance Analyst at GlobalData comments: "The immediate concern for the insurance industry (and people living in areas of high risk) is whether they are becoming uninsurable. This could be disastrous for homeowners, who will have to take on the risk themselves and are likely to see the value of their homes plummet. This is likely to be a problem replicated around the world, whether it is areas at similar risk in Australia or places at risk of flooding."

General insurance industry in Thailand to reach US$10.6bn in 2025

The general insurance industry in Thailand, in terms of gross written premiums, is projected to grow from THB261.4bn (US$8.4bn) in 2020 to THB318bn (US$10.6bn) in 2025, according to GlobalData, a leading data and analytics company.

GlobalData has revised Thailand's general insurance forecast in the aftermath of COVID-19 outbreak. As per the latest data, the general insurance industry's growth slowed to 3.3% in 2020 as compared to the 4.6% growth registered in 2019 due to the pandemic. Growth is expected to recover from 2022 onwards and witness upward trend, supported by the gradual economic recovery.

Pratyusha Mekala, Insurance Analyst at GlobalData, comments: "Thailand economy continues to suffer from the repercussions of the COVID-19 pandemic, which delayed the recovery of tourism sector. In addition, weak domestic activity is expected to impact the general insurance premiums in 2021."

Motor insurance is the largest general insurance segment accounting for 56.3% of the general insurance GWP in 2020. Decline in automobile sales due to lockdown restrictions along with economic disruptions negatively impacted motor insurance growth, which declined from 5.6% in 2019 to 1.5% in 2020. ❑

RISK ASSOCIATED WITH MINING SECTOR AND ITS MANAGEMENT

Abstract

With the growth in the world demand and the economic situations, mining industry has also seen major technological and managerial developments. New industrial methods and techniques; also use of skilled workforce are few of such developments. Despite these developments, the mining industry is considered the most uncertain and hazardous industries in the world. Hazards are part of every industry, and use of management tools are very common to counter these hazards; somehow we have failed to properly address the risks associated with mining or underestimated it, leading to loss of life and wealth of the concerned industry.

Underground mining is highly dangerous and strange environment is associated with it, and several factor is responsible for this issue. It is therefore important to create an environment that is safe and secure in all the working conditions ensuring the safety of the workers and the cost associated with it.

The intent of this paper is to address the risks associated with the mining so that it provides researchers and practitioners the idea of how they can use this knowledge to create a safer work environment within the ambit of Occupational Safety Hazards guidelines. Paper work will identify major risks and its management techniques to assess the hazard in timely manner.

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Introduction:

Mining is the extraction of minerals or other geological substances that have some value from the Earth, usually in the form of an Ore. These minerals form a package that is of economic interest to the miner. Mining is required to extract minerals that are not grown through agricultural methods, or feasible to create it artificially in a laboratory or factory.

Figure 1 - Source: Corporate Finance Institute.

Before we move ahead with the actual subject matter, we need to know few terms related to the industry:

- **Ore:** Rock which contains metal and is economic to mine.
- **Grade:** Amount of metal contained per unit ore.
- **Recovery:** Amount of metal that can be recovered from the ore after the process of extraction.
- **Production:** Metal that is produced per year.
- **Cash Costs:** Amount that is required to operate mines, mills, labour, energy, consumables. It is calculated in cost per ton of material.

What is Risk?

It is any uncontrolled loss resulting from some foreseen and unforeseen events due to given action or inaction. It can be in the form of Physical, Emotional, Social or Financial.

Are Risk and Hazard Same?

Lot of time where we are considering potentially difficult situations, we use the terms 'Hazards' and 'Risks'. Both are sometimes used interchangeably but are not same when it comes to the safety. Hazard is likely to cause harm, while risk is the possibility of harm when exposed to the hazard.

Hazard can actually cause harm to the stakeholders involved. Whereas, Risk has a chance to cause harm but it's not definite.

Example: Hazard - Working on heavy machinery, using chemicals, Poor work environment etc.

Risk - Increased stress level, injury or burns etc.

What is Management?

It is the task that involves directing, controlling, planning, organizing an organization or one of the units. It is the technique where the goal is reached by working with and through people with the resources of the organization. It also involves effective utilisation of manpower and financial resources.

Who are insured?

Insurance in the mining sector is a specialised form of insurance. Insurance are generally plans for the individual and the company who when faced with adversity can get some recovery.

Few of the insurance cover can be as follows:

- Emergency evacuation
- Disability Income Plans
- Accident Insurance
- Travel Insurance
- Medical Plans
- Group plans etc.

It is very necessary to insure all the stakeholders involved knowing the risks involved in such a high risk occupation. Even Insurance companies are very keen to give insurance coverage to the sector which is a major contributor to the economy.

A slight change in this sector will have impact on many ancillary industries leading to slowdown in the economy of the nation. Hence, it becomes very important to mitigate the risks through proper planning and management with the help of experts.

Which regions are important?

In India, most of the mineral resources are concentrated in the areas of Odisha, Andhra Pradesh, Chhattisgarh, Jharkhand, Madhya Pradesh, and Karnataka.

There are regions which are dominant in particular minerals. For example: Iron ore is found in Odisha, Chhattisgarh, and Jharkhand etc. Manganese is found in Maharashtra, Madhya Pradesh, and Andhra Pradesh etc.

Following data shows the Mineral deposits in India:

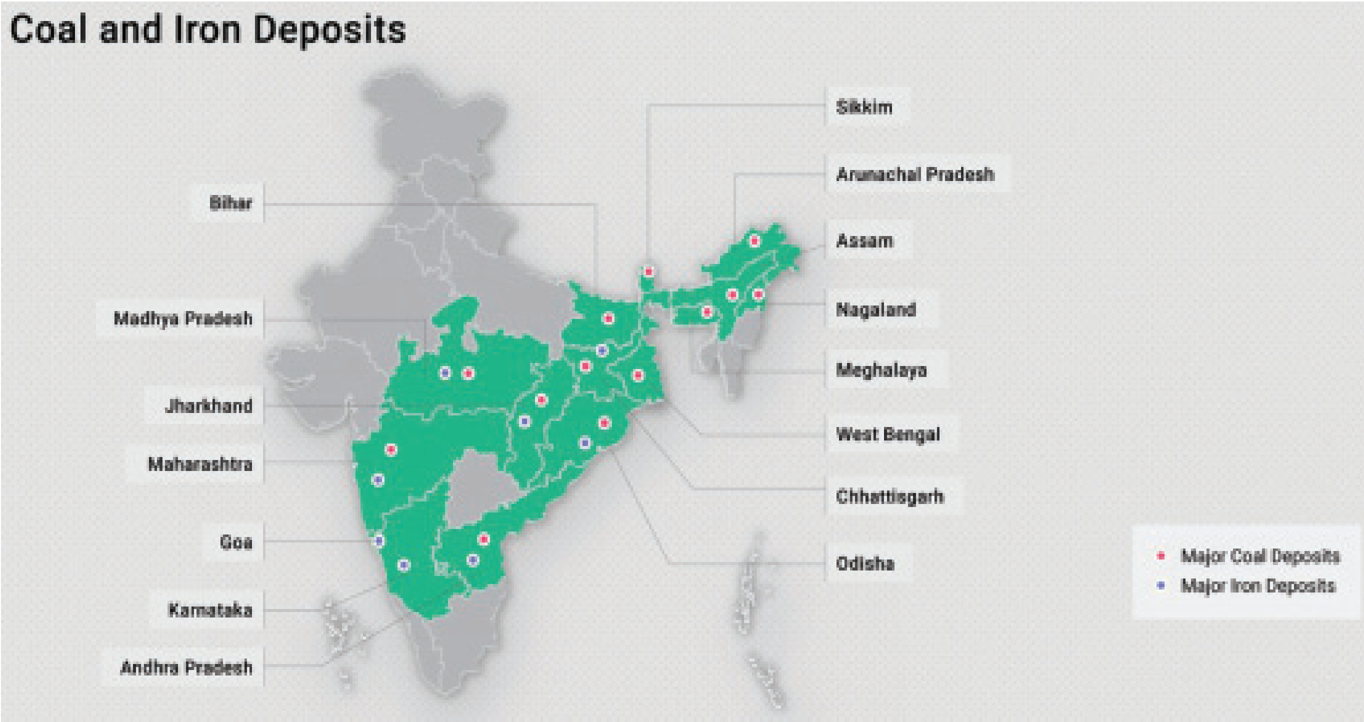


Figure 2 - Source: Drishtiias

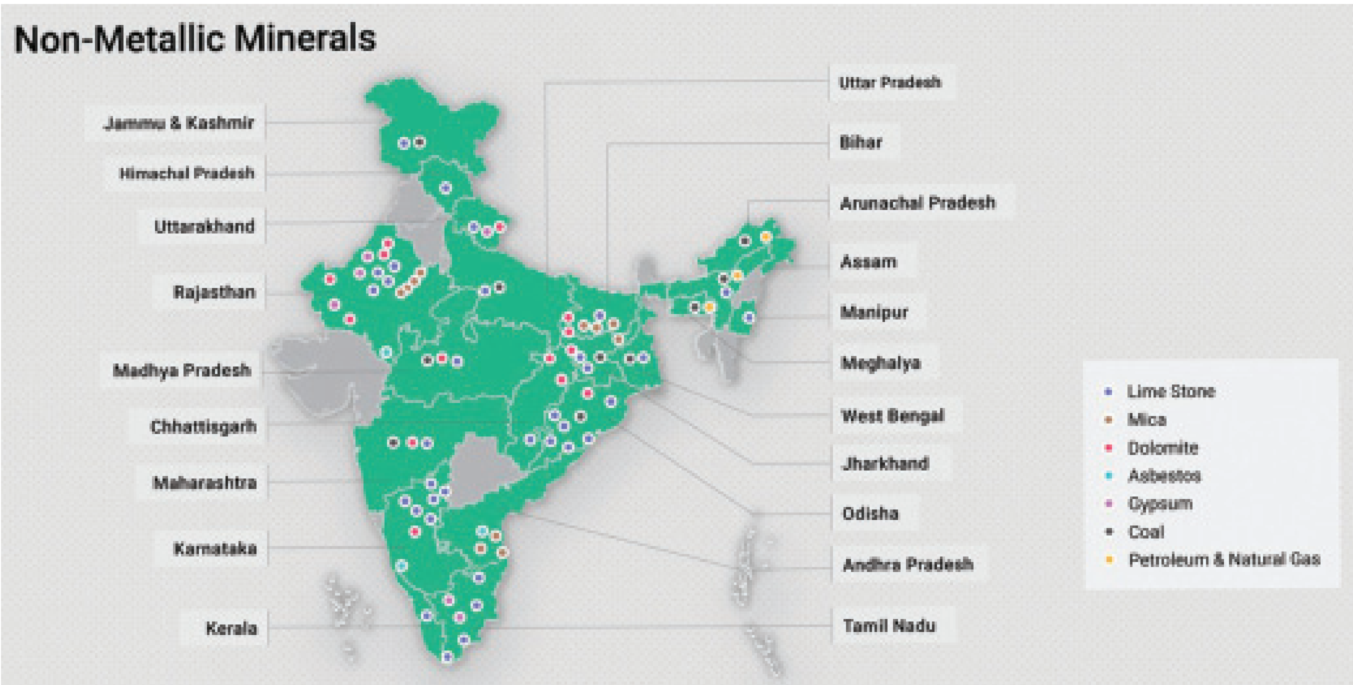


Figure 3 - Source: Drishtiias

How is the industry regulated?

The mining industry in India is regulated by both the Centre and the State. As per the constitution, the States have the power to regulate the minerals and mines which are subject to Central laws and regulations.

There are two types of minerals - Major and Minor. State governments have the exclusive powers to frame the policy and regulate its exploration, extraction and processing of all the minor minerals (building stones, sand and clay). The minerals which are not covered in the Minor minerals are covered in the Major minerals. The Central government has the power to regulate, make laws and policy regarding the Major minerals in the country.

The Mines and Mineral (Development and Regulation) Act, 1957 (MMDR Act) is the federal law for overall regulation of the sector.

The Mines Act 1952 - for health and safety in the mines and its operations.

Offshore Areas Mineral (Development and Regulation) Act 2002 - Regulates offshore mineral resources.

Mining Regulatory bodies in India:

- Geological Survey of India
- Indian Bureau of Mines
- Controller of Mining Leases
- Directorate General of Mines Safety

Types of Mining and Methods:

Mining is the core sector that is essential for the Indian economy as it almost contributes about 2 - 2.5 percent of country's GDP and also is important for the growth of other industries like iron and steel, power, cement etc. It is known to all that there are primarily two types of mining: Surface/ Opencast and Underground mining. The option to choose the type explicitly depends on the depth, geology, topography, mineral and the cost of labour and mechanisms.

In India, the surface mining is more prevalent as it has low cost of equipment and technology. For Underground mining India is not yet technologically advanced and cannot deploy such heavy machinery without any experience. To get the maximum benefit out of the process, it is very important to choose the type of mining very wisely as the cost and production will depend largely on it. Though much of India's mineral resources are yet to be fully explored. Government with its public sectors companies stays the largest production and participation unit in the sector.

With growth in the sector of infrastructure and automobiles, there would be rise in the demand of power and steel which in turn boost the investment and the technology in the mining sector. Currently, very small geographical area (0.14% approx.) is under mining lease and 20% of it is actually mined. But, it is estimated that the sector would grow by 7% in the coming years with the growing demand from other sectors.

Let us now discuss in brief about few mining types:

- **Surface Mining:** When the top layer of gravel and sand is then and the miner or the deposits of ore are found near the surface. This method is broadly used and is predominant in Indian mining industry. It uses heavy equipment to extract the minerals.

  This type of mining is sometimes controversial as it is done closer to the surface of the land, it is said that it leaves behind a large chunk of that land fallow and unsuitable for cultivation.

- **In-Pit Crushing and Conveying:** It is also done closer to the surface but for the harder minerals that are difficult to be transported as a single ore. Therefore, the ore is crushed in the mine itself and are then transported using the conveyor belt. It is a gradual method as the mine goes deeper and does not require any form of tunnelling. It can be as deep as 1000 meters. This technique works well in the horizontal movement of mine face and becomes difficult when the mine face goes vertical. It is not even affected much by the bad weather.

  Once the mining is complete the pit is covered or filled with sand and clay. The land can take hundreds or thousands years to recover naturally as during the process the soil underneath became acidic. It can be used for recreational or rehabilitation purposes till it can be made available for environmental purposes.

- **Underground Mining:** This method of mining is used when the demand for the minerals increase and the open cast mining cannot suffice the demand raised. As the minerals in the deeper part of the earth are of rich quality and the output is more. It includes networks of shafts and tunnels that are dug deep inside the earth's crust to reach exact site of the deposit ore. This process is very expensive and tiring in nature but the waste rock created is low and hence it is preferred. The percentage or ore recovered depends on safety considerations. The deeper we dig, the less safe the mining becomes. Major issue is of ventilation and oxygen toxicity.

- **In-Situ Mining:** Or solution mining. This process is rarely used in mining material as it is quite complex as a process. A solution is pumped into the ore body, dissolving the ore and the dissolved ore is then extracted by the second pump. Mostly in Uranium mining this method is used.

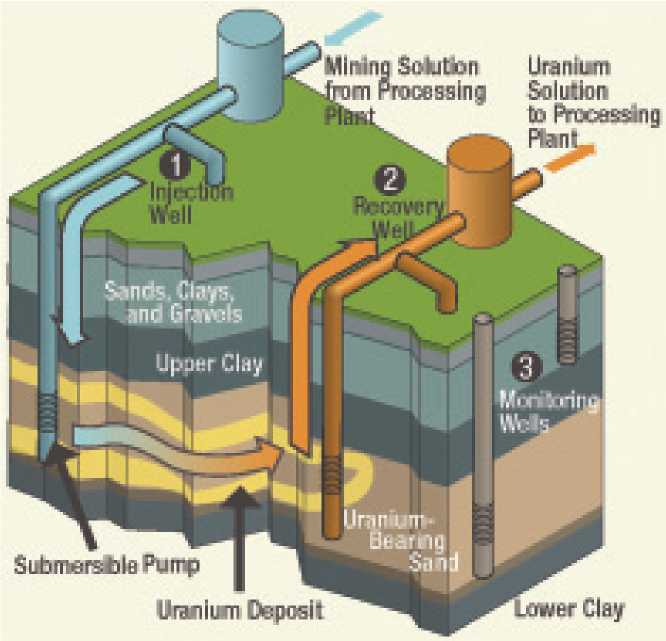


Figure 4 - Source: large.Stanford.edu

- **Open Cut Mining:** This method is used when mineral is found over large area and close to the surface. A pit is dug progressively as per the ore, technical and economic conditions in a step or benches form. Mining continues until the mine becomes too deep, or too expensive or too difficult to manage the method. It sometimes use explosives to break the ores.

  When complete, the pit is left for the locals to use it as a lake or modified conditions on the consent of the community.

- **Sea Bed Mining:** It involves mining of the submerged minerals and deposits from the sea floor. It can be done in the shallow waters or the deep sea. The environmental impacts are yet to be fully proven. They are very different from the methods deployed on the land. Minerals are scooped off the sea floor and then transported through pipes to the vessel.

The choice of the mining method is purely dependent on the geology, topography, relief, the mineral deposit, cost of the equipment and the demand. Moreover, the method used should guarantee mass production.

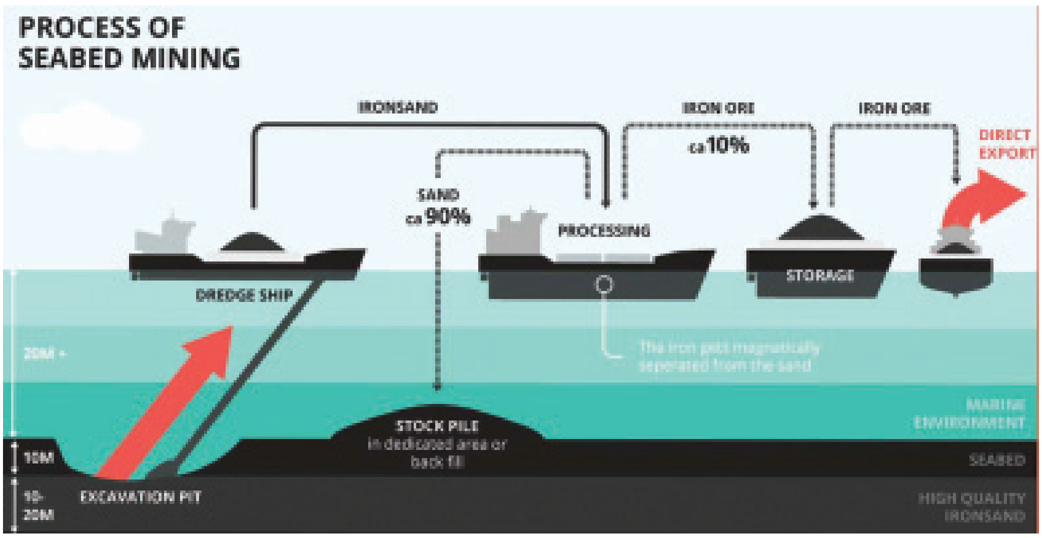
Risks and Hazards Associated with Mining:

Mining industry can present much more dangerous hazards and risks than our regular industrial facility. Mining has been done since ancient times and is always recognized as being arduous and liable to injury and diseases. Mining is usually a long process, hence the exposure to these hazards are also for long duration. Miners' exposure varies with the job, proximity to the source and the preventive methods used. If these hazards are not properly managed, they can result into serious traumatic injuries, occupational illness and even death.

Few of the risks and hazards are described below:

- **Explosions:** The risk of explosion is usually associated with the underground mining and it is a serious threat to the miners. Chemicals and gases that continually run through the pipes possess a serious issue of ventilation deep inside the surface of the earth.

- **Fires:** There are number of materials used in the mining that can easily cause a fire and traditional fire management systems may not always work in this environment. This might affect the whole procedure which might lead to loss of life and economical loss to the contractor.



- **Dust:** Dust inhalation or coal dust is the most common threat to the miners. Coal dust can cause a disease that is commonly known as "Miner's Lung" or black lung which can lead to scarring of lungs tissue, shortness of breath or even respiratory diseases. Even though there are safety measures in place, we still come across cases relating to coal dust.

- **Cave-Ins, Collapses:**

Sometimes, mining can be a catastrophe. The roofs or the surface of the mine can collapse due to extreme pressure which can strike miners working or can make the rocks and debris unstable.

- **Electrical Hazards:** Many equipment that are used in the mining process works on electricity and are interconnected. Any shock or fire can result in tremendous amount of loss to the corporation. Sometimes, the mineral extracted can also conduct electricity which would pose additional risk in the sector.
- **Noise:** Loud equipment that are used near the mines in confined places can cause serious damage to hearing capacity or even permanent loss of hearing. Machines like roof bolters, bulldozers, front end loaders etc.
- **Gases and Vapours:** Common names and health effects of gases occurring in coal mines are listed in the table below:

Gas	Common Name	Health effects
Methane (CH4)	Fire damp	Flammable, explosive; simple asphyxiation
Carbon Monoxide (CO)	White damp	Chemical asphyxiation
Hydrogen Sulphide (H2S)	Stink damp	Eye, Nose, Throat irritation; Acute respiratory depression
Oxygen Deficiency	Black damp	Anoxia
Blasting by-products	After damp	Respiratory irritants
Diesel engine exhaust	After damp	Respiratory irritants; lung cancer

Table 1: Gases and Its Health Effects

Sometimes, the risk cannot be seen and measured in the terms of lives lost or the infrastructural damage. These can come as a shock or after effects of mining. For Example- Psychological, Biological, Physical injury etc. which develops over time and cannot be easily diagnosed.

In all, India has recorded 377 death in the last 3 years, as per data tabled in the Lok Sabha in 2019. Also, India is now heading towards sea bed mining for extracting seabed minerals and gases.

Nevertheless, mining does not have to be always unsafe. With the introduction of proper management techniques and advancement in technology the risks and hazards can be mitigated and with proper protocol in place we can see drop in the fatality rates in the mining industry.

Management of Risks and Hazards:

The mining industry possess different safety challenges on the field of security. Mine safety is achieved through properly analysing the tools and techniques in the field of security, using risk matrix and knowledge of the particular area. Safety is an essential part of any industry, particularly in the hazardous environment with a history of great potential to damage the infrastructure and affect life. Hence, safety comes hand in hand in these treacherous environment.

As the mining goes deep and wide, the companies become larger in their operations that include increase in the number of workers, instruments and economic value; thus the responsibility of providing these resources safety becomes primary for the company. This challenge has to be met with proper guidance and safety gears to ensure the security of life and property during the process.

For many years now, the Government is also putting stress on the safety of workers in such sectors. It is trying to develop better understanding of Occupational safety and health needs of the mining sector to minimize or prevent accidents.

We will now look at the risk matrix which is very essential for the planning process:

	Low Consequence (Rating:1)	Minor Consequence (Rating:2)	Moderate Consequence (Rating:3)	Major Consequence (Rating:4)	Extreme Consequence (Rating:5)
Almost certain (Rating:5)	Moderate 5	Moderate 10	High 15	Critical 20	Critical 25
Very Likely (Rating:4)	Low 4	Moderate 8	High 12	High 16	Critical 20
Likely (Rating:3)	Low 3	Moderate 6	Moderate 9	High 12	High 15
Unlikely (Rating:2)	Low 2	Low 4	Moderate 6	Moderate 8	Moderate 10
Rare (Rating:1)	Low 1	Low 2	Low 3	Low 4	Moderate 5

Table 2: Risk Matrix

Risk Assessment: Once, the area of mining is determined we need to assess the potential challenge the area would bring. We have few points that would help the assessors to determine risk and put it in a certain level and present the likelihood of its occurrence through likelihood descriptor-

- Take into account the nature of the workplace
- Identify all the potential risks and hazards associated with it
- Assign a level to each risk
- Check the priority for better analysis
- Compare the findings with other departments or companies

The compiled data of the above findings is given below:

Likelihood	Rating	Description
Almost certain	5	90% or greater chance of any risk or hazard taking place
Very likely	4	50-90% chance or probability
Likely	3	20-50% chance of mishap
Unlikely	2	5-20% chance of occurrence
Rare	1	Very low chance of any risk

Table 3: Likelihood Descriptors

Risk Management: When the assessment is done using proper techniques then the management tools are easy to identify. Depending upon the level of risks which are categorised into five different categories (viz. Extreme, Major, Moderate, Minor and Low), policies with the standard operating procedures are prepared.

Some of the established categories of protection are -

- Work Practices
- Engineering Principles
- Elimination, Substitution and Reduction
- Hygiene Practices
- Administrative checks
- Protective gears

The outcomes of the management is much more than the safety. In fact, it will help in developing the right strategies to focus on the right numbers, help us build team management and interpersonal communication, it will teach us team work and will promote ethical practices in the organization. The heavy machines can be made to work safely by having a regular check by the technicians, which also reduces time and money that is lost during the repair.

Right equipment with proper training is required to avoid any risk that could have otherwise taken place. Today, miners rely on safety regulations combined with equipment to warn and few protective gears that would ensure minimum damage to the life and property.

Any change in the work process, changes the whole dynamics for the workers; hence they are the ones who must be first aware of the changes that have taken place to avoid workplace hazard. Follow up inspections and checks should also be done adequately for the better documentation and training wherever needed.

Challenges Associated with Mining Industry:

While there is risk in the sector, the mining industry is trying to manoeuvre and clear of the headwinds that are coming as a challenge to keep the industry in profit and intact. From volatility in the market demand to the scarcity of resources, the challenges faced by the industry has kept them thinking of the future prospects.

As, everything we use in our office, home, schools etc. are somewhere related to the mines and minerals extracted from it. But, in recent times due to some changes in the surrounding the extractions of minerals is also changing like the environmental issue, limitless increase in urbanization, seismic shifts in the technology which eventually is pressurising the industry in significant ways.

The sector we rely upon for so many things from energy to the kitchen utensils has to come with a fair share of challenges. These challenges can be taken over only when we have the idea of what these are and the gravity it has. So, let us look few of them in detail:

- **Energy:** The very characteristic of mining industry is that many of the operations will be done in the remote areas and inhospitable places. Hence, building permanent power grids is not feasible to the pocket and the already scarce resources there. To solve this issue many companies are now using micro off grid technology rather than traditional power generation techniques which is less expensive. Power rental is also an option to overcome this challenge.

  Moving to renewable energy sources would be helpful, but the technology and environmental conditions becomes constraint at few sites. For this, we need to adopt new technology and try to capture the energy and control the grid.

- **Health and Safety:** Mining industry is always weighed by minerals on one hand and the risk associated with on the other. As mines get deeper, the danger of collapse increases. Also, with the temperature change in the mine the working condition can prove to be fatal. Hence, proper ventilation and temperature control technique has to be deployed for the safety of the miners'.

- **Talent Shortage:** As the industry is failing to attract the young blood due to the safety concerns, the mining industry is getting ageing population to get the work done. This impacts the speed, accuracy, dependency and also the cost to the company in providing them extra medical facility. While the ageing people may have deep knowledge of the mines and mining but they are not used to the modern technologies used in the field and this may hamper the production process. Less number or talents joining and more workers are retiring, makes the company to ask more from the less and which leads to physical stress on the workers. Growing demand is just adding to this challenge.

- **Capital:** Access and allocation of capital is the major issue in this sector. The production and equipment is getting expensive with time but the capital to raise those are not sufficient. Hence, the companies are forced to merge with the smaller companies where the not so trained people get the responsibility of arranging capital to save the company from loss and have some profit margin. Flexible finance has become so popular that it saved so many companies from shutting down as the investor are nervous in investing in high risks projects. The ongoing rapid expansion of middle class in the counties like India, China, parts of South America etc., continue to fuel this voracious demand of these commodities.

- **Price Volatility:** This challenge makes it extremely difficult for the companies to plan its income and expenditure. Significant amount of projects are started in the boom years, but before the project reaches its production capability the market goes down. The current geopolitical trend has forced so many companies to stop their production. This uncertainty in market is not suitable for such high scale industry where it is not easy to adjust with the trends. Companies have to cut down operations or reduce its workforce to meet is expense and does not make a loss in the market.

- **Displacement and Rehabilitation:** With new projects are taken up, more land is being encroached upon and more people have to leave their home just to make way for such projects. This large scale displacement leads to local people's grievances and improper rehabilitation further leading to alienation and people's distrust on the government. It is not just loss of land rather the loss of their way of life which is tribal in nature, their culture and rich traditions. It has made way for left wing extremism in the resource rich areas like Chhattisgarh, Jharkhand, Odisha, West Bengal etc.

- **Human Rights violation:** Mining related deaths, inadequate rehabilitation, and rudimentary ways of mining adopted without any protective gears or protocols, etc. Massive local protests have taken place against mining in Niyamgiri hills of Odisha, Sterlite protest in Tamil Nadu.

These are monumental challenges and we need to take them seriously. We need to be ready to transform the industry with people, processes and technologies. We just cannot stick to the old traditional method of mining. We need to dive in now and find people who are collaborative and dedicated towards putting faith in their ideas and working to improve them. If we do not start now, we are definitely putting a lot at stake and will never be able to take the flight again.

Risks Overlooked:

During and after mining land goes various stages of rehabilitation. The waste rocks created are covered with the top soil, the pit is filled with sand, and otherwise the pit can be used as a lake by the community living near to it. Sometimes, new company or factory comes up there. We can easily use the area for other purpose, but it becomes very difficult to restore the same vegetative cover on the soil and the years it take to regain its fertility is too long to wait. Few of the common issues we overlook are:

- The land area is changed significantly after mining.
- Large pits are created which becomes difficult to fill with the sand or gravel and can be misused by the people.
- Vehicles on site emit large amount of greenhouse gases as there is no one to check their level of emission.
- Dust is emitted and can pollute the air in the vicinity area. If explosives are used, the dust can cover a lot of area with high particulate matter and can cause respiratory issues in the area.
- Loss of biodiversity and local cultural heritage.
- Water pollution - water from streams and rivers flowing from mining area have become acidic and unfit for drinking. For example: Meghalaya's Kopili river, Damodar River etc.
- Prevalence of few diseases in the mining areas - fibrosis, silicosis etc.

Environmental pollution has been caused by the Makrana Marble mines in Rajasthan, the Granite mines in Karnataka have left a big hole on the earth, and Damodar River has been severely polluted by the coal mines.

Political Challenge:

The mining industry is very susceptible to the political risks as they are important to the economy. Many big industries can generate significant amount of GDP, hence they become a highlight in many nationalist debate. This sector has potential to change the existing government policies that can lead to their license cancellation or contract reviews.

In relatively poor countries, where the resources are abundant, disparities between rising poverty and growing income can fuel civil disturbance between the locals and the industrialists. It can also lead to conflict between National government, local municipalities and international investors over the distribution of royalties and profit. Any failure to address the environmental problems can trigger issues between the local communities and the government, which can have impact on the reputation of the company or the investors.

The mining industry is very significant to the GDP, but it is also very important in generating employment and revenue. This can lead to corruption as the host government can negotiate for the concessions, or outright expropriation. While, most of the companies are prepared to deal with safety and management issues, they are unaware of the political risks. Also, they cannot avoid the issue as the investors have put faith in them. Therefore, they need to plan properly to mitigate it.

It has been in the history that without "paying their fair share", mining in their territory is very difficult. Few common hindrances created are:

- Delay in environment clearances.
- Charges of corruption while allocating the blocks.
- Arbitrary allocation of the blocks leads to long litigation process.
- Unwanted paper works to get them frustrated with the process.
- Judicial interventions. Example: Banning of Vedanta group in Odisha (Niyamgiri Hills) and shut down of 88 illegal mines in Goa in 2018.

Political interference is here to remain but the lack of legal framework can make the issue more endemic.

Legislative Framework for Mining Sector in India:

- Entry no. 23 in the List II (State list), the Constitution of India gives the state governments the authority to regulate the minerals located within their state boundaries.

- Entry no. 54 in the List I (Central List), the Constitution of India gives the Central government the authority to regulate the minerals within the exclusive economic zone of India (EEZ). In the backdrop of it, the Mines and Minerals (Development and Regulation) (MMDR) Act of 1957 was framed.
- International Seabed Authority (ISA) regulates minerals exploration and extraction. UN guides the treaty and India being a party to it has received an exclusive right to explore poly-metallic nodules over 75000 sq. km in Central Indian Ocean Basin.
- The MMDR Act of 2015 has made auctions transparent and removed discretions.
- The District Mineral Foundation (DMF) - to address long-time grievances of affected people by mining and help them.
- National Mineral Exploration Trust (NMET) - Stringent measures to check illegal mining and fill the gaps in the exploration process in the country.
- National Mineral Policy 2019 - encouraging private sector to take up exploration with revenue sharing model.

Government of India's Initiative:

- National mineral Exploration Policy has been prepared to attract private sector into mining.
- Star Ration of mining leases for sustainable development framework.
- A Memorandum of Understanding was signed between Indian Bureau of Mines and National Remote Sensing Centre, ISRO to monitor mining activities and deter illegal mining.
- The Mineral Surveillance System has also been laughed to check illegal mining through automated remote sensing technology.
- The District Mineral Foundation Fund was created to help the people affected from mining in areas under Pradhan Mantri Khanij Kshetra Kalyan Yojana (PMKKKY).
- 100% FDI allowed through automatic route for exploration and mining of Metals and Non-metals ores.

Geopolitical Pillar:

It is a strategic analysis, especially of international relations that are influenced by dialogues, agreements, treaties or geological factors in favour of maintaining peace around the globe. India is famous for her agreement with China known as "Panchsheel". Similar, trends were started after the world wars that made many countries suffer a lot and its repercussions still haunt us. However, these agreements cannot always guarantee us peace and stability in the region. We are familiar with the Sino-Indian War of 1962, the Panchsheel agreement did not bear fruit even after years of signing the agreement. The negotiations from the third party made the situation stable.

So, if any bilateral ties cannot stand its terms then we are having a serious issue with the geopolitics. Also, the interconnected trends are kind of transforming the overall geopolitical nature around the world; there are also vacuum created the fragile and failing states. The nature of geopolitical instability has itself change. No one could have thought of refugee crisis or ISIS coming up just six years ago. It becomes natural that we expect such trends are going to affect the economic sector of few countries and can shake others around the world.

India is growing very fast and its economy cannot just stay in isolation. It has to develop new ties with the countries that are on equal footing. India should not be seen as just an economic partner but as a geopolitical partner as well. India, today, cannot be ignored on this front as it has left behind the non-aligned movement and it heading towards policies that are of national interests with allies like USA and Japan.

However, relations are not always positive in nature. Some are just very hard to negotiate. Our deep strategic and competitive relations with our neighbour, China, are not just limited to trade and commerce but extends to bitter border relations along the North-East states. It is a relation of both economic cooperation and strategic competition.

After we had a Doklam stand-off in 2017, the relation between India and China got strained a bit and since then the competition got wilder. China is trying to make its presence all around the Indian Ocean. In 2018, China started mining operations on its side of the border with Arunachal Pradesh, where huge deposits of Gold, Silver and other minerals are found. Because China also claims Arunachal Pradesh as a part of Tibet, the security around the border is under fragile conditions. China's presence in the disputed region of Jammu and Kashmir is also bothering us a lot. These tensions can really affect the economic strata of the nation. Mining being a capital intensive sector is always under threat.

Recent crisis in Middle East and West Asian countries are affecting our export as the presence of military and non-military vessels around the Strait of Hormuz threatens the vessels carrying goods which lead to loss in the trade. Many minerals are exported from India and all those when do not find any market gets flooded in the domestic market leading to price drop.

International behaviour of any state is linked to its geography, history or culture. However, now it also depends on the political system of the states involved. We need to be little aware and diplomatically straight with an honest approach to solve such issues to have a long bilateral or multilateral ties with nations around. Also, we have many industries that are tying up with foreign countries for mineral exploration. Example: Adani Enterprises ties up with Carmichael coal mine project in Australia.

Swot Analysis:

Strengths:

- Rich and large mineral deposits in India
- Easy availability of labours
- Low wage of labours
- Strategic locations
- High demand of minerals

Weakness:

- Outdated Mining technology
- Poor infrastructure facility
- Few innovations
- Unskilled labours
- Accidents are high
- Hardly any Research and Development in the sector

Opportunities:

- India has large deposits unexplored
- Contract mining
- Information technology solutions in changing world
- Equipment procurement with maintenance and repairs
- Opportunity in research and development
- Public Private Partnerships can become more feasible
- Outbound investment options

Threats:

- Field Encroachment by rivals
- Politicians might create a conflict as they look down on this industry
- Strict environment rules

Major Players:

- National Mineral Development Corporation
- Vedanta
- Hindustan Zinc
- Hindustan Copper
- Hindalco Industries
- National Aluminium Company
- Bharat Aluminium Company
- Rajasthan State Mines and Minerals
- Gujarat Mineral Development Corporation

Case Study - Rathole Mining:

Coal reserves are especially found in the Eastern states of India - Jharkhand, Chhattisgarh, Odisha, West Bengal etc. and predominantly on the North Eastern states of Assam and Meghalaya. Here, mining is not much commercialised due to the difficult terrain in the North Eastern states. Also, coal found in these reserves contain lots of Sulphur which lowers its energy efficiency.

A rat-hole mine is a type which involves digging of mines that are very small in nature similar to ones dug like rats. Hence, the name was given during the colonial times, Sistema del rato. They are usually, 3 to 4 feet deep, in which workers (mostly children) enter and extract coal. It is done mainly by the community or some families. Mainly done in the Indian state of Meghalaya. It is broadly of two types - side cutting and box cutting.

As we known the coal extracted are of bad quality, but lack of employment, loss of livelihood, backwardness in the region and under education makes the people to see these mines as a treasure and by extracting these coal they can earn their daily bread. Rich people employ such poverty ridden people for the extraction, mostly children are employed because of their thin body and shape. This practice of mining has become very popular in Meghalaya. Since, it is an illegal practice, it is done behind closed doors and companies fear investing in this sector.

In the year 2014, National Green Tribunal (NGT) banned the rat hole mining since it is unsafe and unscientific for workers.

Also, the decision of NGT was upheld by Supreme Court after Meghalaya's government challenged it.

The government does not have any policy to regulate such illegal and hazardous mining method in place. Mining policy drafted in 2012 does not address the issue of rat hole mining. The coal seam is not too thick in the Meghalaya to make other methods economically viable. People there also overlook these challenges just to make their living and when people are in need, they can do anything. This lets the powerful people to use them as their workers and extract colas for economic benefit. Such irresponsible behaviour and greed can easily take someone's life. The day was not too far:

On 13th December 2018, 15 workers trapped in a 350 feet deep coal mine in the East Jaintia Hills district of Meghalaya after it was flooded by the Lytein River. Rescue operations were carried on by National Disaster Response Force and the Indian Navy. It was one of the several mishaps that has taken place over the years, leading to the death of workers. NGT slapped anRs 100 Crore fine on the Government of Meghalaya for failing to curb the illegal mining. Unfortunately, people are still unhappy with the ban imposed by NGT and the government is trying hard to get them to terms.

Figure 6 - Source: Down to Earth

Impacts of rat hole mining:

- ❖ The river waters, especially in the Jaintia region has turned acidic
- ❖ Off road movement of trucks damages the ecological and environmental balance
- ❖ The practice has already been declared unsafe for the workers
- ❖ The branch of mines can lead to caving in or flooding
- ❖ Roadside dumping of coal is a major source of water, air and soil pollution
- ❖ Water quality degrades and shows sign of low dissolved oxygen

Rat - Hole Mining has to be discontinued.

Way Forward:

Mining industry since colonial times have seen lots of ups and downs in the market demand. This demand and supply game is common with all the industries in the market but mining sector has grown above it and made its place in the economy as a whole. It being the primary activity of the nation, involves large number of skilled and unskilled labour, capital, market and the entrepreneur. Industry also leaves ecological footprint behind in lot many ways. Now, the sector has grown a lot and it is time that it just improves with the modern needs and becomes clean as the world is under environmental crisis with economic slowdown being just part and parcel of the global market.

We must ensure the adoption of digital technology for better mineral resources exploration and surveillance. Faster clearance is required to make the process smooth and hurdle free, remembering that we conduct proper Environmental Impact Assessment (EIA) and Social Impact Assessment (SIA) before allocation the projects. There should be proper allocation process which makes the process transparent and rule based to prevent any outside influence to creep in.

Rehabilitation of the displaced should be made in such a manner that the poor get their right and what they deserve. Just putting them in a condition worse than they were in, is just the greed and no compassion. Proper check on the utilisation of District Mineral Fund is must, as this fund is the basic source of finance in the time of need. Any corruption can have a serious impact on the life of the people involved in the mining.

A regulatory body should be in place to settle the dispute relating to the sector and not burden the state judiciary. National Green tribunal issues notifications and orders regarding the protection of forest and guidelines related to the working of the projects. As it banned the rat hole mining, the NGT should keep an eye on such illegal and hazardous activities.

Mining companies should look into using sustainable procedures and waste disposal techniques, taking into account the fragile ecological state. Also, try to replenish the environment with the help of the local community or compensatory afforestation as often as possible. Once the mine has been closed, effort should be taken to rehabilitate those who lost their land or make some optimal use of the land until the land regain its natural fertility. We can reduce the input and output of the mining process to reduce the negative impact on the environment. Adopting global practices in mining and ensuring safer working condition would ensure proper growth and stability.

"Mining is like a search-and-destroy mission".

- Stewart Udall

Overcoming the challenge is the only competition any industry would ever have. Mining industry will always have those challenges coming.

"Mining is a dangerous profession. There's no way to make a mine completely safe: These are the words owners have always used to excuse needless deaths and the words miners use to prepare for them".

- Tawni O'Dell

For Further Reading:

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India considers allowing foreign direct investment in LIC

India is considering allowing foreign direct investment in Life Insurance Corporation, according to a person familiar with the matter, which could enable a single overseas investor to buy a large stake in the firm that’s headed for a megaIPO.

Any strategic investment would be subject to a cap, though it’s unclear at what level that would be set, the person said, asking not to be identified as the deliberations are private. Participants at a meeting earlier this month noted a 20 per cent FDI limit on state-run banks, the person said.

Allowing FDI in LIC would permit so-called strategic investors such as massive pension funds or insurance firms to participate in the initial public offering, which is slated to be India’s largest ever. The Reserve Bank of Indiadefines FDI as purchase of a stake that’s 10 per cent or larger by an individual or entity based abroad.

Bankers seeking to arrange LIC’s IPO are due to make presentations to the government Thursday. Prime Minister Narendra Modi’s administration -- which owns 100 per cent of LIC -- is looking at the sale to help narrow its budget gap to 6.8 per cent of gross domestic product in the year through March 2022.

The listing could value LIC at as much as $261 billion, based on its assets under management and using private sector insurers as a benchmark, analysts at Jefferies India wrote in a February note.

While FDI of as much as 74 per cent is permitted in most Indian insurers, the rules don’t apply to LIC because it is a special entity created by an act of parliament, the person said, adding that the discussions regarding FDI are at an early stage and no final decision has been reached yet. A spokesperson for the finance ministry couldn’t be immediately reached for comment.

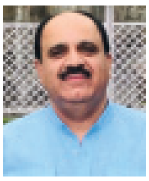
WHAT IS AILING GENERAL INSURANCE PSU 'S

Introduction

With premium income of about Rupees one lakh thousand crores, Indian government general insurance industry catering nearly 75,000 vast manpower and feeding its several million agents all across India, can not be ignored as a great contributor to the National economy. These companies have also contributed immensely in implementing various government sponsored socially benefited welfare insurance schemes from time to time.

History

But post nationalisation era of 40 years of this Indian insurance sector has neither served the very purpose of its penetration down to the masses nor it has generated cost effective market competition lagging behind in terms of its services to its citizens besides generating negligible improvement in its customer services. Overtaking of general insurance business by the government of India was much hyped over expected venture not only to please its stakeholders but to find out an alternative to spread benefits of insurance down to rural India and to generate rural employment as a part of ambitious 20 point programme by the government of the day.



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Existing Facts

Of late, these Government General Insurance Companies are primarily struggling for their survival, mainly in terms of procuring profitable business, generating underwriting profits, maintaining requisite solvency levels, reducing claim loss ratios, controlling management expenses, downsizing their huge manpower, adopting rapid changing advanced technological techniques and due to various other cost efficient working parameters.

On top of these operational constraints, at the helm of their affairs, remain their short tenured week higher management, mostly succumbing to their staff unions mostly concentrating on their HR issues and relying on inaccurate feedback resulting in to incorrect decisions, only add to their failure story of pre occupation with purposeless issues at the cost of their core business. Lot of over benefits are being transferred to marketing officers and office Incharges through various lucrative schemes those ultimately widen gap between marketing and administrative staff. Mostly business procurement meetings have turned in to eating and cheating bonanzas, by and large official tours have turned in to gift procurement ventures, vigilance and audit exercise have shaped in to a mere formality, office discipline and decorum has much reduced.

Most importantly loyalty of employees towards its organization and their commitment towards the assigned work has drastically gone down. All such continuous reasons over a longer period of time finally resulted in to substantial decrease in the overall performance of these PSU's.

Current Scenario

Currently three of these companies are functioning on solvency debentures and fund infusions from the government of India (GoI) while their big brother thrive on the assets accumulated by its ancestors. In nutshell, all these four government undertakings are in financial intensive care situation. Merger of these companies in to a single unit, as proposed earlier by GoI, will not only lead to the adding of their all offices and their all employees but also hamper their working due to synchronization of their different operational systems that will take sufficient time during which most of their existing business will evaporate.

The operational cost per employee of the merger entity is whopping high and disproportionate to viability of such organisation. Desparity among management and their ambitions shall always remain a bone of contention while discharging their responsibilities. In the meantime, minor disinvestment of one of its companies also did not yield expected results instead exposed indecisiveness and week financial policy of the government in this direction.

Then what is it, that is ailing these Indian general insurance

giants under prevailing circumstances, which is really not a million dollar question but a simple introspection of their practices applied at the ground zero level, which majority of their stakeholders have failed to do it on time.

Privatisation

Now that the government of the day pre attempted to reverse this failure venture by lowering its stake and control in these companies by bringing in General Insurance Privatisation Bill in the ongoing session of Parliament with the main intention to regulate insurance business in India instead of running it. Concept of government is clear but the guarantee of their experiment is ambiguous as insurance operations itself are risky to predict.

Earlier experiment of bringing private sector in to the sanctum sanctorum of Indian Insurance industry has steadily shown their growth and overtaking market share to nearly 55 % within 15 years of their operation. Their efforts on penetration to rural India with fulfillment of the social obligations as stipulated by the Indian Insurance Regulator besides providing improved customer services has established more potentiality of private players in this sector.

Their low operational costs, reduced customer complaints, innovative products and adoption to digital technology present phenomenal picture of private players to learn and ponder about.

Results

Now under the current digitalization era, insurance companies need not to have their offices down to every location at village level instead can efficiently run on cost saving efficient service on line model through their competent representatives or qualified agents thereby reducing their salaried staff which in turn may reduce their management costs and increase their profitability.

Reducing the control and interference of government in Indian general insurance sector will not only give it a status of an industry that will run on profit but its share holders will also make it accountable for its services, which will be key to its success.

Only regular and complete monitoring by the Insurance Regulator and their operational safety and security by the government of the day to its shareholders, need to be ensured to bring back the glory to the insurance sector of India remains to be seen in coming days. Pleasing country's some of the economic giants and reeling to the foreign pressure, privatization of Indian insurance portfolio must not prove only a process of making their hay in the sunshine. ❑

WHY CROP INSURANCE IS BOTH OBNOXIOUS AND INDISPENSABLE?

Risk and uncertainties are common in agriculture due to the very characteristic of agriculture i.e., dependence on nature. The Pradhan Mantri Fasal Bima Yogana (PMFBY), a government sponsored crop insurance scheme, is expected to run into a cool reception from insurers after the national reinsurer GIC Re decided not to reinsure more than 45% of any insurer's crop insurance business. This in effect would mean insurers would have to bear the risk of crop failure due to drought or heavy rains. Two major insurers, New India Assurance and ICICI Lombard, have decided not to provide crop coverage this year.

This decision is also because of the removal of the compulsory clause by the government, leading insurers to feel that farmers genuinely in need of coverage will stay away from the scheme. Insurers say, there have been instances of fraud in Gujarat, Rajasthan and claims loss ratio is higher than 120%. PMFBY was launched in 2016 and contributed to a 32% growth in the non-life insurance sector in 2017. Since then, this class of business has lost its luster because of losses. The problem of small farmer livelihood is aggravated due to the fact that small farmers suffer from many production risks like drought, flood, lack of adequate use of inputs, poor extension leading to large yield gaps, lack of assured and adequate irrigation, crop failure and so on.

The production risk coverage which was being attempted through crop insurance has not worked well and now has been made voluntary for farmers which would further reduce the insured area from already inadequate coverage of 30%. There are number of factors that affect the returns from farming, many of which are beyond the control of farmers. Occurrence of drought, flood, untimely rainfall, hailstorm etc. is only a few among the long list of factors that affect the returns from farming directly. The increase in the probability of occurrence of such extreme climatic events has worsened the status of farmers, who are at the receiving end. The occurrence of such untoward climatic incidents has become very normal, in recent years, as a consequence of global climate change.

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Further, there are market risks like absence of market, poor price realization, high transaction cost, and poor bargaining power due to small marketed surplus. This leads to low and unstable farm income for these producers. It is here that the role of market becomes crucial as even if a farmer has produced efficiently but is not able to sell well, the story is lost. The distress among small farmers in India is therefore market driven to a large extent in both ways- too much protection (MSP) or too little protection. India is considered to be vulnerable to the effects of climate change due to several factors like high dependence on agriculture, low coverage of irrigation, lower resource availability at individual farms and unavailability of proper technology to combat the risk.

Other factors like dominance of small and medium sized holdings coupled with inherent lacunae like farmers' apathy towards newer technologies, unscientific post-harvest management, and un-organized and chaotic marketing system, also contribute to making agriculture a perilous endeavor in India. Crop insurance offers benefits for both, farmers as well as Government: it helps farmers to cope with risk through pay offs at the event of crop loss, and help Government by reducing the burden on disaster payments to farm sector. In spite of its importance, crop insurance in India has not gained much popularity amongst the farming community.

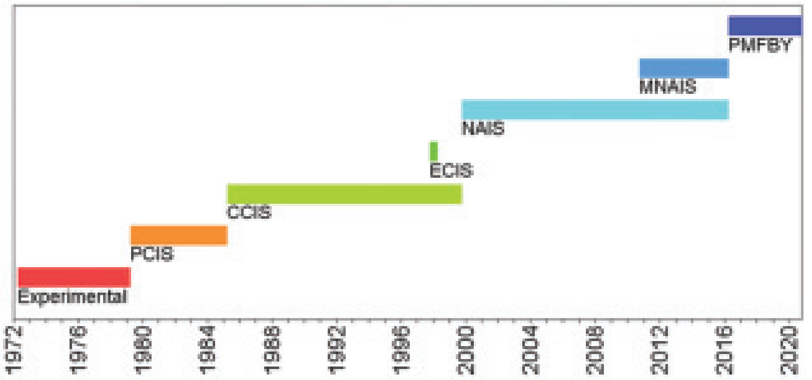
Innate lacunas in insurance schemes coupled with apathy of farmers to such schemes rooted through lack of awareness are the main reasons for low spread of crop insurance in India. Giving much required policy thrust to crop insurance, the Government has launched the insurance programme PMFBY, which is an improved version of earlier similar schemes. Though there are many issues and challenges, the new scheme is a boon to farming community, if implemented in the right spirit. A progression of Indian crop insurance schemes followed as the country put forth efforts to improve its program:

The Power Balance:

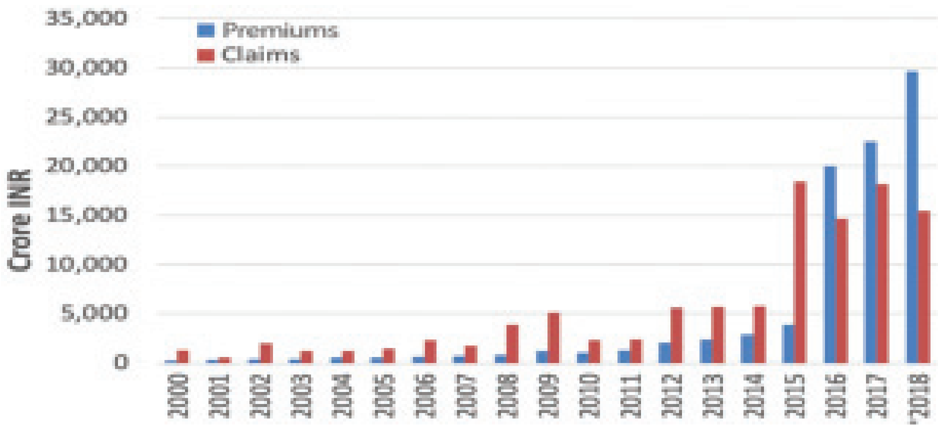
The power balance hence is not with the farmer but with the MNCs that are calling the shots through the WTO, the World Bank and governments. The ordinances promulgated by the government reflect a growing partnership with this corporate power and not actions taken in favour of farmers. India cannot become 'Atmanirbhar' by selling our farmers interests to the corporates. At a time when the world is debating over how to deal with the impacts of climate change on agriculture and countries are contesting policy measures, there have been growing calls from farmers' advocacy groups and non-governmental organizations to revamp the trade regime of the WTO to coordinate it with mitigation and adaptation policies to tackle climate change.

Now, when India is witnessing twin problems of drought and floods simultaneously, the need of the hour is to have laws that protect farmers' income. What is needed is a drought, flood and cyclone protection law for farmers to ensure income for damaged crops, not with an insurance model advocated by WTO but a state-supported scheme. We have seen how the AoA promoted insurance scheme turned out to be cash juggler for the insurance companies and loss for the government and farmer with claim rates and claim amounts being low. Making MSPs redundant through the latest ordinances show how India is playing to the developed nation's gallery.

Moreover, by allowing contract farming in India through these ordinances brings under questions the intention of the government in a nation where more than 86% of the farming community owns less than two hectares of land. The policy of contract farming shifts the power balance away from the farmer to the company. It will push the farmer as a land-owning tenant to the interest of the corporates. Gauging crop risk in India is challenging because risks for different locations, crops, and crop seasons depend on many variables, some correlated and some uncorrected.



Limited PMFBY experience (loss history) also contributes to uncertainty about present risk. Probabilistic modeling is the best approach to overcome this uncertainty and account for the complex mixture of factors associated with risk to PMFBY-insured crops and associated (re)insurance losses. Growth of premiums and annual variation in claims for India's three national MPCI schemes in operation since 2000: NAIS, 2000-2015; MNAIS, 2010-2015; and the PMFBY, 2016-present is shown as follow:



The Ground Reality:

Indian agriculture has for long suffered from apathy and policies rigged to benefit others at the cost of the farmer. Under successive Congress governments, ringing tributes were ritualistically paid to the industry of "kisan", but the loudly declared intent to help farmers never translated into ground reality. Committees were formed with the avowed objective of developing agriculture and improving farmers' lot, only to consign the recommendations of experts commissioned for the job to the growing pile of files never acted upon.

It is known that 85% of India's farmers operate less than or just five acres of land, half of which in many parts of India may be dry/rainfed. Small farmers contribute 51% of agricultural output with 46% of operated land, and a much higher share (70%) in high-value crops, such as vegetables and milk.

However, small farmers are less literate and are from more marginalized castes and communities, and are generally excluded from modern market arrangements, like contract farming or direct purchase. In this context, it is important to examine the role and scope of impact of recent farm produce trade (APMC bypass) Act and the farmer empowerment or Contract Farming Act on smallholder livelihoods. . Though Tamil Nadu was late in joining the PMFBY, the State has emerged as one of the major beneficiaries of the programme, with its farmers having been sanctioned around Rs. 7,000 crore cumulatively in the last two-and-a-half years.

High impact The State has emerged as a major beneficiary of the Pradhan Mantri Fasal Bima Yojana

Year	Farmers enrolled (in lakhs)	Area insured (in lakh acres)	Claims sanctioned (in ₹ crore)	Claims credited to farmers' bank accounts (₹ in crore)	Farmers who received compensation through bank accounts
2016-17	18.73	35.54	3,580.52	3,490.30	12,05,860
2017-18	15.18	31.71	1,930.19	1,826.06	8,75,509
2018-19*	24.04	35.37	1,558.36	979.28	6,30,259
2019-2020**					
Kharif	2.97	3.40	1.15	1.15	3,199
Special season	2.78	2.90	-	-	-

SOURCE: STATE AGRICULTURE DEPARTMENT
* Payment of compensation is not yet complete
** Enrolment of farmers is under way for special season while it is expected shortly for the Rabi season

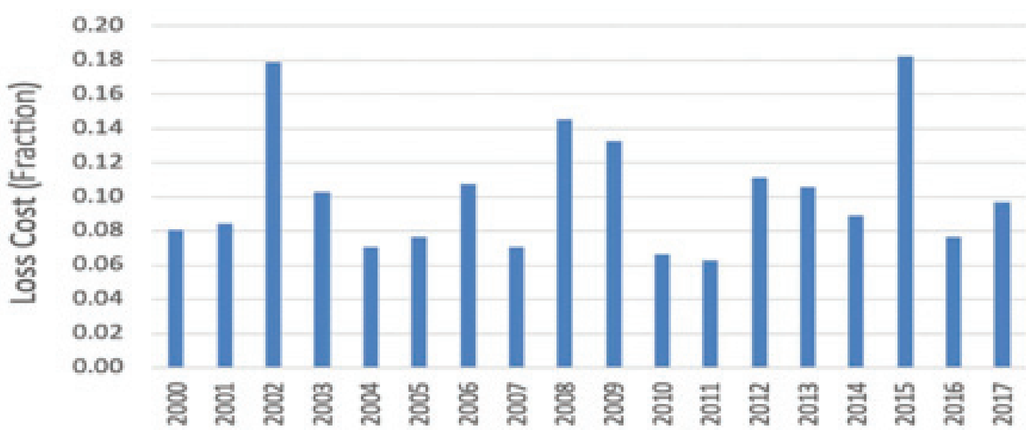
Farmer's Suicide:

India has one of the highest suicide rates in the world. In 2019, a total of 10,281 farmers and farm laborers died by suicide across the country, according to statistics from the National Crime Records Bureau. Taking one's own life is still a crime in India, and experts have said for years that the actual numbers are far higher because most people fear the stigma of reporting. Farmers, struggling to save their crops, dug their bore wells even deeper. And to fend off increasing pest attacks, they load their fields with chemicals. The skyrocketing agricultural costs forced many farmers to take on more debt, and crop failures over the years eventually destroyed generations of rural families.

Over the years the premiums against sum assured, as quoted by insurers, have been steadily rising, reflecting the firms' concerns over the shirking margins. The latest trend may be indicating the cementing of the scheme, largely dependent on government support, as a viable insurance model, according to industry watchers. Among different clusters for different crops, the highest premium in the current kharif season after finalization of bids, is around the same level as the average of last summer crop season MSP culture, and too much reliance on low value land intensive crops has been the culprit in many suicide prone areas while high production and market risk crops like cotton in others.

Most problematic is farmers' reliance on traders, commission agents, and moneylenders for credit as institutional credit reaches only 65% of them and more of small and marginal farmers are excluded from this institutional credit net. This private source borrowing leads to interlocking of credit and output, input and output, and credit and input markets where there is implicit over pricing of farm inputs and under-pricing of farm output of the farmers and they can't access other channels even if they offer better prices as they don't offer credit to farmers who are tied to traders and agents.

This restricts their freedom to choose channels provided by new Acts.. The prices are still determined and driven by APMC markets which are still not adequately regulated and, in many cases, mistreat farmers. Whatever new market channels like contract farming and direct purchase may emerge for farmers, small farmers will continue to depend on APMC markets for many commodities. There is no need for co-operative farming. What is needed is pre-production and post production aggregation to buy better and sell better or to capture higher surplus in the food and fibre value chains. Annual (combined kharif and rabi) loss cost of India's three national MPCI schemes in operation since 2000: NAIS (2000-2015); MNAIS (2010-2015); PMFBY (2016-present) is as follow:

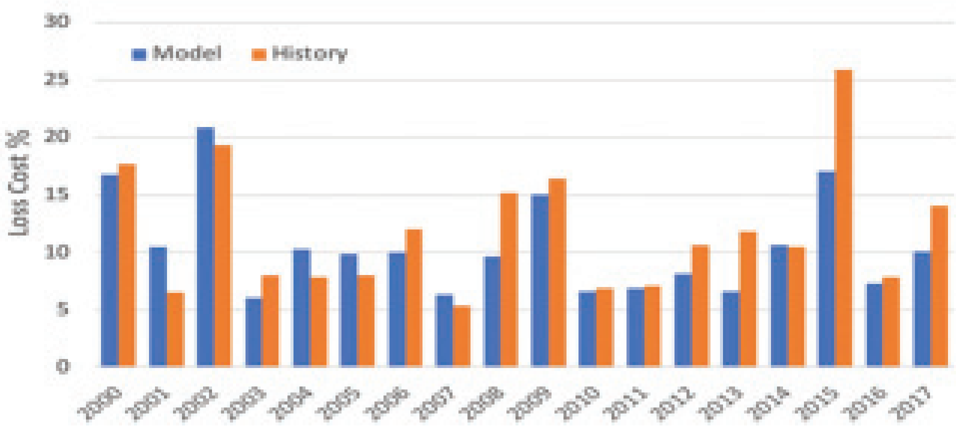


Landmark Bills:

This approach has now seen the passage of two landmark bills by Parliament: Agricultural Produce Trade and Commerce (Promotion and Simplification) Bill and Farmers (Empowerment and Protection) Price Assurance Bill. The protests against them represent political dishonesty and the influence of middlemen, considering that they together with changes in Essential Commodities Act to remove cap on stock holdings can herald a New Deal for the agriculture sector:

1. The first bill is aimed at liberating the farmer from the oppressively unjust situation he had been locked in. He was forced to sell his produce at the local market, where factors such as the domination of a cartel, price information asymmetry, and poor infrastructure worked to his detriment. If the ordeal of having to wait endlessly in adverse and humiliating conditions forced him to submit to the ruthless mandi mafia, high transportation costs ate into his already meager profit. This virtually amounted to a state sanctioned heist. Once the first legislation is enacted, farmers will be freed from the grip of the middleman, and able to sell their produce to buyers from across the country at a price they deem to be fair and at a time of their choosing. Freedom to sell at the farm gate will do away with transportation expenses, and thus boost incomes. This is a giant stride towards the fulfillment of the dream of 'One Nation, One Market' 75 years after Independence.

2. The second soon-to-be enacted law will help farmers go for contract farming with agriculture trade firms, wholesalers, big retailers and exporters. The provision of market linkages at the sowing stage itself will insulate them from production and price vagaries. It will also lead to introduction of better technologies, technical assistance, crop insurance and credit facilities. Contract farming will also encourage private investment in the financially starved sector and open the way for growth of agro-based industries and better storage, thus removing shackles which caused stagnation. This will lead to higher income for farmers who will be able to modernize farming methods and innovate to suit the demand for cash crops and agro-industry. Kharif season loss cost for combined NAIS, MNAIS, and PMFBY historical results and AIR MPCI Model for India recast using current PMFBY insurable exposure and 2018 revised policy conditions can be seen as below:



Reasons of losing Interest in the Centre's Flagship Crop Insurance Scheme:

Launched from Kharif 2016, the scheme has now been implemented for four seasons each of kharif and rabi. Out of all the 'Pradhan Mantri' schemes launched over the last few years - and there have been quite a few - none has received as much criticism as the PM Fasal Bima Yojana (PMFBY). Due to the variety of crops even within a cluster, the small size of farms, differences in farming practices, uncertainty of weather and budgetary constraints of state governments, there is no central scheme which is more difficult to administer than this. To its credit, the government has been responsive to the criticism and the scheme guidelines have undergone major changes twice, in September 2018 and February 2020. There have been three major criticisms of the scheme.

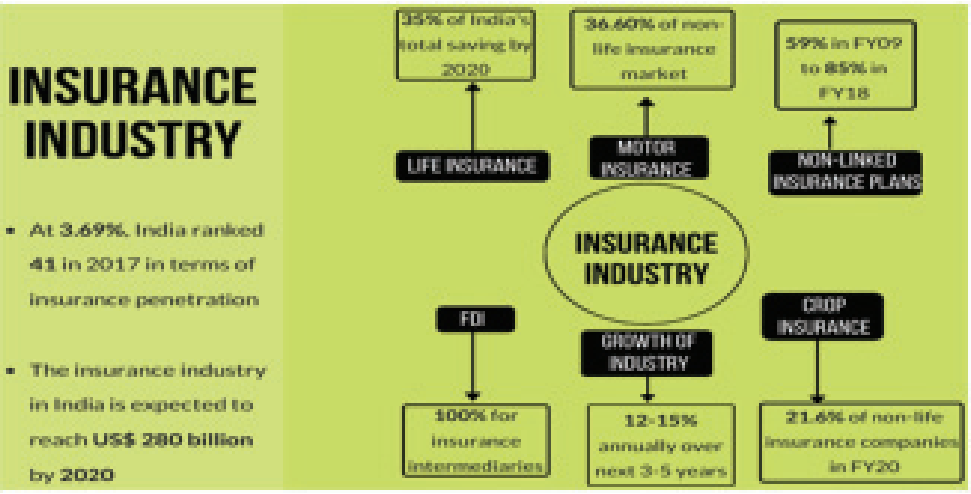
- The first is that, at an all-India level, the claims paid by insurance companies are less than the gross premium received by them and this, critics say, resulted in 'undue' enrichment.
- The second form of criticism is that the scheme is compulsory for all farmers who avail crop loans on their Kisan Credit Cards.
- The third major criticism is that the assessment of crop losses is done through a large number of crop cutting experiments (CCEs) conducted by state governments. Not only are these CCEs quite time-consuming, they are also not reliable enough. In several cases, the yield data produced by CCEs has been challenged by both farmers and insurance companies. In several cases, the Government had to take the services of Mahalanobis National Crop Forecast Centre to resolve the disputes on yield of a crop.

The guidelines issued by the Centre in February 2020 have sought to address the above criticisms by making at least three major changes in the scheme.

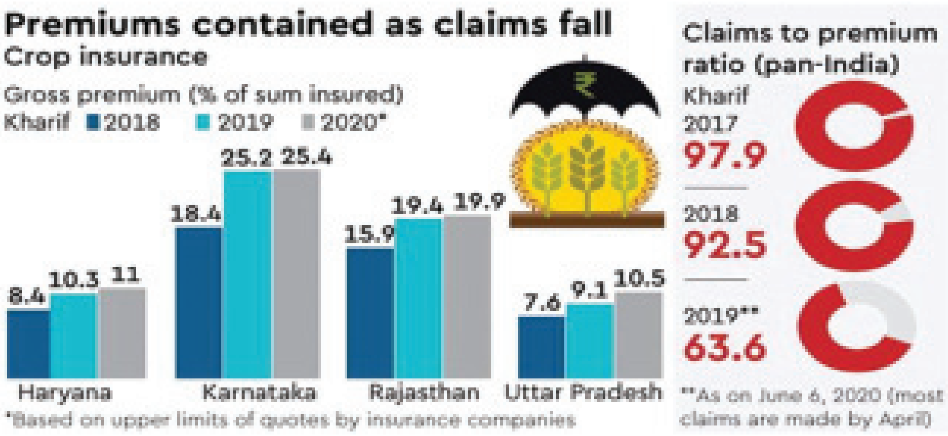
- Firstly, from Kharif 2020, the scheme was made voluntary and the farmers were given an option to opt out of crop insurance by submitting a written request to the bank.
- Secondly, like the Modified National Agricultural Insurance Scheme (MNAIS), introduced by UPA II in 2010-11, the government capped the Central government's liability in the premium at 30% for unirrigated areas and crops and 25% for irrigated areas or crops. Districts having 50% or more irrigated area are to be considered as irrigated areas or districts (both under the PMFBY and Restructured Weather Based Crop Insurance Scheme). It means that the states will have to bear additional premium subsidy if actuarial premium exceeds the above limits. Normally, unirrigated areas and risky crops attracted higher rates of premium in the tenders. However, there is no capping of benefits to the farmers, unlike the earlier scheme of MNAIS.
- Thirdly, the government decided to substantially enhance the use of modern technology (satellite, drone, mobile, etc.) for assessment of crop yield and estimation of losses and claims. For this a two-step process is to be adopted based on a 'deviation matrix' using triggers like weather parameters etc. It was also decided that the CCEs are to be conducted only in those areas in which there are strong deviations, noticed from use of remote sensing and other technologies.

Discontinuation of Scheme by States:

Several states have decided to discontinue this centrally sponsored scheme, in which the states had to pay 50% of premium subsidy. Bihar and West Bengal discontinued PMFBY from kharif 2018 and kharif 2019 respectively. From rabi 2019-2020, Andhra Pradesh opted out. From kharif 2020, Telangana and Jharkhand have also decided to opt out. Bihar and Jharkhand have started their own crop insurance schemes under which farmers do not have to pay any premium and they are eligible for crop insurance up to 2 hectares, if shortfall in yield is more than 20% of threshold yield. The insurance scheme in West Bengal is modeled on PMFBY and the companies are selected through a tender. The state does not take any premium subsidy from the Centre. Discontinuation of Scheme by several States:



In any such tenders, all the empanelled companies of private and public sector will also be eligible to participate. It is yet to be seen how the state level insurance companies will compete with Agriculture Insurance Company (AIC) and other private companies which have long experience of running crop insurance. Over 65% of about Rs 14,000 crore of claims have been paid to 1.08 crore farmers, bulk of it after the Covid-19 lockdown:



Andhra Pradesh has decided to set up its own crop insurance company and it has applied to Insurance Regulatory and Development Authority for a licence. No premium is charged from farmers. So far, the scheme is being operated by the state government and there is no participation of insurance companies. As a result, the state government will be responsible for payment of any claims. Andhra Pradesh, Telangana and Jharkhand wrote early this year to the Centre, communicating their decisions to exit the scheme.

Now, Gujarat and Madhya Pradesh seem to follow suit. While Punjab never implemented the PMFBY, Bihar and West Bengal have their own crop insurance schemes under which farmers do not pay any premium. Haryana is also said to be exploring if it can form its own insurance company. For kharif 2020, however, it has gone in for PMFBY. However, the claims ratio of the last kharif season is unlikely to go up to the 2018-level. In the states which have set up their own insurance companies, premium subsidy from the Centre will be available only if actuarial premium rates are discovered through a transparent process of tendering.

Insurer's dilemma:

One of the major criticisms of PMFBY in the media and public discourse was that it has resulted in undue enrichment of private insurance companies. In 2019-20, out of Rs. 31,391 crore of gross premiums of all the insurance companies, PSU companies collected Rs 16,325 crore (52%). AIC alone collected GP of Rs 13,651 crore (43.5%). But the fact is ICICI Lombard, Cholamandalam MS, Shriram General Insurance and Tata AIG have opted out of PMFBY from kharif 2019-20, as they felt that the claim ratios in previous seasons were too high.

The government's own Public Sector Undertakings (PSUs) - General Insurance Corporation, United India Insurance Company, National Insurance Company, Oriental Insurance Company and New India Assurance have also faced difficulties in getting reinsurance due to their losses and high claim ratio in previous seasons. As a result, only 10 out of 18 empanelled insurance companies were eligible to participate in crop insurance in the kharif 2020 season. PMFBY completed five years when rabi crops were harvested in March-April 2021. In 2019-20, the Centre and the states paid Rs 27,075 crore as premium subsidy. It is time the government launched a comprehensive evaluation of the scheme which should be concurrent with this year's kharif and rabi crops. This can enable the Centre and the states to decide the way forward.

Recently, the government took a good decision to engage 12 organizations to conduct pilot studies in kharif and rabi 2019-20 for gram panchayat level crop yield estimation using remote sensing, artificial intelligence based softwares, drones, mobile applications and other technologies. International Food Policy Research Institute (IFPRI), International Crops Research Institute for the Semi-Arid Tropics (ICRISAT), Gokhale Institute of Politics and Economics and Trinity League India are among those who have submitted detailed technical reports to MNCFC. These reports suggest that accuracy up to 85-90% can be achieved in assessment of crop yield for rice & wheat.

This can reduce dependence on crop cutting experiments. There is a need to integrate use of technology for assessment of yield. This can shorten the time taken by CCEs which has been a major cause of delay in settlement of claims. . This year, the State government may have to shell out up to Rs.150 crore so that farmers are not taxed in any way. Till now, after giving allowance for farmers' share of 2% generally, the Union and State governments shared the premium amount equally. The sharp decline in claims to premium ratio in kharif 2019 season also indicates reluctance of the insurers to accept the farmers' claims.

Crop cover

A look at the crop insurance coverage in Tamil Nadu

Year	Area insured (in lakh acres)	Farmers enrolled (in lakh)	Premium paid** (₹ in cr.)	Claims settled (₹ in cr.)	Number of beneficiary farmers
2016-17	35.54	18.73	1,249.68	3,621.16	12,91,422
2017-18	31.71	15.18	1,435.79	1,999.47	10,49,127
2018-19	35.37	24.04	1,636.21	2,433.15	17,01,811
2019-20	33.22	21.64	678.93	13.69*	9,281
Total	135.84	79.59	5,000.61	8,067.47	40,51,641

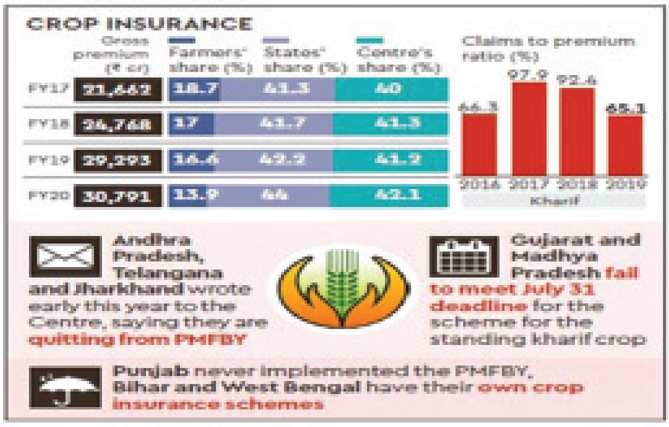
**As on June 8, 2020. **Includes premium paid by farmers, the Centre and the State government to insurance companies.*

T.N. govt. to bear additional cost of about ₹150 crore

Rising cost of Crop Insurance:

In many states, affluent farmers have already been reaping the benefits of collaboration with the corporate sector. This law will help small farmers derive similar gains. They will have the freedom to withdraw from this agreement at any point without penalty, while sale, lease and mortgage of the land will be completely prohibited. Insurers used to complain of the high claim ratio under the crop insurance scheme in the initial years after its 2016 launch; now, state after state is quitting the scheme, as they find it difficult to foot the rising premium bill. A perceived tendency among insurers to admit less of farmers' claims and the delays in settlement of claims also seem to have prompted some states to develop cold feet about the government's flagship scheme, Pradhan Mantri Fasal Bima Yojana (PMFBY).

The states' share of premium jumped to 44% in FY20 from 41% in FY17 under the PMFBY and Weather Based Crop Insurance Scheme (WBCIS) while the Centre's share increased to 42% from 40% during this period. The claims to premium ratio, which was over 90% in two previous consecutive seasons, dropped to a low of 65% during kharif 2019 (as on June 30, 2020), even though there was 52% above normal monsoon rains in September last year that deluged about 6% (nearly 64 lakh hectare) of the season's sown area. Under PMFBY, farmers' premium is fixed at 1.5% of sum insured for rabi crops and 2% for kharif while it is 5% for cash crops. The balance premium is split equally between the Centre and states.



Crop Insurance in USA:

Crop insurance helps make America's farmers and ranchers world leaders in agriculture, allowing them to stay competitive and be more innovative. It also helps them sleep better at night knowing that, should the unexpected happen, they will have the financial security to stay in business and go on to plant the next season. Crop insurance is a key component to the tremendous success of country's agricultural economy. Here are twelve reasons why crop insurance is an essential business tool for America's agricultural farmers and ranchers.

1. Farmers Receive Individualized Risk Management Solutions
2. Farmers Can Use Crop Insurance as Collateral for Loans

3. Farmers are Involved in, and Take Responsibility for, Risk Management Choices
4. Farmers Can Use Crop Insurance to Improve their Pre-Harvest Marketing Plans
5. Farmers Receive Crop Insurance Indemnities in the Timeliest Way
6. Farmers Do Not Receive Unnecessarily Excessive Payments
7. Farmer Indemnities are not Capped by Arbitrary Payment Limits
8. Farmers Share in the Program Cost
9. Farmers Benefit from the Efficiencies and Service of the Private Sector Delivery System
10. Crop Insurance is Comprehensive and Program Features can be Adjusted Quickly
11. Crop Insurance Has Already Contributed to Deficit Reduction
12. Crop Insurance Has Flexibility to Help Meet World Trade Organization Disciplines

Effective Kharif 2020, the Centre has decided that it will foot the PMFBY subsidy bill to the extent of its formulaic share so long as gross premium level is up to 30% of the sum assured in non-irrigated areas and 25% in irrigated areas. The onus will be on states if they want to implement the scheme even if insurers quote any premium above 25-30%. This has put further burden on states, who were already worried over the cost of running the schemes. The Centre has recently written to state governments urging them to invoke the penalty clause on insurance companies that have defaulted on settling the claims made by farmers under PMFBY.

The move followed reports that insurers had not cleared as much as a third of the amounts claimed by farmers as crop insurance for the Kharif 2019 season as on June 30 and the new crop year began on July 1. What is disconcerting the farmers is that they are already under pressure from the authorities to opt for crop insurance for the forthcoming season despite the failure to honour last year's claims due to them. Farmers availing institutional finance are forced to avail the PMFBY as the loan component is linked to crop insurance and there is no escape.

But when the crops fail, neither do the banks offer them relief by waiving off interest nor does the insurance company pay them in a time-bound manner. Agriculture is labour intensive but this year farmers are averse to hiring workers from other villages and regions due to fear of the pandemic. The impact of low output due to lower crop coverage area - will be felt during the harvest season. The economic slump and its impact on the reinsurance market have also marred the scheme. The commission that insurance companies receive when they reinsure the risk cover has gone down from 10 per cent to just 3 per cent in the past five years. The commission amount itself runs into crores of rupees and this dip has impacted the companies. The losing interest of private players can seriously weaken the scheme. It is true, in India; Crop insurance is both obnoxious and indispensable.

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India puts checks in place for LIC, foreign holding may be capped at 20%

The government may limit overseas investment in state-owned Life Insurance Corp. (LIC) of India at 20%, at par with that for public sector banks.

The country's biggest life insurer is expected to make its initial public offer (IPO) later this year. Expected to be the biggest ever in the Indian market, it's pegged at about Rs 1 lakh crore. The LIC Act, which governs the insurer, does not mention foreign investment and also limits any shareholder other than the central government to a maximum 5% stake.

PRUDENT UNDERWRITING IN HEALTH INSURANCE

Health is a state of complete physical, mental, and social well-being and not merely the absence of disease or immunity. Good health is an essential requirement for the enjoyment of most aspects of life.

In this new millennium where: -

- Health is greater risk than death.
- Patterns and type of diseases are changing.
- Mortality is decreasing and morbidity is increasing.
- Need for healthcare is not only for bread earner but is equally important to other family members.
- Medical technology developed quite fast during last few decades.
- Technological upgradation in medicine and other field has raised the cost of medical care.

About the author

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- Corporate hospital culture is adding cost of treatment.
- Modern medical science has reached at the stage where virtual Autopsy is the talk of the day, where no cuts needed to do post-mortem and images can be analysed by forensic experts. This will certainly help in medico-legal cases.

Health insurance is the only answer to the above which will: -

- Provide financial help for availing the benefits of this advance technology in medical science.
- Protect the patient and family against financial disaster due to treatment.
- Protect against the unexpected risk of illness and medical care.
- Make mode of payment for healthcare simplified as insured will pay premium to insurer who in turn will take care of hospitalisation expenses including other medical care expense.
- Eliminate sickness as a cause of poverty because sickness increases loss of earnings and cost of medical care thereby increasing poverty.

So, Health Insurance is a necessity now a days. It is not a luxury. It provides vitally important financial protection for individual and family. Lack of Insurance means going without needed healthcare, having to use lower quality care or having to pay medical expenses out of pocket. So, Health insurance is protection that provides benefits for covered sickness or injury.

It is protection for an agreed price against the cost resulting from specific health risks. In India, health insurance is transacted into

- Non- Life Insurance Companies
- Life Insurance Companies
- Specialist stand alone health insurance companies

First Mediclaim policy was introduced in 1986 by Public Sector General Insurance companies.

As on 31.03.2020, 68 Insurers are working in India.

- 24 are in Life Insurance
- 27 are in General Insurance
- 6 are in stand alone Health Insurance
- 11 are acting as a Re-insurer.

As a result, the number of persons covered has grown from 690 Lacs in 2001 to 4987 Lacs in 2019-20. Total health premium collected as on 31.03.2020 is Rs. 56,865 Cr, which is 30% of total G.I. business.

- Share of business under Govt. schemes - 10% covering 3590 Lacs people (72%)
- Group Mediclaim contributes 51% covering 947 Lacs people (19%)
- Individual mediclaim contributes 39% covering 450 Lacs people 9%

There is a huge scope for Health Insurance business to grow in India. Out of 130 Crore population, 49.87 Cr are covered under Health Insurance schemes.

The health awareness is rising day by day in public with regular yoga, Gym, Walking, Jogging and also taking organic food but on the other side rising health expenditure, food habits and increase in morbidity rates compel people to purchase health insurance.

Health is wealth and only healthy mind can exist in a healthy body. 70% of medical expenditure in our country is born by Individuals.

As per IRDAI in 2019-2020,

- Total GIC business - INR 1,88,916 Cr
- Share of Fire - 8.33%
- Share of Marine - 1.87%
- Share of Motor - 36.50%
- Share of Health - 30.10 (INR 56,865 Cr)
- Share of Misc. - 23.21%

As per IRDAI incurred claim ratio of health insurance as on 31-03-20 is 88.43%. Under group mediclaim policies is 98.84%, individual mediclaim policy 72.86% and under government scheme 97.22%.

After motor, only Health Insurance is most demanding insurance. So, Health insurance is one of the fastest growing sectors in Indian Insurance industry. Growth of health insurance mainly lies in :-

1) Better customer service, standardization of procedures and definitions.
2) Standardization provides simple innovative products and better understanding of terms.
3) Increased awareness about benefit of health insurance in public due to rise in medical cost.

Now we will examine, underwriting aspects of the Health Insurance.

Health Insurance underwriting refers to the process by which a life or health insurer uses an applicant's medical history to decide whether they can offer them a policy. Whether policy will include Pre-existing disease condition exclusion or a premium that's higher than the standard rates.

The most important question in underwriting is: - What should be the rate of premium to be charged under a policy of Insurance?

The rate of premium is fixed according to certain principles: -

- Firstly - the premium varies according to the degree of hazard or exposure to loss or damage to property.
- Secondly - To assess the variations in the degree of hazards
- Thirdly - The degree of hazard is determined based on past loss experience or past medical history or claim history.

A Mediclaim policy provides for reimbursement of Hospitalisation/Domiciliary hospitalisation expenses for illness/disease suffered or accidental injury sustained during the policy period. The liability in respects of all claims admitted during the period of insurance shall not exceed the sum insured for the person as mentioned in the schedule/policy.

The company will pay through TPA named in the schedule of the policy to the hospital/nursing home or the insured person reasonable and necessary expenses incurred in respect of medical/surgical treatment. At present in India 24 TPA's are servicing.

Reimbursement is allowed only when treatment is taken in a hospital or nursing home which satisfies the certain specified rules in the policy.

Relevant medical expenses incurred during period up to 30 days prior to and period of 60 days after hospitalisation are treated as part of the claim.

To be able to assess a particular risk the insurer needs to identify from the proposal form medical conditions which are likely to affect the present health of the propose and the implications in future.

In insurance sector, we usually talk about prudent underwriting means identification of good risk and bad risk for the rating purpose as well as acceptance or denial of risk/ proposal.

Bad risk should be loaded, and good risk must be discounted as well as bad risk to be denied or good risk to be accepted. So, in particular health insurance underwriting involves researching the medical history of a propose for insurance in order to identify risk factors and fixing the price (premium) accordingly.

So, medical underwriting for high risk proposer may lead to exclusion of certain coverages for certain conditions/denial of covering altogether or coverage offered only at a very high price. Even in such cases, co-payment condition is also implemented for certain conditions.

Prudent health insurance underwriting includes:

1. Thorough medical history examination
2. Demographic profile
3. Lifestyle
4. Other factors like age, family medical history, occupation etc.

Through actuarial analysis, an estimate of the risk associated with providing health coverage to that person is determined and priced.

Actuarial components in Health Insurance

- Sickness/Morbidity rates
- Claim costs
- Administrative costs
- Others (Profit, Solvency)

Main job of an underwriter is to identify pre-existing conditions that add risk for the insurance companies.

Moreover, for health insurance underwriting point of view, technology can be used to identify customers availing treatment for various ailments in line with their adherence to treatment protocol, Realtime sugar/Blood pressure monitoring and for fitness addicts in line with their level of physical activity and endurance.

The effective application of new underwriting technology and analysis of data would enable to better understand customer's needs preferences and behaviours. Charging of premium accordingly with the individual's needs and risk proposal would be another step towards prudent underwriting of health insurance.

Thus, analytical models and stimulators will allow underwriters to understand risk cover and pricing interlinks and eventually more and more risk base pricing model. Nowadays, many insurance companies are deploying analytical system to identify risk factors combined with artificial intelligence.

This will certainly help in going faster and accurate in decision making at every point of customer journey from 'Point of sale' to 'claim settlement'. It will also help in product development as per need of customers.

Underwriting philosophy of Health insurance for any Insurance company would be to achieve growth with profit, so price should have a margin to take care of following over and above the pure risk premium arrived at by analysis of ICR (Incurred Claim Ratio):-

1. Procurement cost
2. Medical Inflation
3. Expense of management
4. Catastrophe reserve

5. Credit for investment income
6. Profit margin

Retail Insurance is a class rated product and will be governed by the internal underwriting guidelines of each company and also rates as filed with and approved by IRDA.

1. Renewal of individual mediclaim policy cannot be denied other than cases/proposals with fraud, misrepresentation, non-disclosure of material facts. If at the time of claim, any of above is discovered, the policy will be cancelled after due notice giving 15 days' time to insured.
2. No loading shall be applied on claims of expiring policy as per IRDA Health Insurance Regulations 2016.
3. Retail product should cover all section of insured persons, Senior citizens, women, minor children, physically disabled persons, HIV/AIDS contracted person etc.
4. The underwriting parameters for risk acceptance will include age, pre-existing conditions, past claim history, good health practices and such other relevant parameters of proposer like occupation, married or single, food habits etc.
5. Portability: - For retail policies from one insurer to another insurer. Portability procedure as per IRDA guidelines. No intermediator charges are payable.
6. Free look period: - Applicable for retail policies. Insured will be allowed a period of at least 15 days from date of receipt of policy to review terms and conditions of the policy and to return the same if not acceptable. This condition is applicable for insured persons taking policy first time.
7. 30 days grace period: - If the insured failed to remit premium for renewal before expiry of the period of insurance but within 30 days thereafter. Admissibility of any claim during the period of subsequent policy shall be considered in the same manner as under a policy renewed without break. But company will not be liable for claims made in the interim period of 30 days.
8. Acceptance or denial of proposal: - The basis of acceptance of proposal /renewal will be as per internal underwriting of the company which includes
   - Age
   - Pre - existing health conditions
   - Family health history
   - Moral Hazard
   - Misrepresentation, fraud, non-disclosure of material facts
   - Non-cooperation by the proposer
   - Pre-acceptance medical check up for all insured persons entering the policy age of 60 years.
   - Pre-acceptance health check-up persons up to 60 years of age with advance medical history (fresh entrants) or break in insurance.
   - Last claim details
   - Consume Tobacco detail
   - Good health declaration
   - Psychiatric disorder
   - Genetic disorders
   - Any person aged between 18 years and 65 years can take Mediclaim policy (may differ company to company)
   - Nomination (mandatory) - For individual policy holder. It is mandatory to make a nomination by the proposer for the purpose of claim payment in the event of death of insured.
   - All policies to be serviced by TPA (for PSU). Choice of TPA as per IRDA guidelines for individual Mediclaim policy.
   - Empanelment of preferred provider network hospitals. In case of PSUs cashless is made available in these network hospitals. In all other non-network hospitals, the claims are honoured by way of re-imbursement claims.

     Rejection - Insurance is a subject matter of solicitation. Insurer has the right to decide to accept or reject the proposal based on objective criteria. In accordance with IRDA health regulations 2016, a denial of proposal shall be communicated to prospect in writing by recording the reasons of denial.
   - Premium payable annually. There is a provision of no claim discount of 5% after every claim free year and maximum up to 15%.
   - Underwriting looking for pre-existing conditions. A risk loading on the premium payable depending upon insured health status. Loading not be more than 50% of premium.
   - Underwriter may seek re-insurance support in respect of major group health policies and government scheme to:

❖ Obtain technical expertise on pricing & designing of product.

❖ Introduction of various loss control measures under group policies.

- ❖ Controlling and monitoring of claims and creating processing in Govt. and other group schemes.

The company may look for quota share support to shore up the portfolio.

Group Health Policy underwriting excluding Government :-

Group health policy catering to corporate is normally sourced through brokers/agents apart from direct business procured by office directly.

As the insurance coverage sought are dictated and designed as per need and requirement of customer, rating would be based upon sound actuarial principles, supportive data considering all the relevant aspects of pricing such as

- ❖ Morbidity experience by gender
- ❖ By age group
- ❖ By occupation
- ❖ By group size
- ❖ Expenses
- ❖ Project margin

Discounts and loading as per objective criteria for the renewals of GMP.

- ❖ Claim experience in previous policy
- ❖ Change in coverage
- ❖ Change in sum Insured
- ❖ Limit of Indemnity sought
- ❖ Expected frequency/severity of losses
- ❖ Group size
- ❖ Age group
- ❖ Medical inflation
- ❖ Procurement cost
- ❖ Management expenses
- ❖ TPA service cost

Premium rates quoted keeping in view of above factors Claim experience of GMP is monitored and analysed periodically. Introduction of various loss measures are suggested to insured where the claim experience is very adverse. It is a very important task for underwriter while underwriting such risk.

- ❖ Application of suitable conditions and clauses
- ❖ Restrictions in the limit

- ❖ Incorporation of deductible/Co-pay
- ❖ Loading of premium where warranted
- ❖ Modification/deletion of covers granted

Tele-underwriting of Mediclaim Policy

As discussed earlier, pre-policy medical check-up by the insurance companies helped to reduce the risk of paying the claim in near future.

Although physical medical check-up help in knowing the current health condition of a person but not a history of particular ailment.

So Tele-Underwriting is an option which is an efficient and cost effective way to issue the policy to customers, who are digitally dependent and believe in on demand services with minimal customer barriers. Generally, people are friendlier over telephonic conversation and rightly disclose their medical conditions which can't be obtained through physical medical check-up. It also reduces the turnaround time to issue a policy by insurer and also converting one more policy seeker to customer.

Most of the private insurer in India/abroad are following this practice.

Medical Policy Underwriting During Covid-19 Pandemic

Covid Pandemic is a worldwide spread of corona virus, suddenly disrupted business as human life remains under threat. More than 27 Lacs people died in the whole world due to this pandemic.

In this period, the insurers prefer Tele - Underwriting method because physical health check-up was restricted.

Appointed doctors over telephone ask customers regarding basic health condition, lifestyle of customer etc. After satisfaction, policy was issued to customer by Insurance Company.

In a nut-shell, we can say that health insurance underwriting is a purely technical step whether someone should be taken as a customer at affordable cost (premium), so that goal of profit with growth can be achieved by insurance companies.

Now due to advances in technology, operations, awareness for health insurance, medical cost inflation, customer's mind set to avail best choice of hospitals for treatment, we have to look at underwriting in a changed prospect: -

1. Develop financially attractive products, customer centric process and technical soundness.
2. More focus on health care management, so free health checks ups to policy holders or free health check-up camp. So that health may be improved, and it will help in lowering of medical cost.
3. Increase transparency, simpler medical questionnaires, use of digital channel is the need of hour in changing scenario.
4. To achieve the prudent underwriting goal, insurance companies must focus on
    - Technical soundness
    - Innovation of products as per need and requirement of customers' means focused product innovation.
    - Customer centric approach.

In health insurance underwriting or even other insurance, risk assessment, evaluation, cost, coverage, limited liability, exclusions, co-pay condition etc. is to be understood.

How to deal with rare diseases with higher cost of treatment. So at the inception of policy, identification of such diseases is must so that cost (premium) may be decided accordingly. Product innovation is also one area where different products for senior citizens, critical illness cover products with add on cover like

- Air ambulance charges
- Organ donor benefit
- Modern treatment methods with advanced technologies for certain diseases
- Restoration of Sum Insured
- Daily cash allowance
- Second medical opinion
- Standard exclusion wordings as per IRDA
- Removal of exclusions for HIV/AIDS, Genetic disorders, Psychiatric and psychosomatic disorders
- Ayurvedic/Homeopathic/Unani treatment
- Mental Illness cover
- Coverage for Robotic surgeries, oral chemotherapy, Deep brain stimulation, Stem cell therapy, Immunotherapy etc.

Accordingly, product may be designed, and cost may be fixed, however an accurate understanding of customer's health is required.

Correct assessment of risk for accurate price.

It is important to check fraud at this stage because many customers try to hide some important information. So, customer attitude is an important factor while understanding risk.

Simplified medical questionnaire can improve the customer experience and data accuracy.

For groups, tailor-made policies can be designed and price may be fixed. For large groups, cross subsidization with other portfolio is also one option for insurer as a part of underwriting strategy.

A particular customer segment may be targeted for product design and costing.

So, underwriter should be able to manage

- High cost claims
- Prevent uncontrolled renewals
- Risk premium is based on scientific evidence.
- Skill and motivation of the underwriting staff.
- Different departments like Product development, Underwriting, claim management, Health management should work much closely together.

At last but not the least, a high degree of professionalism is the need of hour for underwriting of health insurance to achieve the Moto

"Growth with Profit".

Events at Birla Institute of Management Technology (BIMTECH) Greater Noida

34th Commencement Day event on Friday, 23rd July, 2021 held virtually for PGDM programme 2021-23 batch.

The event was attended, among others, by 400+ fresher's and their family members, having multidisciplinary educational and cultural backgrounds.

Chief Guest on the occasion was Mr CP Gurnani, MD and CEO, Tech Mahindra and the Guest of Honour was Mr Ronnie Screwvala, Co-Founder and Chairman of UpGrad. Director BIMTECH Dr H Chaturvedi, Dy. Director Dr Anupam Varma, were among the dignitaries who welcomed the batch on a virtual platform.

The commencement day ceremony started at 6 P.M. with Saraswati Vandana. This was followed by a address by Dr. Harivansh Chaturvedi, Director, BIMTECH welcoming the new batch and enlightening them about the institute and its revolutionizing approach towards imparting education, recent developments in the field and the way forward.

The Chief Guest, Mr. C.P. Gurnani, Managing Director and CEO of Tech Mahindra spoke about top skills in the current business environment and stressed on the winning formula of 'unlearning, learning and re-learning.' He also appreciated BIMTECH's technology-oriented management curriculum which fits the future demands of the Information Technology sector and the digital economy and spoke about his association with BIMTECH. He described empathy and sensitivity as the two traits to excel in one's professional and personal life and said, "Students are the reflection of new India. Bonding with your alumni and community is the most important part of students' B-school journey."

The Guest of Honour was Mr. Ronnie Screwvala, Co-founder & Chairman, UpGrad, who is a first-generation entrepreneur who pioneered Cable TV in India, built one of the largest toothbrush manufacturing operations and then went on to create a Media & Entertainment conglomerate, UTV. He is driven by his interest in championing entrepreneurship and recently launched his book 'Skill It, Kill It' which introduces a new perspective to success. He founded UpGrad, an Online Education Company focusing on post-graduation, higher studies and specialization areas. He said, "We are entering a very exciting phase, full of opportunities in which soft skills are crucial for students."

The virtual ceremony also saw the unveiling of the annual activity reports of the Centre of Innovation and Entrepreneurship Development of Atal Incubation Centre of BIMTECH by Mr. Ronnie Screwvala.

The solemn occasion concluded around 7:30 p.m. with the vote of thanks delivered by Dr. Anupam Varma, Deputy Director, BIMTECH followed by the National Anthem.

Orientation programme held on 4th August, 2021 on virtual platform for newly admitted students of PGDM (Insurance Business Management) programme batch of 2021-23

The Programme started with the welcome address by Dr. Abhijit K. Chattoraj- Dean (SW-SS), Professor and Chairperson-PGDM-IBM programme who introduced the esteemed guest Mr. Amit Kalra, Managing Director, Head Swiss Re Bangalore. The faculties associated with the IBM programme namely Prof. Manoj Kumar Pandey, Prof. Pratik Priyadarshi, Prof. Manoj Pareek, Sinha and Prof. Monika Mittal were present along with students.

Post this introduction the students were addressed by the Chief Guest for the day - Mr. Amit Kalra, Managing Director, Head Swiss Re Bangalore. The chief guest spoke about his corporate journey and how he entered the insurance sector. He pointed out that insurance sector served society at large and had a critical role to play in a growing economy like

India. He emphasised that the penetration of insurance in India compared to world average was dismal so there was a lot of room for growth in this sector. Mr. Kalra told the audience that the insurance industry was going through a transformation and rapid changes in technology were taking place. People looking to make a career in insurance needed to adapt to new technology and should acquire leadership skills along with a growth mind-set apart from having core business knowledge. Since insurance was push product rather than pull product in India there was need to make insurance relevant to people.

Mr. Kalra outlined the skills a professional should acquire to be successful in the insurance sector in the future. In the future, professionals would require technical talents, core business functions, and power skills. Data science, AI/ML, and automation will be among the technological capabilities required. Knowledge of business functions like actuarial, underwriting, risk management, claims, finance and accounting was essential. According to him collaboration, adaptability, creativity, handling uncertainty, and the ability to learn were power skills.

He also discussed how India was well placed for rapid growth in requirement of insurance services. He also discussed the protection gap, changing population and demographics and the growing use of technology in all business spheres.

Lastly he stressed that one should always be curious and ready to learn new things. Learning should never stop at any time or age. Accepting failure and taking learnings from failure was important to move ahead in life.

The session concluded with a vote of thanks to the guest of honour by Prof. Pratik Priyadarshi. ❑

Aditya Birla Sun Life Insurance Announces up to 15 percent Reduction in Premium Rates of its Term Plan - ABSLI DigiShield Plan

Aditya Birla Sun Life Insurance (ABSLI), the life insurance subsidiary of Aditya Birla Capital Limited (ABCL), announces reduction in the premium rates in ABSLI DigiShield Plan by up to 15% thereby making it one of the most competitive offering in the Term Insurance space. This plan caters to the unique protection needs of customers and can be personalized to suit specific protection needs. Unlike traditional term plans, ABSLI DigiShield plan allows a customer to enjoy a guaranteed recurring income starting from age 60 years through the Survival Benefit Option. Further, it provides a unique flexibility to reduce the sum assured at a pre-defined retirement age, allowing customers to align their cover as per their outstanding liabilities and the life stage.

ABSLI DigiShield Plan offers extensive flexibility to cater to one's varied protection needs across life stages by offering multiple plan options to choose from, joint life protection, critical illness cover, and rider options to tailor-make a distinctive protection solution for the customers and their loved ones.

Commenting on the premium price reduction of ABSLI DigiShield Plan, Mr. Kamlesh Rao, MD & CEO, Aditya Birla Sun Life Insurance, said, "The pandemic lasted longer than expected with people experiencing strains on their personal finances. We have been meticulously observing the pandemic experience before making any price revisions in our products. With a rise in demand for term plans, we have consciously announced reduction in premium for ABSLI DigiShield Plan, a hyper-personalized term plan offering, to suit our customer's ever evolving monetary needs. We urge customers to take benefit of this reduced premium pricing of this holistic term plan, providing financial protection for self and loved ones."

This plan also provides various premium payment terms, policy tenures and death benefit pay-out options to satisfy unique customer requirements. This holistic plan mitigates liabilities, provides protection to loved ones, and supports retirement and legacy goals.

Second wave impact makes Insurers increase provision pool

The impact of the second wave, which saw higher fatalities than the first one, coupled with elevated levels of claims that life insurers have received in Q1, resulted in insurers increasing their provision pool. This is over and above the amount they had set aside at the beginning of the financial year. Insurers, in the April-June quarter of FY22, have seen a huge spike in death claims due to Covid. And, experts said, Covid death claims in Q1 are higher than the cumulative Covid-related death claims in the entire FY21. The overall claims burden has also increased due to the mounting Covid claims, they said.

LEGAL

Vehicle Insurance

Complaint Ref. No. AHD-G-051-1718-0200

Mr. Rajesh K. Parmar

V/s

Oriental Insurance Co. Ltd.

The Complainant's Scooter was stolen on 10.05.2016 when it was parked near his shop at Kamal Complex, I.O.C. Road, Chandkheda, Ahmedabad. The intimation of theft of vehicle was given by complainant to the respondent on 13.05.2016 i.e. after three days. The FIR of theft of the vehicle was lodged on 25.06.2016. As the intimation of loss due to theft was not given to the Respondent immediately, the claim was repudiated by the Respondent under Condition No. 1 of the policy.

After review of the claim on receiving appeal in Grievance Redressal Deptt., the higher authorities had considered to settle the claim on sub-standard basis for Rs.18,750/- (i.e. 75 %) after deducting Rs.6250/-. The vehicle was stolen on 10.05.2016. The complainant had lodged the FIR on 25.06.2016. The insured ought to have had lodged the complaint as per the policy condition No.1 immediately The insured had informed the insurance company after 3 days of the theft of the vehicle.

The complainant had not bothered to lodge an intimation of loss of the vehicle with the Insurer immediately even after his coming to know about the loss. Further, the insured had lodged FIR of the theft of the vehicle on 25.6.2016 i.e. after 45 days. Hon'ble Supreme Court Oriental Insurance Co. Ltd. vs. Parvesh Chander Chadha (Civil Appeal No. 6739 of 2010 decided on 17.8.2010) dismissed the complaint holding that in terms of the policy issued by the insurance company, the insured was duty bound to inform about the theft of the vehicle immediately after the loss. The complainant had failed to give intimation of theft immediately to the insurance company and police authority as per policy Condition No. 1.The insurance company, after receipt of grievance appeal, had gracefully settled the claim on sub –standard basis by paying 75 % claim amount and paid it to the complainant.

In view of the foregoing, the complaint failed to succeed.

Complaint Ref:No.AHD-G-023-1617-1560

Ashish B. Monpura

v/s

Iffco Tokio General Ins. Co. Ltd.

The complaint was regarding deduction made from the car repairing claim after accidental damage. Claim made for Rs.19854/- was settled for RS.12381. The insurer could prove that the amount was deducted towards the repair for old damage. Moreover other amounts were settled after the consent of the complainant. The amounts deducted towards compulsory excess and salvage were found to be in order.

The complaint failed to succeed.

Complaint Ref:No.AHD-G-012-1617-1514

Ravi Thakkar

v/s

Cholamandalam M S General Ins. Co. Ltd.

The complainant had purchased a second hand car and the ownership of the vehicle was transferred in his name in the books of the RTO.on 24.11.5015 a day before the accident. He informend the insurer on 24.11.2015 about the change of the ownership of the insured vehicle through SMS. The claim for owndamage of the vehicle was not paid stating that the policy covering the vehicle could not be endorsed before the happening of the accident as the intimation for endorsement and the necessary payment for affecting the change was done on 27.11.2015, after the accident. The insurer denied having received the intimation through SMS on 24.11.2015. G R 17 of India Motor Tariff rule relating to transfer of vehicle allows 14 days time to the purchaser of the vehicle to informthe insurer to record the change of ownership. Here in this case the insurer was informed within this time limit. Unfortunately the accident happened so suddenly on the next day and it did not allow the purchaser to inform the insurer before the misshape.

Inview of this, the complaint was admitted and awrd for Rs.11651/- was made in favor of the complainant.

Complaint No:AHD-G-023-1718-0187

Mr. Hitesh K. Khusalani

v/s

Iffco Tokio General Ins. Co. Ltd.

Claim for theft of two wheeler vehicle was rejected on the ground that the intimation of the theft was not given to the insurer in time. The vehicle was stolen on 25.09.2016. FIR was lodged with the police on 14.102016 and the insurer was intimated on 17.10.2016. the insurer submitted that policy condition No.1 necessitated immediate intimation to the insurer as well as to the police authorities. The representative of the respondent stressed the need for the urgent intimation in order to enable both the insurer and the police authorities to take immediate steps to trace the stolen vehicle. In this case the intimation was late by 22 days and it deprived the insurer of the opportunity to trace the vehicle. Therefore the claim was repudiated. Repudiation was upheld.

The complaint failed to succeed.

Umesh Guglani

V/s

Tata AIG General Insurance Co. Ltd.

Mr. Umesh Guglani, the complainant has stated in his complaint that his car was stolen on 24.12.2016. He had submitted all the required documents to the insurer but his claim was repudiated by the insurance company on the ground of non submission of one ignition key. The complainant stated that his car- Hyundai Xcent bearing registration no. UP 80 DH 5888 was stolen on 24.12.2016. The incidence of theft was reported to the police and to the insurer on 25.12.2016. All the required documents except one ignition key were submitted to the insurer but his claim was repudiated by the insurance company on the ground of negligence on his part in safeguarding the vehicle as he could not submit one ignition key. The insurer appeared for personal hearing and stated that on receipt of the complaint through this forum, the claim was reviewed and it was decided to settle the claim on sub standard basis for an amount of Rs. 4,24,625/- being 75% of IDV subject to consent of the complainant. Subsequently, over telephone, the complainant also expressed satisfaction over settlement of the claim.

Subhash

V/s

National Insurance Co. Ltd.

Mr. Subhash, the complainant has stated that his motorcycle was stolen on 03.11.2015 and though he had submitted all the required documents to the insurer, his claim was repudiated by the insurance company on the ground of delay in intimation. The complainant stated that his motorcycle bearing registration number UP 16 AA 9544 was stolen on 03.11.2015. Immediately, the incident of theft of the vehicle was reported to the insurer on telephone and to the police on 21.11.2015. Thereafter, he approached the insurer to submit written intimation to the policy issuing office but they refused to receive the letter and directed him to approach their Claim Hub. The complainant further stated that the officials of the insurer had harassed him a lot and made him run from one office to another for submission of intimation letter, hence, alleged delay in submission of intimation to the insurer was not his fault alone. The insurer stated that incident of theft occurred on 03.11.2015 but the complainant had submitted intimation letter to them on 08.12.2015 i.e after 34 days. The complainant was asked to explain reasons of undue delay in intimation but he could not give any convincing reply. The complainant admitted that there was some delay in intimation to the insurer and to the police but the incident of theft was confirmed by the police in their final report dated 31.12.2015; hence, repudiation of the claim was not justified. Ongoing through the documents exhibited and the oral submissions, it is observed that the incident of theft had actually occurred as confirmed by the Police authorities also in their Final Investigation report dated 31.12.2015. However, there was some negligence on the part of complainant as he did not inform the insurer in writing, immediately after theft of the vehicle. Considering the fact that theft of the vehicle cannot be disputed, The Insurance Company is directed to settle the claim on sub standard basis instead of repudiation. ❑

IRDAI Circular

Solvency Margin for Crop Insurance Business

IRDA/ACT/CIR/SLM/217/08/2021

Date:04-08-2021

1. This circular is issued in accordance with the power vested under Section 14(2)(e) of the IRDA Act, 1999 read with Section 34(1) of the Insurance Act, 1938.
2. Reference is drawn to the Circular No. IRDA/ACT/CIR/SLM/066/03/2017 dated 28th March, 2017.
3. The provision of Para-6.1.1 is revised as under:

   3.1. Premium receivables related to State / Central Government sponsored schemes for all quarters of the FY 2021-22 to the extent that they are not realized within a period of 270 days should be placed with value zero.
4. The provisions of Para-6.2, Para-6.3 and Para-6.3.1 shall remain effective for one more financial year, that is, for the period from 1st April, 2021 up to 31st March, 2022 and the situation will be reviewed accordingly.
5. Insurers to continue follow-up with the Central and State Governments for release of their share of premium.
6. This Circular comes into force with effect from 1st April, 2021.

(P K Arora)
Member (Actuary)

Guidelines on Insurance Claims of victims of Floods (July 2021) in the calamity affected districts of Maharashtra State

IRDAI/NL/CIR/MISC/ 226 /08/2021

Date: 06-08-2021

1. As you are aware, the recent floods (July 2021) have caused immense loss to property in parts of Maharashtra State. General Insurers may have issued policies for protection of lives and property located in the affected areas. There is an urgent need for the insurance industry to take immediate steps to mitigate the hardships of the affected insured population by ensuring immediate registration and settlement of eligible claims.
2. You are advised to initiate immediate steps for quick registration and disposal of claims on the following lines: -
   a. Please nominate a senior officer at the company level who would act as a Nodal Officer for the affected State. The Nodal Officer would be coordinating the receipt, processing, and settlement of all eligible claims. The Nodal officer should contact Chief Secretary/ Officer concerned of the state immediately and be in regular contact thereafter.
   b. Similarly, District level Nodal officer may be appointed in each affected district to liaise with DM/District Administration.
   c. The contact particulars of the Nodal Officer may also be conveyed to us and the same may be given due publicity in the press and through State Govt. to enable immediate filing of Claims. In addition to this 24/7 help lines may be started.

d. If there are any death claims and death certificate is difficult to obtain on account of non-recovery of body etc, the process followed in the case of Jammu & Kashmir floods (Notification of Ministry of Home Affairs, GoI, No. 1/12/2014- Vs (CRS) Dated 12.09.2014- which was also followed when recent floods and cyclone occurred), may be considered.

e. Details of offices/ special camps set up for the purpose and other relevant details may be publicized through your website, media and through State Government channels to enable filing of claims.

f. It needs to be ensured that all claims are surveyed immediately and claim payments/on account payments are disbursed at the earliest and in any case not exceeding the stipulated time-line.

g. Adequate number of surveyors may be engaged immediately as required.

h. You are also requested to launch extensive awareness campaign in the affected State duly highlighting the measures taken by you.

i. In view of Corona Virus (Covid-19) pandemic, the Insurers shall encourage the policyholders to use electronic communication wherever possible for correspondence while intimating the claim and filing all the relevant documents.

3. All non-life insurers (including Standalone Health Insurers) are advised to submit information related to this flood claims to General Insurance Council in the format already being used for earlier flood/cyclone claims.

4. We request you to take urgent steps for expeditious settlement of claims in the flood affected areas and submit details of the same as advised above.

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

Withdrawal of Guidelines on Indian owned and controlled

IRDAI/F&A/CIR/MISC//211/07/2021

Date:30-07-2021

1. The Authority, in exercise of powers conferred under Section 14 (1) of the IRDA Act 1999, vide IRDA/ F&A/ GDL /GLD /180/10/2015 dated October 19, 2015, had issued Guidelines on “Indian owned and controlled” with an objective to bring more clarity on the issue of compliance with the manner of "Indian owned and controlled".

2. In this regard, the following may be noted:
   (i) Insurance (Amendment) Act, 2021, notified on 25.03.2021, made the following amendments to sub-clause (b) of clause (7A) of section 2 of Insurance Act, 1938:
      (a) Foreign investment ceiling has been increased from existing 49 percent to 74 percent;
      (b) Explanation to sub-clause (b) of clause (7A) of Section 2, which mandated the requirement of “Indian owned and controlled” has been omitted.
   (ii) The definitions of “Control”, “Indian Control of an Indian Insurance Company” and “Indian Ownership” provided under Indian Insurance Companies (Foreign Investment) Rules, 2015 have been omitted vide Indian Insurance Companies (Foreign Investment) (Amendment) Rules, 2021.

3. Accordingly, in exercise of its powers under Section 14(1) of the IRDA Act, 1999, the Authority hereby withdraws the Guidelines on “Indian owned and controlled” dated October 19, 2015 with immediate effect.

4. This is for the information of the stakeholders.

(S N Rajeswari)
Member-Distribution & In-charge of Finance

GeM BOQ Bid for Kyocera Copiers accessories and spare part

GEM/2021/B/1427246

Date:13-08-2021

This has reference to the GeM BOQ Bid Number: GEM/2021/B/1427246, published on 13/08/2021, on GeM Portal (https://gem.gov.in) for providing Kyocera Fuser Kit Fk-7125, for Kyocera 3212i Multifunction Machine / Copiers and Paper feed rollers set 4 piece, IN IRDAI, HYDERABAD.

Bids are invited in GeM portal under the rules and regulations applicable in GeM.

(A.R.Nithiyanantham)
Chief General Manager (IT)

Performance Statistics - Non-Life Insurance

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

(Rs. in crores)

INSURER	For the month of July		Upto the Month of July		Market Share upto the Month of July 2021 (%)	Growth over the corresponding period of previous year (%)
	2021-22	2020-21	2021-22	2020-21		
Acko General Insurance Limited	70.81	25.70	241.06	81.92	0.37	194.26
Bajaj Allianz General Ins. Co. Ltd.	2,659.36	2,003.84	5,131.03	4,270.36	7.94	20.15
Bharti AXA General Ins. Co. Ltd.	338.95	301.93	794.47	810.85	1.23	(2.02)
Cholamandalam MS General Ins.	402.23	356.92	1,302.73	1,216.68	2.02	7.07
NAVI General Insurance Limited	9.05	7.52	16.76	18.08	0.03	(7.28)
Edelweiss General Ins. Co. Ltd.	23.96	14.05	84.74	50.55	0.13	67.64
Future Generali India Ins. Co. Ltd.	339.30	228.65	1,038.76	901.13	1.61	15.27
Go Digit General Insurance Ltd.	299.94	187.35	1,088.05	593.73	1.68	83.26
HDFC Ergo General Ins. Co. Ltd.	956.14	845.04	3,342.45	2,829.43	5.17	18.13
ICICI Lombard General Ins. Co. Ltd.	1,181.79	1,089.07	4,914.75	4,391.29	7.61	11.92
IFFCO Tokio General Ins. Co. Ltd.	796.76	650.45	2,629.24	2,384.92	4.07	10.24
Kotak Mahindra General Ins. Co.	50.26	49.32	169.24	146.75	0.26	15.33
Liberty General Insurance Ltd.	122.06	117.50	459.01	437.05	0.71	5.03
Magma HDI General Ins. Co. Ltd.	153.25	107.62	449.62	321.40	0.70	39.90
National Insurance Co. Ltd.	1,127.37	1,137.09	4,218.63	3,823.18	6.53	10.34
Raheja QBE General Ins. Co. Ltd.	39.68	17.21	126.93	53.34	0.20	137.97
Reliance General Ins. Co. Ltd.	700.44	631.38	2,754.89	2,483.28	4.26	10.94
Royal Sundaram General Ins. Co.	274.26	205.80	893.57	790.24	1.38	13.08
SBI General Insurance Co. Ltd.	521.89	683.11	1,686.25	1,888.28	2.61	(10.70)
Shriram General Ins. Co. Ltd.	136.30	175.99	480.59	633.23	0.74	(24.10)
Tata AIG General Ins. Co. Ltd.	782.24	679.57	2,856.25	2,478.54	4.42	15.24
The New India Assurance Co. Ltd.	2,737.46	1,993.61	11,569.35	9,510.27	17.91	21.65
The Oriental Insurance Co. Ltd.	1,162.56	935.14	4,306.93	3,757.53	6.67	14.62
United India Insurance Co. Ltd.	1,408.89	1,408.80	5,050.44	5,401.89	7.82	(6.51)
Universal Sompo General Ins. Co.	174.27	151.16	674.84	569.78	1.04	18.44
General Insurers Total	**16,469.20**	**14,003.81**	**56,280.58**	**49,843.69**	**87.11**	**12.91**
Aditya Birla Health Ins. Co. Ltd.	125.48	100.42	493.00	346.01	0.76	42.48
ManipalCigna Health Ins. Co. Ltd.	77.33	63.71	288.51	206.78	0.45	39.53
Max Bupa Health Ins. Co. Ltd.	223.87	141.43	808.65	447.45	1.25	80.72
Care Health Insurance Limited	306.68	231.50	1,050.23	713.13	1.63	47.27
Star Health & Allied Ins. Co. Ltd.	1,019.41	837.78	3,335.14	2,376.45	5.16	40.34
Reliance Health Insurance Ltd.*	(0.01)	(0.01)	(0.01)	(0.01)	(0.00)	(55.20)
Stand-alone Pvt Health Insurers	**1,752.76**	**1,374.83**	**5,975.52**	**4,089.81**	**9.25**	**46.11**
Agricultural Ins. Co. of India Ltd.	1,854.48	1,398.80	2,063.05	1,728.42	3.19	19.36
ECGC Limited	94.71	107.59	288.10	277.93	0.45	3.66
Specialized PSU Insurers	1,949.19	1,506.39	2,351.15	2,006.35	3.64	17.19
GRAND TOTAL	**20,171.15**	**16,885.03**	**64,607.25**	**55,939.85**	**100.00**	**15.49**

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

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

Performance STATISTICS - LIFE INSURANCE

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

(₹ Crores)

Sl. No.	Particulars	Premium in Rs. Crore					No. of Policies / Schemes				
		Month of Jul-2021	Upto Jul-2021	Month of Jul-2020	Upto Jul-2020	YTD Variation in %	Month of Jul-2021	Upto Jul-2021	Month of Jul-2020	Upto Jul-2020	YTD Variation in %
1	**Aditya Birla Sun Life Insurance Co. Ltd.**										
	Individual Single Premium	17.42	66.05	9.25	30.14	119.15%	222	575	185	595	-3.36%
	Individual Non Single Premium	158.51	478.90	136.56	443.59	7.96%	17806	57599	20865	72899	-20.99%
	Group Single Premium	134.64	424.87	217.21	777.76	-45.37%	4	22	6	17	29.41%
	Group Non Single Premium	0.11	0.87	2.81	7.62	-88.58%	1	1	1	1	0.00%
	Total	**316.28**	**986.68**	**375.21**	**1291.68**	**-23.61%**	**18039**	**58230**	**21137**	**73716**	**-21.01%**
2	**Aegon Life Insurance Co. Ltd.**										
	Individual Single Premium	0.08	0.09	0.07	0.18	-50.05%	504	506	2	9	5522.22%
	Individual Non Single Premium	1.16	5.64	4.28	13.27	-57.48%	800	4278	1876	5328	-19.71%
	Group Single Premium	0.00	0.00	0.00	0.00	8	0	0	0	0	---
	Group Non Single Premium	0.00	0.00	0.00	0.00	8	0	0	0	0	---
	Total	**1.77**	**10.46**	**6.83**	**19.95**	**-47.54%**	**1306**	**4800**	**1885**	**5360**	**-10.45%**
3	**Ageas Federal Life Insurance Co. Ltd.**										
	Individual Single Premium	25.90	69.16	21.85	59.79	15.68%	449	1321	652	2163	-38.93%
	Individual Non Single Premium	30.85	69.47	17.57	36.45	90.59%	3581	8399	2619	6117	37.31%
	Group Single Premium	10.37	30.11	6.00	13.07	130.36%	0	0	0	0	---
	Group Non Single Premium	0.00	0.00	0.00	0.00	-77.11%	0	0	0	1	-100.00%
	Total	**67.13**	**168.74**	**45.42**	**109.31**	**54.37%**	**4030**	**9720**	**3271**	**8281**	**17.38%**
4	**Aviva Life Insurance Co. Ltd.**										
	Individual Single Premium	1.79	3.36	1.49	4.46	-24.69%	18	2	27	86	-97.67%
	Individual Non Single Premium	11.91	36.50	9.85	37.14	-1.74%	1531	4511	1708	6190	-27.12%
	Group Single Premium	0.46	1.12	0.09	0.51	117.62%	0	0	0	0	---
	Group Non Single Premium	0.09	0.30	0.14	0.38	-20.58%	0	0	0	0	---
	Total	**32.62**	**72.06**	**16.08**	**63.29**	**13.85%**	**1573**	**4560**	**1744**	**6332**	**-27.98%**
5	**Bajaj Allianz Life Insurance Co. Ltd.**										
	Individual Single Premium	20.10	65.11	-0.12	15.32	325.04%	296	890	72	260	242.31%
	Individual Non Single Premium	247.40	736.23	179.37	508.19	44.87%	35957	105939	34900	125073	-15.30%
	Group Single Premium	343.95	1027.79	406.32	770.91	33.32%	9	21	7	17	23.53%
	Group Non Single Premium	0.00	0.00	0.00	0.00	-100.00%	0	0	0	0	---
	Total	**636.91**	**1932.84**	**602.77**	**1344.39**	**43.77%**	**36269**	**106885**	**34989**	**125367**	**-14.74%**
6	**Bharti AXA Life Insurance Co. Ltd.**										
	Individual Single Premium	5.37	19.02	2.74	6.90	175.65%	41	117	35	83	40.96%
	Individual Non Single Premium	52.41	159.00	38.60	129.05	23.21%	10091	29580	8634	30054	-1.58%
	Group Single Premium	14.58	45.77	10.26	25.34	80.61%	0	3	2	8	-62.50%
	Group Non Single Premium	0.00	0.00	0.00	0.00	---	0	0	0	0	---
	Total	**72.36**	**224.07**	**51.60**	**161.30**	**38.92%**	**10132**	**29700**	**8671**	**30145**	**-1.48%**
7	**Canara HSBC OBC Life Insurance Co. Ltd.**										
	Individual Single Premium	30.76	97.34	23.73	126.68	-23.16%	349	1063	292	1333	-20.26%
	Individual Non Single Premium	93.45	228.87	59.18	145.13	57.70%	13112	33644	13003	37189	-9.53%
	Group Single Premium	23.47	482.96	15.75	207.43	132.83%	0	2	1	2	0.00%
	Group Non Single Premium	0.14	0.83	0.30	0.82	1.99%	0	0	0	0	---
	Total	**152.46**	**910.72**	**111.00**	**592.29**	**53.76%**	**13473**	**34745**	**13303**	**38537**	**-9.84%**
8	**Edelweiss Tokio Life Insurance Co. Ltd.**										
	Individual Single Premium	3.76	8.54	0.64	2.43	250.81%	37	423	20	52	713.46%
	Individual Non Single Premium	27.29	84.55	27.12	84.44	0.14%	4560	15610	5902	23877	-34.62%
	Group Single Premium	4.56	7.64	0.76	2.52	203.44%	0	0	0	0	---
	Group Non Single Premium	0.00	0.00	0.52	0.85	-100.00%	0	0	0	0	---
	Total	**35.70**	**101.36**	**29.32**	**92.16**	**9.98%**	**4597**	**16037**	**5927**	**23942**	**-33.02%**
9	**Exide Life Insurance Co. Ltd.**										
	Individual Single Premium	14.56	49.06	3.89	23.46	109.08%	97	318	67	359	-11.42%
	Individual Non Single Premium	52.85	146.66	39.55	114.43	28.16%	10170	30671	11563	36645	-16.30%
	Group Single Premium	0.04	0.20	0.04	0.09	113.37%	0	0	0	0	---
	Group Non Single Premium	12.96	25.68	0.00	4.16	517.04%	5	10	0	10	0.00%
	Total	**84.71**	**248.33**	**46.17**	**148.00**	**67.79%**	**10272**	**30999**	**11630**	**37014**	**-16.25%**
10	**Future Generali India Life Insurance Co. Ltd.**										
	Individual Single Premium	0.33	0.64	0.21	0.40	62.42%	13	25	8	15	66.67%
	Individual Non Single Premium	21.76	58.33	19.00	74.11	-21.28%	3232	7982	3859	15094	-47.12%
	Group Single Premium	1.59	9.30	1.64	1.07	768.99%	0	0	3	3	-100.00%
	Group Non Single Premium	0.00	0.00	0.00	0.00	---	0	0	0	0	---
	Total	**31.35**	**130.36**	**27.33**	**92.99**	**40.19%**	**3247**	**8016**	**3873**	**15121**	**-46.99%**
11	**HDFC Life Insurance Co. Ltd.**										
	Individual Single Premium	409.55	1073.02	387.55	946.20	13.40%	4937	12922	4265	11060	16.84%
	Individual Non Single Premium	652.87	1891.23	547.27	1562.94	21.00%	79807	242276	83963	271706	-10.83%
	Group Single Premium	954.60	2791.96	1024.13	2083.29	34.02%	6	23	21	54	-57.41%
	Group Non Single Premium	0.00	0.00	0.00	0.00	---	0	0	0	0	---
	Total	**2047.49**	**5862.05**	**1975.75**	**4628.93**	**26.64%**	**84756**	**255241**	**88262**	**282862**	**-9.76%**
12	**ICICI Prudential Life Insurance Co. Ltd.**										
	Individual Single Premium	283.10	904.12	189.48	473.47	90.96%	2909	9120	2330	5873	55.29%
	Individual Non Single Premium	448.66	1328.92	361.71	989.08	34.36%	47780	160835	49674	167085	-3.74%
	Group Single Premium	184.76	578.20	78.31	173.18	233.87%	9	27	9	16	68.75%
	Group Non Single Premium	0.02	0.13	0.00	0.00	---	0	0	0	0	---
	Total	**1157.00**	**3715.52**	**848.74**	**2348.22**	**58.23%**	**50725**	**170715**	**52367**	**173801**	**-1.78%**

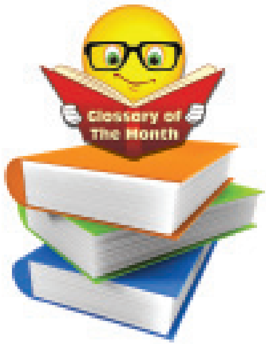
Performance STATISTICS - LIFE INSURANCE

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

(₹ Crores)

Sl. No.	Particulars	Premium in Rs. Crore					No. of Policies / Schemes				
		Month of Jul-2021	Upto Jul-2021	Month of Jul-2020	Upto Jul-2020	YTD Variation in %	Month of Jul-2021	Upto Jul-2021	Month of Jul-2020	Upto Jul-2020	YTD Variation in %
13	**IndiaFirst Life Insurance Co. Ltd.**										
	Individual Single Premium	6.43	18.19	1.67	3.93	362.25%	172	440	117	201	118.91%
	Individual Non Single Premium	105.38	254.78	60.33	132.10	92.87%	21972	53902	14263	38418	40.30%
	Group Single Premium	70.46	343.14	323.82	435.86	-21.27%	22	127	24	57	122.81%
	Group Non Single Premium	0.08	0.26	0.05	0.17	49.13%	0	0	0	2	-100.00%
	Total	**182.35**	**616.37**	**385.87**	**572.07**	**7.74%**	**22166**	**54469**	**14404**	**38678**	**40.83%**
14	**Kotak Mahindra Life Insurance Co. Ltd.**										
	Individual Single Premium	85.74	257.92	81.03	214.20	20.41%	1784	5954	3073	9586	-37.89%
	Individual Non Single Premium	110.25	322.62	107.60	329.81	-2.18%	19979	57372	22076	73800	-22.26%
	Group Single Premium	86.49	316.41	46.72	131.13	141.30%	6	38	24	56	-32.14%
	Group Non Single Premium	0.01	0.07	0.01	0.15	-56.62%	1	4	3	8	-50.00%
	Total	**341.92**	**1056.96**	**310.25**	**876.14**	**20.64%**	**21825**	**63628**	**25237**	**83724**	**-24.00%**
15	**Max Life Insurance Co. Ltd.**										
	Individual Single Premium	137.91	441.61	114.87	380.25	16.14%	657	1946	519	1297	50.04%
	Individual Non Single Premium	379.18	1179.26	328.47	922.79	27.79%	47420	156403	54742	176117	-11.19%
	Group Single Premium	55.66	187.41	21.82	34.42	444.53%	0	21	1	1	2000.00%
	Group Non Single Premium	0.00	0.00	0.00	0.00	---	0	0	0	0	---
	Total	**573.72**	**1812.79**	**469.73**	**1369.15**	**32.40%**	**48078**	**158376**	**55326**	**177683**	**-10.87%**
16	**PNB Metlife Life Insurance Co. Ltd.**										
	Individual Single Premium	12.58	36.22	10.74	27.73	30.64%	182	523	144	358	46.09%
	Individual Non Single Premium	99.18	304.41	98.68	283.04	7.55%	18608	60303	18298	60785	-0.79%
	Group Single Premium	29.09	93.78	18.92	46.89	99.99%	0	1	0	0	---
	Group Non Single Premium	0.10	0.57	0.04	0.17	229.51%	17	68	14	40	70.00%
	Total	**157.92**	**479.12**	**131.47**	**370.40**	**29.35%**	**18807**	**60895**	**18456**	**61183**	**-0.47%**
17	**Pramerica Life Insurance Limited.**										
	Individual Single Premium	0.40	0.78	0.15	0.43	80.60%	12	20	9	27	-25.93%
	Individual Non Single Premium	9.61	34.64	9.49	38.03	-8.91%	2373	6689	2153	6512	2.72%
	Group Single Premium	8.08	24.60	1.00	3.55	593.66%	0	0	2	5	-100.00%
	Group Non Single Premium	0.00	0.00	0.00	0.00	---	0	0	0	0	---
	Total	**22.39**	**77.23**	**12.71**	**51.09**	**51.18%**	**2398**	**6779**	**2206**	**6644**	**2.03%**
18	**Reliance Nippon Life Insurance Co. Ltd.**										
	Individual Single Premium	4.99	16.33	3.57	10.76	51.72%	148	521	127	396	31.57%
	Individual Non Single Premium	59.98	223.89	62.56	209.48	6.88%	12380	45304	13792	51412	-11.88%
	Group Single Premium	0.00	0.00	0.00	0.00	---	0	0	0	0	---
	Group Non Single Premium	41.77	47.30	2.48	6.74	601.83%	6	11	1	4	175.00%
	Total	**111.28**	**294.63**	**68.53**	**229.01**	**28.65%**	**12543**	**45856**	**13923**	**51820**	**-11.51%**
19	**Sahara India Life Insurance Co. Ltd.**										
	Individual Single Premium	0.00	0.00	0.00	0.00	---	0	0	0	0	---
	Individual Non Single Premium	0.00	0.00	0.00	0.00	---	0	0	0	0	---
	Group Single Premium	0.00	0.00	0.00	0.00	---	0	0	0	0	---
	Group Non Single Premium	0.00	0.00	0.00	0.00	---	0	0	0	0	---
	Total	**0.00**	**0.00**	**0.00**	**0.00**	**---**	**0**	**0**	**0**	**0**	**---**
20	**SBI Life Insurance Co. Ltd.**										
	Individual Single Premium	342.00	841.77	231.13	554.41	51.83%	7369	28549	4471	10583	169.76%
	Individual Non Single Premium	1058.07	2393.44	696.80	1709.90	39.98%	156910	392412	129267	312855	25.43%
	Group Single Premium	362.09	1802.55	933.34	2582.87	-30.21%	10	25	8	24	4.17%
	Group Non Single Premium	0.01	12.41	0.28	9.25	34.20%	0	0	0	1	-100.00%
	Total	**1800.64**	**5144.53**	**1909.03**	**4967.38**	**3.57%**	**164301**	**421028**	**133793**	**323584**	**30.11%**
21	**Shriram Life Insurance Co. Ltd.**										
	Individual Single Premium	6.08	19.02	4.31	11.32	67.98%	726	1910	147	412	363.59%
	Individual Non Single Premium	37.49	115.49	32.70	99.32	16.28%	18626	59941	18624	50895	17.77%
	Group Single Premium	10.99	34.77	3.95	10.18	241.47%	0	1	0	0	---
	Group Non Single Premium	0.00	0.00	0.00	0.00	---	0	0	0	0	---
	Total	**63.68**	**208.84**	**41.09**	**122.04**	**71.12%**	**19357**	**61913**	**18771**	**51309**	**20.67%**
22	**Star Union Dai-Ichi Life Insurance Co. Ltd.**										
	Individual Single Premium	15.97	40.27	10.91	28.51	41.27%	289	777	239	607	28.01%
	Individual Non Single Premium	74.32	179.14	38.41	90.80	97.29%	9891	24494	5645	13857	76.76%
	Group Single Premium	17.17	46.88	7.57	16.78	179.30%	0	0	0	0	---
	Group Non Single Premium	0.01	0.06	0.16	0.43	-86.31%	0	0	0	0	---
	Total	**137.54**	**437.16**	**85.40**	**190.76**	**129.17%**	**10184**	**25289**	**5884**	**14466**	**74.82%**
23	**Tata AIA Life Insurance Co. Ltd.**										
	Individual Single Premium	49.06	120.51	37.01	210.56	-42.77%	497	1319	284	1194	10.47%
	Individual Non Single Premium	307.68	866.36	219.05	739.78	17.11%	38037	119272	33939	128400	-7.11%
	Group Single Premium	7.06	15.88	1.78	2.12	648.82%	0	1	0	1	0.00%
	Group Non Single Premium	0.37	1.40	2.57	10.07	-86.10%	1	11	4	25	-56.00%
	Total	**376.56**	**1037.55**	**264.85**	**980.00**	**5.87%**	**38552**	**120675**	**34246**	**129706**	**-6.96%**
	Private										
	Individual Single Premium	1473.88	4148.13	1136.19	3131.52	32.46%	21708	69241	17085	46549	48.75%
	Individual Non Single Premium	4040.29	11098.35	3094.15	8692.87	27.67%	574623	1677416	551365	1710308	-1.92%
	Group Single Premium	2320.12	8265.34	3119.41	7318.98	12.93%	66	312	108	261	19.54%
	Group Non Single Premium	55.67	89.89	9.36	40.83	120.18%	31	105	23	92	14.13%
	Private Total	**8403.79**	**25528.36**	**7815.14**	**20620.56**	**23.80%**	**596630**	**1748556**	**569305**	**1759275**	**-0.61%**
24	**Life Insurance Corporation of India**										
	Individual Single Premium	2141.60	5497.08	3305.95	6961.19	-21.03%	80893	209135	89349	206376	1.34%
	Individual Non Single Premium	2280.91	6937.00	2274.34	6695.91	3.60%	1424945	3604216	1146898	2942482	22.49%
	Group Single Premium	7313.42	34477.36	8985.01	34872.46	-1.13%	11	44	14	47	-6.38%
	Group Non Single Premium	176.70	507.33	593.65	3102.54	-83.65%	673	1969	580	1322	48.94%
	Total	**12030.93**	**47631.62**	**15170.95**	**51700.97**	**-7.87%**	**1508250**	**3820056**	**1238676**	**3154317**	**21.11%**
	GRAND TOTAL	**20434.72**	**73159.98**	**22986.10**	**72321.53**	**1.16%**	**2104880**	**5568612**	**1807981**	**4913592**	**13.33%**

Glossary



Long-Term Care
Policies that provide coverage for not less than one year for diagnostic, preventive, therapeutic, rehabilitative, maintenance, or personal care services provided in a setting other than an acute care unit of a hospital, including policies that provide benefits for cognitive impairment or loss of functional capacity. This includes policies providing only nursing home care, home health care, community based care, or any combination. The policy does not include coverage provided under comprehensive/ major medical policies, Medicare Advantage, or for accelerated heath benefit-type products.

Long-Term Disability Income Insurance
Policy providing monthly income payments for insureds who become disabled for an extensive length of time, typically two years or longer.

Poll

Do you think Insurance Brokers need to focus more on retail segment?

Yes
No
Can't say

Results of Poll in our August 2021 Issue

Do you think introduction of E-vehicles will transform Indian Insurance market?

Yes	80
No	20
Can't say	00

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

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Gross Premium
₹47,014 Crore
Net Worth
₹49,643 Crore
As on
31st March, 2021
आपत्काले रक्षिष्यामि
GIC Re
General Insurance Corporation of India
भारतीय साधारण बीमा निगम
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