IRDAI plans to dematerialise all Insurance policies

IRDAI has mandated dematerialisation of new insurance policies by this year-end. It has urged all insurance companies to dematerialise their existing or old policies by December-end, industry experts have said.

In a move to make the dematerialization process of insurance policies faster, e-KYC will also become mandatory for all insurance policies, starting November 1, 2022. Insurance policies could be dematerialised with National Securities Depository Limited (NSDL), Central Depository Services Limited (CDSL) or Karvy, according to industry experts with knowledge of the matter.

Dematerialisation or 'demat' will allow a policyholder to create a portfolio of insurance policies and store them in an electronic form with an insurance repository. Put simply, one will not have to engage in any paperwork while renewing his/her policy. This process would result in reduced transaction costs and quick modifications in policies.

Proposed 20% cap on agent commission could boost insurance industry

IRDAI proposal to put a lower cap of 20% on commissions and remunerations paid to agents and intermediaries under both life and non-life products could lead to faster growth of the insurance market, analysts said.

If implemented, the move would reduce costs for insurers and allow them to make products more affordable.

"Every insurer shall have an explicitly written policy for payment of commission or remuneration or reward to insurance agents and insurance intermediary which shall be approved by the board of the company," the regulator said in a draft notification issued. The board approval policy shall be reviewed annually, it added.

Terming the move as "major development" for all life insurance companies, industry insiders said the regulations will help life insurers with large bancassurance channels, while smaller firms size may lose market share. The proposed lowering of commissions could be a disincentive for part-time and non-serious participants.

Industry observers also said since the payouts to insurance agents and insurance intermediaries should be made known to the customers under the proposed regulations, customers are going to get the benefit in terms of better service and greater transparency in product understanding.

IRDAI said 20% will be the maximum commission or remuneration, as a percentage of premium that is allowed for life insurance products offered by life insurance companies, for first year premium for regular premium or limited premium payment including deferred annuity/pension. For these types of products, maximum commission for renewal premium should be 10%. For single premium policies, maximum commission for single/first year premium should be 2%, while for group fund based policies it will be only 0.5%.

IRDAI eases NPS regulations

IRDAI has done away with the need to submit a separate proposal form for taking an annuity product from proceeds of National Pension Scheme (NPS).

Currently, retirees submit an exit form to NPS and a proposal form to insurers at the time of superannuation. The insurance sector regulator has also allowed insurance companies to take the annual life certificate through digital means.

"Now, the exit form of NPS will be treated as proposal form for purchasing annuity, thereby reducing the time and efforts of senior citizens as well as insurers. Also, in order to increase the adoption of technology, insurers have been advised to adopt Aadhaar-based authentication for verification of life certificate, such as Jeevan Pramaan, a Government of India initiative on biometric-enabled digital service," IRDAI said in a release.

NPS subscribers are required to utilise at least 40% of the total accumulated corpus to purchase an annuity plan at the time of maturity. The remaining 60% is eligible for withdrawal as lump sum at retirement.

IRDAI reduces number of returns to be filed by insurers for health insurance

In order to further cut compliance burden for insurance companies, regulator IRDAI rationalised health insurance business returns reporting norm by reducing the number of returns that need to be filed in a year.

The move is part of promoting ease of doing business for insurance companies and to reduce the compliance burden for all the regulated entities, said IRDAI.

Towards this endeavour, the health insurance returns being filed by the insurance companies have been significantly reduced, it said in a circular.

"Now, the general and health insurers will have to file 8 returns and life insurers will be filing 3 returns in place of 17 returns being filed currently. This step will further help insurers in focusing on their business rather than a plethora of compliances and in turn help in increas-

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THE INSURANCE TIMES

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In this issue

- Ensuing need for Electric Vehicles & Facets of their Insurance Modalities
- It's Tontine Time Again!
- Importance of Life Insurance
- Regulator faces the heat as insurance frauds escalates

FOUR DECADES IN PUBLICATION
42 YEARS SINCE 1981
DEDICATED SERVICE TO THE NATION

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Sanjeev Mantri
Executive Director
ICICI Lombard General Ins.

"'ABHA' is the first step towards creating digital health records, and is presently optional. "

Shanai Ghosh
Executive Director and
Chief Executive
Edelweiss General Ins.

"The Indian insurance industry grew at a CAGR of 17% over the last two decades and is expected to continue its commendable growth trajectory in the future years."

Deepak Chaudhary
Founder & MD
Shrigodainsurance4life


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Editor-in-Chief's Desk

Ram Gopal Agarwala
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The finance ministry is contemplating changes in insurance Law including reduction in minimum capital requirement with a view to increasing the insurance penetration in the country. Insurance penetration increased from 3.76% in 2019-20 to 4.20% during 20-21 registering a growth of 11.70%. IRDAI is aggressively pushing for increase in penetration and has given all Insurers individual target to achieve the same in time bound manner. IRDAI is also reviewing existing regulations and trying to make it more industry friendly and follow the structure of principle based regulation.

The Regulatory Authority is also considering a recommendation to set up one independent investigation agency to probe cases of Insurance Fraud. This agency if formed shall be similar to the Serious Fraud Investigation Office (SFIO) which probes corporate fraud and comes under the Ministry of Corporate Affairs (MCA).

Renowned businessman Cyprus Mistry's death in a car crash recently has brought the risks related to road travel in national spotlight. The ministry of Road transport has now made it mandatory for rear passengers to wear the seat belts. The number of deaths due to accident is more than the loss of life due to pandemic. This needs greater attention of every one as thousands of people lose their life in road accident and eyebrows are raised only when any well known person dies. More awareness programmes should be arranged through social organisations and the Insurance Companies must take lead in this initiative.

IRDAI may soon come up with a new norm with respect to changing an insurance agent. In order to enhance customer experience, and make services better and more convenient for the policy buyers, the insurance regulator is planning agent portability option. This will help policyholders whose agents leave the agency profession or who do not service the existing client properly.

IRDAI has also mandated dematerialisation of new insurance policies by this year-end. It has urged all insurance companies to dematerialise their existing or old policies by December-end, industry experts have said. This may save huge cost. But still the Insurance Companies must send a copy of summarized policy covering all important inclusions, exclusions and do's and don'ts in the policy.

Contents

News

Articles

Features

General Insurance News

India to emerge as 6th largest insurance market by 2032

India to become sixth largest insurance market in the world in the next 10 years supported by regulatory push and rapid economic expansion, a report said.

Total insurance premiums in India will grow by an average 14 per cent per annum in nominal local currency terms over the next decade, making India the 6th largest in terms of total premium volume by 2032 from 10th largest in 2021, Swiss Re Institute said in its report.

With regard to Indian life insurance industry, the report said it will grow at an exceptional rate of 6.6 per cent (in real terms) in 2022 and further grow at 7.1 per cent in 2023.

Considering the projected growth rate, the life insurance premiums in India are set to cross $100 billion for the first time in 2022, it said.

As far as non-life insurance market is concerned, the report said it has returned to a growth of 5.8 per cent (in real terms) in 2021 after a slight contraction in 2020.

"The growth will slow down slightly in 2022 to 4.5 per cent, mainly due to high inflation. However, the sector is further expected to witness a growth of close to 8 per cent Compounded Annual Growth Rate (CAGR) between 2023 and 2032," it said.

One of the driving factors for the sectoral growth is the systematic change into India's non-life insurance sector brought by the pandemic.

It resulted in a greater risk awareness leading to higher demands in health insurance, making it the biggest Line of Business (LoB) by premium volume in 2021.

The report said, the global economy is on the brink of inflationary recessions, with policymakers facing an increasingly difficult inflation-growth trade off.

Swiss Re expects India to reign as the world's fastest-growing economy in 2022. Inflation and monetary policy tightening are driving long-term sovereign bond yields higher, with markets pricing in both higher real yields and inflation expectations, it said, adding, insurers will, over time, benefit from higher investment returns that will help offset the higher claims cost.

Swiss Re projected over $7 trillion global premiums by end of 2022. It expects the stalling of premium growth in the global insurance markets this year, and a stronger, but still below-trend in 2023.

Product launches to not be a key differentiator

The speed of product launches increases as any industry opens up, and that is also being seen in the insurance sector. However, this will not the differentiating factor as insurance companies are instead being assessed on the basis of execution and implementation of these products, according to ICICI Lombard General Insurance Executive Director Sanjeev Mantri.

"Launch of a product will not be a key differentiator here. What you require is technology that supplements these and the infrastructure to implement these on the ground. Our execution is far more differentiated than what others can do, and that's what separates us," Mantri said.

The statement was made at an event to announce the launch of 14 new or enhanced products by ICICI Lombard General Insurance. These include riders/add-ons and upgrades across health, motor, travel and corporate policies offered by the insurer.

The insurance industry is seeing new

types of risks emerging, be it the pandemic, climate change or data privacy, and these call for comprehensive coverage steered by the changing customer behaviour and the advent of new technological solutions and opportunities, the company said.

Mantri said that launches were enabled and fast-tracked by the IRDAI's recent guidelines on 'Use and File' for insurance products.

"We have a product for virtually every segment and fuelled by regulatory reforms, we have accelerated our pace of developing and launching new products. The current era is an exciting period to usher in innovation and reimagine possibilities," he said.

Some of the products launched include an insurance cover for senior citizens, a first-of-its-kind cashless OPD policy, a single motor policy for multiple vehicles, an emergency medical cover during accidents, home protection for HNI and ultra HNI customers, and travel insurance for new-age requirements such as adventure sports and VISA rejection.

The insurer also introduced drone insurance, retail cyber liability insurance, and a telematics add-on in motor insurance wherein policyholders will have the option to pay premiums as per 'Pay-As-You-Use' or 'Pay-How-You-Use' plans.

Govt tightens norms on IRDAI, public insurer top brass' post-retirement jobs

The Union government has asked top brass of IRDAI and public sector insurers to make a declaration that their post-retirement assignments do not involve conflict of interest and their employer is not involved in intelligence gathering.

The Department of Financial Services (DFS) has mandated the chairman and members of IRDAI, chairman and managing directors of LIC, and other public sector insurance companies to seek the Centre's prior permission before taking up any post-retirement jobs, and share their professional/personal and the future employer's details. The comes after Centre had reportedly received complaints against two past IRDAI chairpersons, Subhash Chandra Khuntia and T S Vijayan, for accepting post-retirement positions that were related to the insurance sector.

The IRDAI Act requires that chairman and members of the insurance regulator do not accept any central or state government position and appointment in an insurance company without prior approval from the Centre.

TCS expands partnership with Zurich Insurance Germany

Tata Consultancy Services (TCS) and Zurich Insurance Germany (Zurich) have expanded their partnership, making TCS the exclusive strategic IT partner for Zurich's life insurance IT landscape.

The IT major said that it has been a partner to Zurich Insurance Germany since 2016 and has been working closely to deliver key business initiatives in general insurance, customer and sales, and life legacy portfolios.

With the expanded strategic partnership, TCS will help the insurer modernize, transform and manage the entire application estate supporting its life insurance business; improve, and standardize IT and business processes; accelerate cloud and digital adoption; and drive technical and domain innovation at scale, the company stated.

The company said that it will assist the insurer to streamline the customer journey through digitalization and process simplification, enhance customer experience, and expand the use of the bancassurance channel. TCS will also leverage its innovation centers and capabilities to help Zurich scale its innovation efforts at speed and launch new digital services and products, it added.

TCS will help Zurich embrace a new IT operating model, leveraging DevSecOps and automation. This will enable the insurer to bring innovations faster to market, and enhance the digital customer journey. TCS will also work closely with Zurich IT in joint agile teams to build a stronger internal IT core competency by leveraging TCS' Talent Transformation framework, the IT firm said in the press release.

SBI General showcases enhanced buying journey of health insurance on WhatsApp at the Global FinTech Fest 2022

SBI General Insurance, in its effort to simplify the insurance buying process, strengthens its collaboration with WhatsApp to launch an enhanced version of its WhatsApp chatbot. This will further enable easy access to insurance products through the popular messaging platform. It has made available a larger array of Health Insurance products and introduced Two-Wheeler Motor Insurance to customers for buying, in a simpler and secure manner.

SBI General Insurance first launched its WhatsApp chatbot in 2020 with a first-of-a-kind buying journey for its health insurance policy. This initiative was announced at Meta Fuel for India 2020. Today, it has made larger number of products available that customers can directly buy through a hassle-free interface and from anywhere, with end-to-end policy purchase on the platform itself.

The user-friendly process - The process can be started by initiating a chat with SBI General's verified business account on WhatsApp, that will further prompt the product options available for purchase. Customers can explore the product features and get their policy document right within the WhatsApp chat thread. Riding on the success of UPI integration on WhatsApp, this is another landmark move, that will not just drive insurance penetration in the country but will also help in further expanding financial inclusion in India.

SEBI Puts Sequoia-Backed Go Digit General Insurance's IPO In 'Abeyance'

SEBI has kept insurtech startup Go Digit General Insurance's proposed initial public offering (IPO) in 'abeyance'.

In its document on 'processing status of draft offer documents', the markets regulator said, "Issuance of observations kept in abeyance." However, it didn't give any other clarification or reason.

In SEBI parlance, issuance of observations implies its go-ahead for an IPO. The Fairfax and Sequoia-backed startup filed its draft IPO papers on August 17.

As per the draft papers of Go Digit IPO, the proposed offering includes a fresh issue worth INR 1,250 Cr and an offer for sale (OFS) of 10.94 Cr equity shares from existing shareholders. The digital insurance provider plans to use the net proceeds from the offering for business expansion, increasing brand visibility in the insurance space, to increase its capital base, and to improve the solvency margin and solvency ratio.

ICICI Securities, Morgan Stanley, Edelweiss, Axis Capital, HDFC Bank, and IIFL Securities are the lead bookrunners for the IPO.

Some reports pegged the total size of the IPO at INR 5,000 Cr.

Go Digit, which is also backed by prominent names like Virat Kohli and Anushka Sharma, was planning for its IPO later this year or early 2023.

Founded in 2017 by Kamesh Goyal, Go Digit offers insurance policies across verticals such as health, property, motor vehicle, travel, and more. It claims to have served over 25 million customers as of March 31, 2022.

PhonePe launches a new brand campaign on motor insurance renewals

PhonePe, India's leading digital payments platform today announced the launch of its integrated multimedia brand campaign focused on tension-free motor insurance renewals. This pan-India campaign will be launched in a phase-wise manner with eight ad films in total.

It highlights real, everyday problems that consumers face with sales pitches that have now become an unpleasant purchase experience. The campaign drives awareness around the benefits of renewing motor insurance tension-free on PhonePe.

Focused on category creation and driving consideration for motor insurance renewals on the PhonePe platform, this campaign inspires consumers to question the way bike and car insurance is traditionally sold to them. It uses creatives specially crafted for Hindi-speaking audiences in the north markets starring Aamir Khan and Alia Bhatt, while for the south markets of Tamil Nadu, Karnataka, Kerala, Andhra Pradesh, and Telangana, the campaign features Dulquer Salmaan.

Muted 12% premium growth for Indian non-life sector: Kotak Securities

The month of August saw the Indian non-life insurance sector logging a muted 12 per cent premium growth, Kotak Securities said in a report.

According to the report, the sector's growth was the lowest in the last five months.

"While motor (vehicle insurance) was muted at 12 per cent, retail health was higher at 19 per cent yoy (year-on-year). With a single-digit base ahead, we expect the motor business to pick up (20 per cent year to date- YTD). Retail health, up 14 per cent YTD, is also catching up," the report notes.

Among the listed players, Star Health reported 25 per cent growth in retail health (22 per cent YTD), but ICICI Lombard was up just two per cent in the competitive motor segment, losing share to Digit, HDFC Ergo, and Tata AIA.

Motor insurance premiums were up 12 per cent in the month of August with similar growth in motor own damage and motor third party sections, after delivering 16-42 per cent growth in the first three months of FY2023.

"With a low base (low-single digits in the next seven months), we expect yoy growth rate to pick up from hereon," Kotak Securities said.

According to the report, retail health insurance industry reported 19 per cent premium growth for the month, translating to 14 per cent YTD.

While the momentum was weak in the initial months, it is gradually picking up even as a double-digit base hereon raises the bar.

The standalone health insurers continued to gain share by 400 bps yoy to 53.4 per cent, with Star Health at 33.6 per cent from 32.1 per cent in August 2021. The growth for private general insurers were flat, while government companies lost share.

Insurtech start-up Zopper raises $75 million in series C funding

Insuretech player Zopper has raised $75 million in series C funding led by Creaegis, with participation from ICICI Venture and Bessemer Venture Partners.

Funding was raised to double down on growth, revealed Surjendu Kuila, co-founder and CEO of Zopper.

Investments will be used to bolster the firm's technology team to help ecosystem partners distribute insurance in a technologically seamless way, he said. "Data analytics will help us push the next frontier of innovations in the insurtech space," added Kuila.

Insurance penetration in India has seen an increase in recent years, jumping from 3.76 per cent in 2019-20 to 4.20 per cent in 2020-2021, according to IRDAI data. However, this is still much below the global average of 7.4 per cent. Penetration in rural areas is even worse.

"Data generated from all our partnerships will enable us to grab a higher share of wallet from customers and. In turn, help the client make an additional ten to fifteen per cent bonus on top of what they currently rake in," said Kuila.

Zopper, whose last funding round took place eight years ago in 2014, is also looking to expand to other geographies, amid rising demand from global players to use their platform. "We are looking to deploy our products in a couple of other geographies in this fiscal year or the first quarter of the next fiscal year," said Kuila.

PSU non-life insurance unions demands EY restructuring report

The employee unions in the public sector general insurance companies have reiterated their demand for a copy of the Ernst & Young (EY) report on the restructuring of the four companies.

According to Girish Khurana National Convener, Joint Forum of Trade Unions and Associations (JFTU), the unions got only the powerpoint presentation from General Insurers' (Public Sector) Association of India (GIPSA) and not the full EY's report.

"Bullet points contained in PPT (powerpoint presentation) reveal no details and we are unable to submit our view-points and suggestions in the matter," Khurana said in a letter to Suchita Gupta, Chairperson GIPSA and Chairman-cum-Managing Director, National Insurance.

"In the meanwhile, we find that the Companies are going ahead with their action plan implementation in haste without taking the workforce into confidence on these vital issues. Our Management must appreciate the benefits of consensus and collective prudence rather than unilateral decisions," he said.

The employees are agitated as the National Insurance has started implementing the key performance indicator (KPI) norms.

Aon Study Finds Economic Slowdown or Slow Recovery as the Top Risk for Businesses in India

AON a leading global professional services firm, has announced the results of its 2021 Global Risk Management Survey for India. The study gathers input from thousands of risk managers globally every two years to identify key risks and challenges their organisations are facing. The past two years have proved to be incredibly volatile, with the global COVID-19 pandemic having a ripple effect across other types of risk, such as heightened awareness of reputation and cyber, as long-tail risks have become increasingly important to manage.

The 2021 edition surveyed more than 2,300 respondents in 60 countries/territories across 16 industries at both public and private companies. With more emphasis and reliance on technology, cyber risk topped the list as the number one current and predicted future risk globally, its highest rank since the inception of the survey. In India, Economic Slowdown and Accelerated Change in Rate of Market Factors topped the list of risks in 2021, while Business Interruption and Liquidity risks were cited as two of the projected top five risks for 2024.

"Indian businesses are maturing to the need for periodic insurance assessment and proactively planning to mitigate insurable risks," said Jonathan Pipe, chief executive officer, India at Aon. "We have seen a significant increase in the use of captives to transfer risks as well as greater support of external experts in assessing all possible business risks. Companies are committing additional budgets to manage and mitigate their potential risks, particularly accelerated rates of change in market factors, economic slowdown, and business interruption. With better planning and expert advice, most of the risks can be managed efficiently." ❑

IRDAI mulls introducing portability option

IRDAI may soon come up with a new norm with respect to changing an insurance agent. In order to enhance customer experience, and make services better and more convenient for the policy buyers, the insurance regulator is planning agent portability option.

He said that the agent portability option will not be restricted to general insurance only but shall be applicable to life insurance policies with a tenure of up to 20 years.

"If the policyholder is not satisfied with the service of an agent, he/she can change the agent and can select a new agent. In case of change in agent, the commission received on the premium will then be paid to the new agent," Shah informed.

Finance ministry mulls changes in laws to boost insurance penetration in India

The finance ministry is contemplating changes in insurance laws, including reduction in minimum capital requirement, with a view to increasing the insurance penetration in the country. Insurance penetration in India increased from 3.76 per cent in 2019-20 to 4.20 per cent in 2020-21, registering a growth of 11.70 per cent. Insurance penetration measured as the percentage of insurance premium to GDP witnessed handsome growth during the year, mainly due to the outbreak of COVID-19.

The ministry is doing a comprehensive review of the Insurance Act, 1938 and also looking at making relevant changes to help push growth of the sector, sources said, adding the process is at a preliminary stage.

One of the provisions being considered is lowering the minimum capital requirement of Rs 100 crore for setting up an insurance business, the sources said.

With the ease of entry capital norms, sources said, there could be entry of companies focussed on micro insurance, agriculture insurance or insurance firms with regional approach.

So for them, the solvency margin requirement would also be different but without compromising on policyholders' interest, the sources said.

Entry of more players would not only push penetration but result in greater job creation in the country.

Government mulls SFIO-like agency to investigate insurance frauds

The government is considering creating a Serious Fraud Investigation Office (SFIO)-like independent agency for the insurance sector to probe cases of fraud. For the purpose, work is in progress to bring a Bill to amend the Insurance Act, 1938, officials said. The Serious Fraud Investigation Office probes corporate fraud cases and comes under the Ministry of Corporate Affairs.

The proposed agency, which could be named Insurance Fraud Investigation Agency, has been recommended by a working group - constituted by the Insurance Regulatory and Development Authority of India (IRDAI) and insurance councils - comprising both the regulator and the industry, the officials said.

They said by setting up such an agency, India would help in controlling and preventing fraud in the insurance sector. Such organisations were operating in many countries, including the National Insurance Crime Bureau in the US, the Canadian National Insurance Crime Services and the Insurance Fraud Bureau and the Insurance Fraud Enforcement Department in the United Kingdom.

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Terming the move as "major development" for all life insurance companies, industry insiders said the regulations will help life insurers with large bancassurance channels, while smaller firms size may lose market share. The proposed lowering of commissions could be a disincentive for part-time and non-serious participants.

Industry observers also said since the payouts to insurance agents and insurance intermediaries should be made known to the customers under the proposed regulations, customers are going to get the benefit in terms of better service and greater transparency in product understanding.

IRDAI said 20% will be the maximum commission or remuneration, as a percentage of premium that is allowed for life insurance products offered by life insurance companies, for first year premium for regular premium or limited premium payment including deferred annuity/pension. For these types of products, maximum commission for renewal premium should be 10%. For single premium policies, maximum commission for single/first year premium should be 2%, while for group fund based policies it will be only 0.5%.

IRDAI eases NPS regulations

IRDAI has done away with the need to submit a separate proposal form for taking an annuity product from proceeds of National Pension Scheme (NPS).

Currently, retirees submit an exit form to NPS and a proposal form to insurers at the time of superannuation. The insurance sector regulator has also allowed insurance companies to take the annual life certificate through digital means.

"Now, the exit form of NPS will be treated as proposal form for purchasing annuity, thereby reducing the time and efforts of senior citizens as well as insurers. Also, in order to increase the adoption of technology, insurers have been advised to adopt Aadhaar-based authentication for verification of life certificate, such as Jeevan Pramaan, a Government of India initiative on biometric-enabled digital service," IRDAI said in a release.

NPS subscribers are required to utilise at least 40% of the total accumulated corpus to purchase an annuity plan at the time of maturity. The remaining 60% is eligible for withdrawal as lump sum at retirement.

IRDAI reduces number of returns to be filed by insurers for health insurance

In order to further cut compliance burden for insurance companies, regulator IRDAI rationalised health insurance business returns reporting norm by reducing the number of returns that need to be filed in a year.

The move is part of promoting ease of doing business for insurance companies and to reduce the compliance burden for all the regulated entities, said IRDAI.

Towards this endeavour, the health insurance returns being filed by the insurance companies have been significantly reduced, it said in a circular.

"Now, the general and health insurers will have to file 8 returns and life insurers will be filing 3 returns in place of 17 returns being filed currently. This step will further help insurers in focusing on their business rather than a plethora of compliances and in turn help in increas-

ing the insurance penetration in country," it said.

IRDAI proposes to make issue of insurance policies in demat form mandatory

Insurance regulator has proposed mandatory issuance of all insurance policies in electronic form. A senior insurance executive confirmed the development and said that this will be done through Insurance Repository (IR) system.

"All stakeholders have agreed. We expect the notification to be issued soon," he added. Separately, IRDAI may also make sharing know-your customer or KYC details mandatory while purchasing a general insurance policy.

At present there are four insurance repositories - NSDL National Insurance Repository, CDSL Insurance Repository Ltd, Karvy Insurance Repository Ltd, CAMS Insurance Repository Services Ltd. Dematerialisation essentially means converting physical documents into online format.

The move to dematerialize insurance policies is an attempt to promote further digitisation, and consolidation of records for benefits of policyholders, the above quoted executive said. "This may get applicable for new policies by December this year, or January 2023. For existing policies the deadline to dematerialise them will be December 2023," he added.

Insurers may pass on commission costs

Former members of the IRDAI fear that the regulator's proposal to grant flexibility to insurers on commissions might result in them passing on related costs to policyholders.

Recently, IRDAI proposed to lift the ceiling on commissions on individual lines of non-life business subject to an overall cap of 20%. There is also an overall expenses cap of 30% for non-life and 70% for life companies. Linking commissions to the overall expenses cap also ensures that only the efficient insurance companies with lower costs will have the headroom to pay more commission. Similarly, in the life sector, there are relaxations on commissions on certain lines.

Analysts tracking insurance companies have broadly welcomed the relaxations. However, former regulators have some concerns.

"Even in a rapidly changing economic world, there are some fundamental principles that remain unchanged. All the expenses that insurers incur are paid out of policyholders' funds. The restrictions on commission and management expenses in the law were to ensure that insurance companies conduct their basic function of managing the pool of policyholders' funds at minimal cost," said IRDAI's former non-life member K Srinivisan. He added that if some companies recklessly increased commission, it would defeat the purpose. "Ultimately, it is the policyholders who have to pay for the exorbitant costs of insurers, which will result in an abnormal increase in premiums," he added.

According to IRDAI's former member (life) Nilesh Sathe, there was a commission ceiling of Rs 10 lakh on group-funded policies like gratuity and annuity or superannuation. Removing the cap may result in higher churn and unhealthy practices for businesses of large companies. "Short-term premium products' commission rates are enhanced and will apply to new policies. For a 5-year premium-paying term policy, the commission payout will be 25% higher. It will impact the internal rate of return of these policies," he added.

Sathe pointed out that it is not clear what is the clawback mechanism for companies that promise to meet the statutory expense ratio to avail the flexibility on commission but fail to do so.

IRDAI to build comprehensive portal for resolving policyholders' complaints

IRDAI is building a comprehensive portal for complaints redressal of policyholders. The portal is expected to be ready by the end of December this year, said Bejon Kumar Misra, Consumer Policy Expert and Member of Advisory Committee, IRDAI.

"This portal will be ready mostly by December-end, and will be a new year gift for citizens and policyholders from the IRDAI," said Misra when asked about the timeline for launch of the comprehensive dedicated portal.

Misra was in the National Capital at the office of Insurance Ombudsman of Delhi as part of a new initiative ofIRDAI, requiring its advisory committee members to visit all 17 Insurance Ombudsman offices across the country and come up with suggestions to improve the Ombudsman scheme rolled out by the Finance Ministry in 2017.

The Bima Lokpal (Insurance Ombudsman) Scheme is an Alternate Grievance Redress platform set up by the IRDAI, through the Council for Insurance Ombudsmen, Mumbai, aiming at resolving the grievances of the aggrieved insurance policyholders and claimants against insurance companies and their intermediaries, speedily and cost-effectively

There are 17 Insurance Ombudsman centers in the country, which cover all States and UTs. All offices of the Insurance Ombudsmen put together disposed of 40,527 complaints during 2021-22. ❑

LIC of India News

LIC New Pension Plus plan launched - Guaranteed income after retirement and up to 15% additional benefit

LIC has launched a New Pension Plus plan. According to the state-run company, LIC New Pension Plus is a non-participating and unit-linked pension plan. The plan is suitable for young persons to make provisions for post-retirement life.

LIC New Pension Plus plan can be purchased either as a single premium payment policy or a regular premium payment. Under the regular premium, the premium shall be payable over the term of the policy. The policyholder will have the option to select the amount of premium payable and policy term subject to the minimum and maximum limits - to be decided as per policy term and vesting age.

LIC New Pension Plus Plan - Regular Income aims to build a corpus by systematic and disciplined savings. The amount on completion of the term can be converted into regular income. For regular income, the policyholder will have to buy an annuity plan.

Under LIC New Pension Plus, the policy buyer will have a choice of investing in one of the four types of funds available. The premium will be subject to a premium allocation charge. The premium will buy the units of funds chosen by the policyholder. LIC will allow four free switches for funds in a policy year.

According to the LIC, under LIC New Pension Plus, guaranteed additions shall be payable under an in-force as a percentage of one annual premium. The guaranteed addition on regular premium ranges from 5 per cent to 15.5 per cent. On a single premium payable, it will be up to 5 per cent on completion of certain years.

The amount of guaranteed actions will be used to purchase units. The NAV will be computed on daily basis.

LIC shares down 30% since listing

LIC is currently the 11th most valued listed Indian companyin India. Earlier it was among the top 10 most valued Indian companies by market capitalisation.

LIC, which made its debut on bourses earlier this year, is replaced by leading NBFC Bajaj Finance and Adani Group's Adani Transmission.

The total market cap of LIC stood at Rs 4.26 lakh crore, which was less than Adani Transmission's Rs 4.41 lakh crore and Bajaj Finance's Rs 4.35 lakh crore.

Shares of Life Insurance Corporation are down by 30 per cent compared to its IPO price of Rs 949. The company has eroded about Rs 1.75 crore worth of notional wealth as it had listed with an m-cap of Rs 6 lakh crore.

On the other hand, shares of Adani Transmission have rallied as much as 130 per cent in 2022 so far. Bajaj Finance has remained flat in the current year. India's largest insurer, which manages assets worth more than Rs 41 lakh crore, had launched a Rs 20,500 crore initial public offering in early May.

LIC reported a multi-fold surge in its June quarter net profit to Rs 683 crore from Rs 3 crore a year ago. But on a sequential basis, net profit was down from Rs 2,371.5 crore logged in the March quarter.

Domestic brokerage firm Geojit Financial Services has initiated its coverage on LIC with a target price of Rs 810, an upside potential of close to 20 per cent.

"LIC saw a recovery in its market share in the quarter gone by, and will continue to maintain its dominant position in the life insurance domain for a very long time," said the brokerage.

Strong goodwill among the general public, government backing, and the robust investment portfolio remain favourable factors and ensure the company will perform well in the long term, Geojit added. Another brokerage firm Motilal Oswal has a target price of Rs 830 on the stock with a buy rating. ❑

Health Insurance News

60% people delay treatment due to no health cover: Survey

Around 60 per cent respondents have been delaying treatment due to lack of health cover and 67 per cent who have medical insurance find it difficult to understand, a study by Pristyn Care Data Labs said.

According to the study conducted during August 1-25, 2022 by the startup firm, a vast majority of people want alternative treatments such as ayurveda, unani, siddha, homeopathy and naturopathy to be covered under health insurance.

"India has the lowest rates of health insurance penetration and COVID-19 induced medical inflation has caused people to delay surgeries. Elective surgeries are not life-threatening but any delay can impact the overall quality of life," Pristyn Care co-founder Harsimarbir Singh said in a statement.

With the rising costs of medical treatments in the country, as per the study, nearly 60 per cent of the respondents are delaying treatment due to the lack of any health cover.

The survey based on inputs received from over 1,100 people and internal data of more than 4 lakh patients found that 24 per cent patients find deduction of money at the time of making a claim very challenging and 17 per cent find the paperwork involved in the process complex.

Edelweiss General Insurance partners with Health Ministry for Digital health IDs

Edelweiss General Insurance has partnered with the Union Health Ministry to help create digital health IDs for all in the country.

'ABHA' or the Ayushman Bharat Health Account is a 14-digit number that helps users to share and access their health records digitally with registered healthcare providers. Customers of EGI and the general public will be able to generate their unique ABHA number through the company's website, an EGI note said.

Shanai Ghosh, EGI Executive Director and Chief Executive, said the program would empower people to access medical diagnosis, treatment, and financing from verified healthcare providers and payors, from across the country.

'ABHA' is the first step towards creating digital health records, and is presently optional. The National Health Authority (NHA) is the apex body responsible for implementing this program under the Ayushman Bharat Digital Mission, the note said.

Indigenous cervical cancer vaccine ready, set to be part of Govt's immunisation drive

An affordable and indigenously developed HPV (human papillomavirus) vaccine to prevent cervical cancer is now ready and will likely be included by the Union government in its universal immunisation programme.

The vaccine, Cervavac, was developed by Serum Institute of India with the support of the Department of Biotechnology and will likely be priced between Rs 200 and Rs 400 per dose.

Serum Institute of India CEO Adar Poonawalla, said: "The government of India will induct it in a few months in the national programme. It will be affordable."

HPV is a common sexually transmitted infection. Cervical cancer, caused by persistence of certain high-risk strains of the HPV virus, continues to be the only type of cancer preventable by vaccines. Two vaccine doses are supposed to be administered to teenage girls before they are sexually active.

IRDAI: Health sector, insurance require parallel investments

Insurers need to work together with hospitals, and investors in health insurance should also put money in healthcare when value-added services are allowed, IRDAI has said. This was needed to address the 'chicken and egg' problem of lack of adequate health insurance and healthcare in smaller cities as each depended on the other.

Speaking at a health insurance summit organised by the CII in New Delhi, IRDAI chairman Debasish Panda said that if the healthcare infra comes up, insurance companies can start selling, so that there is a revenue stream for hospitals and their concerns can be addressed.

Panda said that during his term as finance secretary, the government had come out with a Rs 50,000-crore line of credit for healthcare in the country for new as well as upgrading existing hospitals. "It was available at an interest of 7.5% as there was a guarantee from the government for 75% of brownfield and 50% for greenfield. "Unfortunately, the uptake was very small and I think it was only Rs 7,000 crore," said Panda.

Panda said that as against the 19% compounded annual growth rate in health insurance in the last five years, the sector has the potential to grow at 30-35% with three As - awareness, accessibility and affordability.

"The pandemic taught us that health insurance is a risk-mitigation tool. During Covid, health insurance played a very important role by catering to 27 lakh with claims worth Rs 24,000 crore. Insurance Act of 1938 was amended in 2015, and health insurance is recognised as a separate entity. To date, we have six standalone health insurance companies, and to facilitate seamless reimbursements, there are 19 third-party administrations. However, having said that, it is not enough for the size and diversity of the population," he said.

Future health policy to cover LGBTQIA+ ties

Future Generali India Insurance Company has said that its new health cover has expanded the definition of family to include members of the LGBTQIA+ community and members in a live-in relationship.

In the new cover FG Health Absolute launched by Future Generalithe policy covers basic hospitalisation, access to value-added services like tele counselling, webinars on mental & physical health, vouchers for wellness centres, fitness, sports & diagnostic centres and regular health check-ups to ensure a healthy & fit lifestyle.

"In keeping with our focus on being an 'inclusive' insurer, with this product, we are also taking an important step by expanding the scope of 'family' definition for our health indemnity products to offer protection to members of the LGBTQIA+ community & members in a live-in relationship," MD & CEO Anup Rau said.

The move to include all partners began with some multinationals going in for group policies that cater to all relationships as part of their global inclusion policy. Companies have now started incorporating this in standalone policies as well.

LGBTQIA+ is a term that includes people of all genders and sexualities - lesbian, gay, bisexual, transgender, questioning, queer, intersex, and asexual. According to Rau, the policy caters to almost all possible healthcare requirements, from wellness & value-added services, which are the USPs of the product, to enhanced mother & childcare as well as overseas treatments for specific illnesses.

Future Generali India Insurance launches comprehensive health insurance product

Future Generali India launched a comprehensive health insurance product - FG Health Absolute. This latest health insurance offering is designed towards empowering customers to actively manage their health and leading a healthy lifestyle.

FG Health Absolute comes with a host of wellness benefits provided as a part of the product - the policy helps customers to access value added services like tele counselling, webinars on mental and physical health, vouchers for wellness centres, fitness, sports and diagnostic centres and regular health check-ups to ensure a healthy and fit lifestyle.

This product comes with a loyalty programme that enables customers to encash their reward points for premium discounts, availing a variety of goods, memberships etc in the renewal policy. Under its wellness programme, customers are encouraged to undertake stress and happiness checks, and health risk assessments, twice a year, in addition to annual expert wellness assessments and lifestyle disorder monitoring. Monthly tracking has been included towards monitoring fitness and healthy lifestyle of the customers, ensuring a comprehensive approach towards physical and mental wellbeing. The policy offers a girl child benefit where the maternity sum insured is increased by an additional amount of Rs 10,000 on the birth of a girl child. ❑

Private Life Insurance News

IDBI Bank completes sale of entire stake of Ageas Federal Life Insurance

Ageas Insurance International has completed the acquisition of a majority stake in its Indian joint venture Ageas Federal Life Insurance (AFLIC), picking up 25 per cent stake of IDBI Bank for Rs 580 crore.

With this, it has become the first foreign partner in the Indian life insurance sector to own a majority stake of 74 per cent.

In the non-life segment, it was Italy's financial services major Generali which raised its stake in Future Generali India Insurance to 74 per cent in May this year.

Last fiscal, the Indian government allowed foreign players to raise their stakes in Indian joint venture insurance firms up to 74 per cent from 49 per cent earlier as a move to attract investment as well as to increase insurance penetration in the country.

"Ageas completes the acquisition of a majority stake in the Indian life insurance joint venture Ageas Federal Life," Ageas said in a release.

The global insurer said it has acquired the additional 25 per cent stake (from IDBI Bank) for a total cash consideration of Rs 5.8 billion (EUR 73 million).

"With this transaction, Ageas increases its interest in the joint venture that it has operated to date together with IDBI Bank and Federal Bank to 74 per cent."

Aditya Birla Sun Life Insurance launches ABSLI Akshaya Plan

Aditya Birla Sun Life Insurance, has launched a new-age savings solution ABSLI Akshaya Plan, a non-linked participating individual savings life insurance plan offering immediate liquidity option through cash bonus facility. This plan provides the benefit of a comprehensive life insurance cover and a regular source of income to ensure the fulfilment of your family's growing needs.

ABSLI Akshaya Plan enables the policyholder to draw cash bonus from the end of first policy year, providing a regular source of income. Furthermore, policyholders have the option to receive Cash Bonus (if declared) in annual, semi-annual, quarterly or monthly frequency and the same shall be payable at the end of the year, half-year, quarter or month, as the case may be.

Kamlesh Rao, MD & CEO, Aditya Birla Sun Life Insurance, said, "ABSLI Akshaya Plan will enable our policyholders to enjoy liquidity from the end of 1st policy year thereby providing them with necessary financial assurance, as well as covering them suitably in the advent of any eventuality. It gives the required cushion of a constant source of income, aiding the policyholder's goal of creating a secure future and a comfortable lifestyle for themselves and their loved ones. It is our constant endeavour at Aditya Birla Sun Life Insurance to help our customers with a life cover while addressing their savings needs as well."

Bajaj Allianz Life Insurance emerges as the top riser brand in Kantar BrandZ top 75 Most Valuable Indian Brands 2022

Bajaj Allianz Life Insurance emerged as the top riser brand across industries in the latest Kantar BrandZ India 2022 Report. The Report features the Most Valuable Indian Brands based on financial value and overall brand contribution. This is the fourth time in a row that Bajaj Allianz Life Insurance has been featured in this prestigious list.

The Company also moved up by 26 ranks in 2022, securing a strong 45th position, and moving into India's top 50 brands in the Kantar BrandZ India 2022 Report. With a brand valuation of $2341 million, the Company clocked in a whopping 257% growth.

Commenting on the recognition, Chandramohan Mehra, Chief Marketing Officer, Bajaj Allianz Life Insurance, said, "Enabling Life Goals of our customers has been at the heart of our business purpose aided by tech innovations, customer experience and value-packed products. We aim to continuously build stronger bond with customers by keeping the brand relevant, differentiated and meaningful"

Shriram Life Insurance (SLIC) is recognised for 'Best Use of Technology in Customer Service'

Shriram Life Insurance (SLIC) has been recognised for 'Best Use of Technology in Customer Service (Life Insurance)' at the prestigious BFSI Leadership Awards, 2022, organised by Krypton India. The award was presented to team SLIC at a ceremony held in Mumbai on September 15, 2022.

The award is a just recognition for SLIC, Novac IT (Shriram Group's IT arm), & Novac Digital's committed efforts at providing excellent service to its customers through intelligent and smart use of technology.

While commenting on the achievement, Casparus Kromhout, MD & CEO, Shriram Life Insurance Company said, "Shriram Life Insurance operates predominantly in the middle and lower-income markets with a significant presence in the rural segment. Reaching and servicing these markets require solutions that match the customers' unique needs.

We have developed and deployed innovative tech-driven solutions, such as claims settlement within 12 hours for even remote locations, mobile applications for on-boarding customers & servicing them, and virtual bots via WhatsApp, to stay connected to our customers at all stages of the customer journey. It has helped us stay true to our purpose of providing individuals most vulnerable to financial distress on a breadwinner's loss, with a protective net."

Ageas becomes first foreign company with 74% stake in Indian life insurer

Ageas Federal Life Insurance has become the first Indian life insurer to have 74% foreign shareholding following the exit of IDBI Bank which sold its entire 25% stake to Ageas Insurance International NV.

Belgium-based Ageas Insurance International's stake in the life insurance company is now 74% from the earlier 49%. Federal Bank continues to hold the remaining 26% stake in the insurance joint venture.

As a part of the Union Budget for FY22, the government had increased the permissible limit for foreign direct investment (FDI) in insurance companies to 74% from 49%, thereby accepting a long-standing demand of the industry.

Rohit Sharma and Ritika Sajdeh roped in as brand ambassadors of Max Life Insurance

Max Life Insurance Company announced appointment of Rohit Sharma, captain of men's Indian Cricket Team and his wife Ritika Sajdeh, as its brand ambassadors. Max Life has signed a two-year partnership with the cricketing star and his spouse, who are making their debut on-screen together. The association is aimed at promoting the Max Life brand ethos of valuing the 'self' to determine the right financial value to protect themselves and their family.

The association seeks to further build and enhance the importance of financial preparedness and protection. The mantra is to prepare ahead mentally, physically and financially for unforeseen challenges. Just as the protective gear is essential to safeguard players on-field, life insurance is the most important component for financial protection in life. ❑

International News

Russian life insurance industry forecast to decline by 7.3% in 2022 as Ukraine conflict continues to impact economy

The economic impact of global sanctions placed on Russia following the country's invasion of Ukraine, will decelerate the growth of the country's life insurance industry over the next few years, found GlobalData. According to the leading data and analytics company, life insurance gross written premiums (GWP) in Russia are expected to decline by 7.3% in 2022 compared to the 21% growth achieved in 2021.

'Russia Life Insurance: Key Trends and Opportunities to 2026', reveals that life insurance GWPs are forecasted to record a low compound annual growth rate (CAGR) of 3.1% over 2021-26 compared to the 11.5% CAGR seen during the period 2017-21.

Katam Prasanth, Insurance Analyst at GlobalData, comments: " Russia is one of the few countries where the life insurance segment recovered quickly from the impact of the COVID-19 pandemic. However, as a result of the country's invasion of Ukraine and the consequent imposition of heavy sanctions, Russia's economy and its insurance industry has been significantly impacted with high inflation and worsening trade and economic conditions. GlobalData estimates that Russian GDP will contract by 12.3% and inflation will remain above 15% in 2022."

To curb the country's high inflation the Central Bank of Russia (CBR) first increased its benchmark interest rate to 20% in February, and then reduced it to 8% in July as inflation eased due to a strong Ruble. Higher than expected interest rates have made bank deposits more attractive compared to investment-linked life insurance (ILI) products, one of the major drivers of life insurance growth in the country. Furthermore, restrictions on investing in foreign bonds due to sanctions has led to a decline in demand for ILI products which is expected to continue into 2023.

Prasanth continues: "As a result of all this market disruption, M&A activity is expected to increase as insurers' investment opportunities are limited and smaller, with less capitalized companies predicted to merge with the larger players in order to stay afloat."

Many foreign insurers have announced plans to exit the Russian market altogether. Prominent amongst them is Generali who closed its representative office in Moscow, withdrew from Ingosstrakh where it owned 38.5% of the shares, and closed down its Russian division of Europ Assistance. Allianz Group has also announced plans to sell its Russian operations to Zetta Insurance.

Prasanth adds: "GlobalData expects Russia's life insurance industry growth to remain subdued over the next few years as further economic and disruptive headwinds are anticipated resulting from the Ukraine conflict."

Insurtech investments fall by 79.6% in 2021 leading to job losses and tough economic conditions in 2022

With several leading insurtech start-ups providers going bust or cutting staff, the COVID-19 pandemic and cost-of-living crisis are having a massive impact on the global insurtech industry, with leading data and analytics company GlobalData finding that investments into insurtech have fallen significantly in 2022.

Deals Database reveals that the value of global investments into insurtech fell by 79.6% in 2021. This follows a consistent flow of stories of insurtechs struggling in 2022. The most recent is Lemonade cutting Metromile's staff by 20% after completing the acquisition of the insurtech in August 2022. This came after Lemonade previously stated it would not reduce headcount. Other high-profile insurtechs that have made similar moves in 2022 include Nova Benefits cutting 30% of its staff in June and Zego cutting 17% of its staff in July.

Ben Carey-Evans, Senior Insurance Analyst at GlobalData, comments: "These trends are likely due to a combination of factors. As highlighted, investment into the sector has dried up somewhat. Funding rounds are essential to keep insurtechs running in the early stages before they become profitable, so reduced investment is a significant barrier."

At the end of July 2022 there had been $1.0 billion invested into the theme, which represents 49.5% of the total annual 2021 figure suggesting growth is unlikely in 2022.

It is also likely that in tough economic times – such as a pandemic and now the cost-of-living crisis – consumers turn to familiar and established brands, as they trust them more to survive and pay out claims. It is also true that a lot of insurtechs focus on gadget or possessions insurance, which is not considered an essential purchase by consumers. As a result, it is a line that is always likely to be hit as disposable incomes decrease and consumers look to reduce their expenditure.

Carey-Evans adds: "Insurtechs will need to focus on offering value to consumers, as that is what they will be looking for in the immediate future. This can be achieved by relying heavily on artificial intelligence to cut processing costs, or by offering innovative products such as pay-as-you-drive and on-demand policies. The latter would allow consumers to control how much they pay or receive cover only when it is strictly needed."

Marine, aviation and transit insurance in Asia-Pacific to surpass $16 billion in 2026

The marine, aviation and transit (MAT) insurance industry in Asia-Pacific will grow from an estimated $11.9 billion in 2021 to $16.2 billion in 2026, in terms of written premium, driven by positive economic developments, forecasts GlobalData, a leading data, and analytics company.

According to GlobalData, MAT insurance in Asia-Pacific is estimated to grow at a compound annual growth rate (CAGR) of 6.4% over 2021-26, supported by increasing trade activities, recovery in flight services, and demand from renewable energy infrastructure projects.

Deblina Mitra, Senior Insurance Analyst at GlobalData, comments: "MAT insurance is estimated to have recovered in 2021 with 7.2% growth after remaining almost flat in 2020 as the COVID-19 pandemic adversely impacted air travel, and caused supply chain issues."

The establishment of the Regional Comprehensive Economic Partnership (RCEP) in January 2022 is one of the major developments that is expected to create new business opportunities for insurers in Asia-Pacific. Involving 15 regional markets including China, Japan, and South Korea, RCEP aims to remove up to 90% tariff on goods.

RCEP is expected to increase trade among the member nations by $42 billion, out of which 40% will be from new trade creation, according to the United Nations Conference on Trade and Development (UNCTAD). The increased foreign trade through road, maritime, and air facilitated by RCEP will create new business opportunities for the MAT insurance industry.

MAT insurers will also benefit from the ongoing shift towards clean energy in the Asia-Pacific region. The construction of offshore energy plants to replace fossil fuels, such as wind power projects, have gained traction in the region creating demand for marine renewable insurance lines within MAT insurance. China, India, Australia, and South Korea are among the major markets for wind and hydro energy in the region.

Deblina continues: "The ongoing Russia-Ukraine crisis will be a prime focus area for the regional MAT insurers, and it is expected that policy wordings might be revised, and premiums will be increased at the time of renewals to re-assess the insurers' exposure to war risks."

Lloyd's Market Association (LMA), for example, announced high-risk status for all of Russia's territorial waters in April 2022. Before that, in February 2022, the Joint War Committee assigned high-risk status to the Sea of Azov and the Black Sea waters. These straits are a prominent gateway for crude and agriculture transport between the Asia-Pacific and European countries. Vessels crossing these straits will be required to inform their insurer/broker beforehand to negotiate their policy terms.

Deblina concludes: "The Asia-Pacific MAT insurance industry will present expansion opportunities for domestic insurers, as many foreign insurers, especially from Europe, are either reducing their presence in the region or exiting from the market due to unsustainable natural hazard losses. Also, their withdrawal from coal-related underwriting, to comply with ESG targets, enhances opportunities for the domestic insurers. The profitability of insurers, however, remain exposed to enhanced security threats posed by geopolitical tensions, supply-chain issues, volatility in oil prices, and extreme weather repercussions." ❑

ENSUING NEED FOR ELECTRIC VEHICLES & FACETS OF THEIR INSURANCE MODALITIES

Prologue:

The Assessment Report (AR6) of the Intergovernmental Panel on Climate Change (IPCC) evidently states that human activity is causing unprecedented, and sometimes irretrievable &irreversible, climatic changes. That report says that the impacts of climate change are already evident: with the increasing temperatures, more droughts and floods, more extreme weather events giving rise to tornados/ cyclones/thunder-storms, rising sea levels, and ocean acidification. These changes are causing serious problems for livelihoods and the well-being of persons all around the world.

According to the World Health Organization (WHO), India has the world's worst air quality. In 2020, even during the Covid crisis with national and state lockdowns, 36 cities out of 50 cities which had unhealthy levels of air quality were identified from India. The vehicular pollution arising from the increasing stock of private vehicles, especially internal combustion engines (ICE) has contributed significantly to deterioration of air quality in Indian cities. The increase in ICE vehicles stock has led to disastrous results.


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Scaling up India's ambitious agenda to combat climate change, Prime Minister Narendra Modi announced five "Amrit Tatya" at the COP26 Summit including the target to attain net-zero emissions by 2070. Delivering the National Statement at the COP26 Summit in Glasgow, he said India will increase its capacity of non-fossil energy capacity to 500 GW and meet 50 per cent of its energy requirements through renewable energy by 2030.

The Indian automobile industry has witnessed some tectonic changes during the last few years. Some of these changes are increasing penetration of electric vehicles, innovative connectivity features in cars, digitalization of entire processes. Toll tax process is being abolished and now onwards when your vehicle will touch any National High

Way, the CCTV Camera will immediately identify the vehicle and the corresponding tax will be debited automatically from the bank account of the owner of the vehicle. The most noteworthy change among these is the increasing adoption of electric vehicles (EVs). Despite the COVID-19 pandemic, electric vehicles (EVs) manufacturers sold 5,32,485 units in India during the last two financial years. With the Government pushing for complete electric mobility &continuous rising fuel prices, these figures will expand by 26% between 2021 and 2023.

So, if you are planning to buy a new car soon, you should start looking at the futuristic Electric Vehicle (EV) options. Almost all top automobile brands in India have started offering electric cars to their customers. You can select from a range of impressive options from some world-renowned car manufacturers.

At the same time, you need your car insurance for covering your Electric Vehicle to ply on the road covering under a basic cover (mandatorily the Third-party Liability i.e., Act-only policy must be taken by you for covering fatal damage / grievous heart of the passersby on the road) from any of PSU or Private General insurance companies in India (availed under either on-line/ off-line mode) to protect against:

a. **Accidents:** Damages and losses that may arise out of accidents and collisions with the other vehicles, tree and / or other street side objects.
b. **Theft:** Covers for the losses incurred when your car is unfortunately stolen.
c. **Fire:** Damages and losses caused to your car due to an accidental external & internal fire due heat/flame.
d. **Natural Disasters:** Damages and losses to your car in case of natural calamities such as floods, cyclones, etc.
e. **Personal Accident:** If there is a car accident and unfortunately, it leads to death or disability of the owner
f. **Third Party Losses:** In cases where your car causes damages and losses to someone else, their car or property.

Although the cost of buying electric car insurance is on the higher side, there are many advantages to purchasing an electric car. Some of them include low maintenance charges, freedom from fuel price hikes, and reduced pollution levels. Moreover, you can get EV car insurance discounts by buying an online policy and installing anti-theft devices in your car.

FAQs about car insurance for electric vehicles (who considers to buy):

- Do you have to get car insurance for your electric car in India?
- Which type of insurance is best for your electric car?
- How is the premium calculated for your electric car insurance?
- Does electric vehicle insurance cost more than insurance for petrol or diesel vehicles?
- Are the covers of ICEs & EVs same & adequate to cover the actual requirements?
- What perils, hazards, risks and accidents are available to the car owner, driver, occupants & third parties.

Prevailing Current Backdrop:

In the last few years, electric cars have been creating a buzz around the world and for good reasons. With climate change looming over us, switching to electric car is the best decision you can make for yourself and future generations. They reduce harmful air pollution and greenhouse emissions, and some parts of these cars are made from eco-friendly or recycled materials, reducing the burden on the planet.

As per a NITI Aayog report, India could save 64% of energy demand for road transport and 37% of carbon emissions by 2030 by pursuing a policy of shared, electric, and connected mobility.

While the momentum for upcoming electric cars in India is just taking off, it holds a promising future with the government taking some encouraging steps to further this movement. For example, the GST on a Li-ion electric car battery has been reduced from 28% to 18% to promote EVs.

Insurance regulator IRDAI has come up with a mandate to incentivize electric car owners and work towards a sustainable environment. Effective from June 16th, 2019, Mandatory third-party car insurance for private electric cars in India has been made 15% lower than that of general private cars of similar type. Certain state governments have extended tax incentives on the registration of hybrid and electric cars in India.

Many leading vehicle manufacturers have launched electric cars in India. From Mahindra to Tata to Hyundai to MG, the options are steadily growing. Additionally, there are many upcoming electric cars in India to watch out for from other top brands such as Lexus, Nissan, Porsche, Maruti, Audi, Tesla, etc. Currently, the electric car price in India starts around Rs 7 lakh and go all the way up to Rs 24 lakh. The most economical one at the moment is the Mahindra electric car e2oPlus, which is priced at Rs 7.46 lakh.

Meanwhile, the Hyundai electric car Kona Electric is at the other end of the spectrum, at about Rs 24 lakh. When it comes to a moderate electric car price in India, you can find the Tata Electric car Tigor (about Rs 11 lakh) and Tata Nexon (around Rs 15 lakh) in the mix. However, as a leading brand in India, the Maruti electric car WagonR Electric and the Futuro-E are among the most awaited models.

As of now, there is no specialized insurance for e-vehicles, so you have to buy the same insurance as for other petrol or diesel cars. However, this is soon set to change. With the demand for upcoming electric cars in India on the rise, car insurance providers are developing bespoke insurance options that primarily cater to these variants.

For instance, Tata AIG plans to launch the Auto Secure e Vehicle Comprehensive Policy, which is designed for electric cars, as it aims to cover 'own damage' as well as damage caused if the electric car battery bursts while charging. It will also cover the standard third-party liability for damage to property and death or bodily disability.

Several gaps in the four-wheeler EV market such as a limited number of products, high prices, insufficient battery promise, low performance and an underdeveloped charging ecosystem are yet to be filled. Given these impediments, the growth of EV four-wheelers is expected to lag behind other segments. Sales are expected to pick up once these gaps are plugged.

The light mobility segments of 2/3-wheelers and commercial cars will be leading electric vehicle penetration in India by 2030. The reach of electric cars in the personal mobility segment will be only 10%-15%. However, electric cars for ride-sharing and taxis may see traction of 20%-30%, according to a KPMG and CII report titled 'Shifting gears. 'By the end of this decade, the three-wheeler adoption is expected to be around 65%-70%. Electric two-wheelers, with a plethora of start-ups offering different ranges of products at an attractive price and ownership models, are expected to have only 25%-35% penetration.

Their price and fuel economy make them commercially more viable.

This development is similar to that in China, where electric bikes and scooters laid the foundation for growth. Intra-city transport buses are also ripe for EV adoption. These segments are likely to be followed by fleet cabs, and then others.

India is the largest two-wheeler market, with more than 80% of coming from the segment. The penetration of EVs in the four-wheelers segment has remained extremely low at ~0.1%.

Movements in Progress:

To address these issues the central ministry proclaimed a goal to transition from new sales of ICE (Petrol & Diesel) vehicles to 100% plug-in electric vehicles (EV) by 2030. The government is also aiming to transmute India into a global hub for electric vehicles manufacturing. In 2019, Faster Adoption and Manufacturing of Hybrid and Electric Vehicles (FAME) II scheme was adopted. It is important to note that FAME II policy which is the umbrella policy for India has been designed considering demand side incentives, where 86% of the funding is set aside for consumer incentives for electric vehicles (EV) purchases and 10% is allocated to fund charging infrastructure. Prior to the FAME II scheme, in the FAME I, the government had supported adoption of 2,78,000 EVs in different forms with a total incentive of INR 343 crore. Electric Vehicles are becoming a central point for India's environment, energy and industrial policy - all being considered &combined.

Out of 28 States & 8 Union Territories, about 20 states & 2 UTs in India have already come up with either a draft or final state level electric vehicle policy, in all these undertaken policies have overall single-point aim is to promote India's vehicles' transition from ICEs to EVs. The objectives of each state level policy will vary to some extent but some common objectives that these projects include is to solve air quality issues, help in climate change mitigation, reduce dependence on oil imports and promote development of Electric Vehicles (EV) Industry. Almost all of the state policies prioritized 2 & 3 wheelers, public transportation and job creation. Governments have affirmed Transformation relating to 4 Wheelers' & Commercial Vehicles from ICE to EVs will be taken on hand in the long run well within 2030 - to be asserted strongly.

However, these policies vary in terms of their targets, supply side incentives (i.e., manufacturing) and demand side incentives (consumer and charging infrastructure investments). Andhra Pradesh EV policy for example aims to have 10 Lakh EVs on the road by 2024. Top of it is a complete reimbursement of road tax and registration fees on sale of EVs until 2024. A strategic replacement of public transport automobiles in four cities by 2024 and by 2030 is mandated in the whole state. Create charging infrastructure (1 lakh charging stations) both for fast and slow charging by 2024 and establish a public awareness campaign to encourage also behavioural change.

Gujarat on other hand aims to promote 100,000 EVs on road by 2022, which includes 80,000 nos. two-wheelers, 14,000 nos. three-wheelers, 4,500 cars and 1,500 buses - here; the Government is being resolved with 100% exemption from registration fee and 50% exemption from motor vehicle tax, also 100% exemption from electricity duty for Electric Vehicles' charging stations. The state also provides subsidies to supplement the national-level FAME II scheme and it will match the number of charging stations allocated by the Department of Heavy Industry (DHI), as well as subsidies provided under FAME II being involved in a most fruitful networking system.

Requirement side landing:

From consumers' standpoint several studies recommend that the differences in the features of EVs and ICEs can have stiff barriers to EV adoption. Research studies suggest that the short driving range of EVs is a significant barrier to quicker adoption. Moreover, requirement of long battery recharge time and lack of charging infrastructure affects the usual demand. However, technological developments have led to longer EV driving range, short recharge times and increase in charging infrastructure may become smaller issues in the long run.

Also, the cost of EV being higher than ICEs, is another issue for adoption. Significant drop in EV cost will increase the demand and help achieve the 2030 target for India. Though it is important to note that there are concerns with regards to battery life and consumers considering EV may depreciate in value more quickly than ICE vehicles, in terms of usage. However, there are factors such as high environmental friendliness, smooth &fast acceleration, lower maintenance fueling costs as primary motivators for adoption of EVs.

In addition to the above-mentioned perspective of consumer challenges, there are also technical challenges to the adoption of EVs. In particular, charging infrastructure, developing this infrastructure also faces barriers. In some cases, high land rent prices, lack of available land on which charging infrastructure can be installed, additionally intensive cost of purchasing and installing EV charging equipment involving high cost of commercial electricity and stability of the grid in those areas or states.

As well as the companies involved for establishing charging infrastructure have difficulty in creating sustainable business models as the profit margins are lower on electricity sold. Lack of local supply chains for parts and components used for manufacturing EVs and EV batteries creates barriers for local manufacturing. As these manufacturing facilities require large capital investments, which has high risk.

Research shows that automakers are unwilling to make these investments owing to technological uncertainties especially with regards to battery technology. Battery-as-a-service business model was a new policy initiative that was introduced by the Ministry of Road Transport and Highways (MoRTH) that allows for sale of EV without the pre-fitted batteries. MoRTH main argument for this policy incentive is to delink the cost of battery and the vehicle, as batteries can account for almost 40% of EVs cost.

However, the notification caused some confusion among the automakers. It was not clear that EV sold without batteries would qualify for subsidies under the FAME II scheme. Also, the distribution of the subsidy between the automakers and DISCOMs was unclear. Automakers also needed clarification on potential issues related to battery standards, safety, warranties and integration. Current all the 20 state EV policies have taken into consideration the reuse or recycling of batteries. However, the details of the process of recycling or reuse of batteries is not explained by any state, which could create another environmental issue if details of these are not yet vividly clarified in principle by the policy making bodies of Central and State Governments.

Currently requirement-side challenges are being addressed by policymakers through various instruments such as provision of subsidy to the consumer through direct money transfer in order to make it more affordable. Evidence suggests that financial subsidies have increased and encouraged consumers to purchase EV. Currently India imposes 100% import duty on fully imported cars with CIF (Cost, Insurance and Freight), and it doesn't treat EV separately from ICEs. Therefore, the government needs immediately to subsidize EVs and ensuring purchasing ICEs being relatively expensive via imposing higher taxes on them. This will help the government to generate revenue and which further can be utilized for improving infrastructure demand.

Example as solution as adopted in aboard: Sweden and France have taken a combination of approaches where they have put heavy taxes on ICEs and offered incentives to purchase EVs through feebate systems. City planners can help cities identify zones and areas where use of EVs is to be especially encouraged. For example, in some parts of China license plate restrictions allow only certain vehicles to be on the road on certain dates. Note this is an alternative to Delhi's odd-even scheme restrictions on vehicular traffic / transport to immediately reduce air pollution therein, having been implemented as a drastic solution, already being in vogue at present.

Planners in European cities have created emissions zones in cities to restrict or charge fees on ICEs vehicles. Norway has created additional benefits for increasing demand for EVs via allowing them access to bus lanes, fee waivers on toll roads, free access to parking. Though in India's case financial instruments have been the primary mode for demand side incentives, cities are yet to encourage their citizens to shift towards EVs. The transition to EV at local or city level also has several challenges such as coordination between departments, synchronization of action, spatial planning and financial constraints. It is crucial to note that Indian cities had already resorted to EV transition for their public bus fleets we see in Kolkata city life/transport (also providing the air-conditioning environment at the same time) with support of the state and FAME II scheme.

The process of transition is slower than expected since there are both governance and financial constraints at local levels. The quality of cities roads will also play a critical role, as the roads will need to be upgraded due to EVs being heavier than ICE vehicles largely due to the battery. Under ordinary circumstances most Indian cities have poor quality road conditions and they are mostly likely to get worse during monsoon. Research suggests that having better and good quality roads in fact reduces GHG emissions as well as improves EV travel range.

Supply/Source/Implementation:

To provide support to supply side Government can introduce Regulations where automakers are required to produce and sell EVs in a given region. For example, the California Zero Emission Vehicle (ZEV) mandate in USA, has been followed by other nine US states, long back. China has introduced a similar mandate through its new energy vehicle policy. Several nations globally have considered or begun implementing bans on ICE vehicles sales and mandated to shift to 100% EVs.

Policymakers can provide research and development grants to help improve and spur the development of local EV supply chains. In 2019, the Union cabinet approved a phased manufacturing programme through its Mission on Transformative Mobility and Battery Storage, in this program it aims to support establishment of large scale, export quality battery and cell-manufacturing giga-factories in India with a total of 50-gigawatt hours capacity.

This is created to incentivize local production of batteries and their components. Several state policies including Gujarat, Andhra Pradesh, Karnataka and Maharashtra are equating the central government's capital subsidies in order to establish these large-scale units. Also, these states are willing to support the infrastructural needs in form of subsidies on land, capital and other utilities. Also, the government has put regulations in place for dis-incentivizing high-scale imports. For example, the central government's incentives for large/giga factories are related to their level of indigenization. If they achieve 60% indigenization by 2025, they are eligible for central government subsidies.

Challenges for Local Manufacturing:

India's phased manufacturing plans are likely to face challenges, from the absence of adequate reserves of key raw materials like lithium and cobalt. India has to depend on other countries for its supply. The development of the battery industry, charging infrastructure and local supply chains are critical for EV adoption. The Indian Space Research Organization (ISRO) has transferred its in-house lithium-ion technology at a nominal fee of INR1 crore to 10 Indian industries for commercial production. This move is expected to lead to the establishment of lithium-ion cell production facilities for indigenous EVs.

Leading global players have shown interest in establishing cell or battery pack manufacturing facilities in India. The major Indian conglomerates also have outlined plans to set up such facilities. Meanwhile, the government is assessing plans to incentivize domestic battery manufacturing. In January 2020, NITI Aayog sought cabinet approval for a proposal to provide subsidies to investors setting up giga-scale manufacturing units for lithium-ion batteries for EVs.

The government think-tank, in a recent proposal that is likely to be reviewed by the PM's cabinet in the coming months, has recommended incentives of USD 4.6 billion by 2030 for companies manufacturing advanced batteries. The proposal is to provide cash and infrastructure incentives of USD122 million in FY22, which may be ratcheted up annually.

India, with strong capabilities in certain EV components, other than batteries, can emerge as a hub for manufacturing and exports. These include wiring harnesses, permanent magnets, BLDC motors, AC induction motors, thermal and cooling management systems, electronics (other than semiconductors), plastics, etc. Auto component players in India are increasingly seeking to develop the requisite technological capabilities and capacities in these areas.

Factors to Fast-Track electrification in India:

Directionally several factors, including the availability of charging infrastructure, robust financing ecosystem, reduced battery prices and increased customer awareness, will pave the way for the new era of EV adoption. Innovative business models such as battery swapping have emerged to enable widespread EV adoption. The battery swapping model alleviates issues of long charging time, range anxiety, high upfront cost and battery reliability concerns for the EV owners. To make this model workable, the operator needs to ensure standardization of batteries and operate in a closed-loop environment.

Recently, various tie-ups/partnerships have been entered between OEMs/Operators and leading oil marketing companies (OMCs) for battery swapping solutions like the one between Kinetic Green and BPCL. To drive EV adoption, original equipment manufacturers (OEMs) and the central and state and governments need to work together for an integrated policy creating a conducive ecosystem for India's electric mobility vision.

A combination of enabling policy measures, infrastructure development, total cost of ownership (TCO) parity, and a market buzz-promise to fast-track the shift to electric, are needed for the dawn of a new era for the automotive industry. Only a few state EV policies provide guidelines and incentives on battery recycling. A coherent recycling policy is also the need of the hour.

Public Charging Infrastructure:

Across the world, electricity distribution companies and oil and gas players are developing solutions and entering into partnerships in the EV charging infrastructure space. While private chargers form a major share in the availability of charging infrastructure, public fast charging is also picking up.

In order to enable faster adoption of EVs, the government has issued guidelines and standards for public charging infrastructure wherein it has phased out plans for the roll-out of public charging infrastructure. Based on the proposals received, the union government has sanctioned 2,636 (public) charging stations in 62 cities across 24 states/UTs to be installed by 19 public entities.

Out of these, 1,633 are expected to be fast charging and 1,003 slow charging stations. With this, around 20,000 charging points are expected to be installed across selected cities.

Immediate future requirement to achieve 2030 target:

Even when the state and central government have certain policies in place, it is unlikely that India will reach its aspiration goal of 30% market share of EVs by 2030. This is mostly because of three things in particular -

1) Government policies need more inclusiveness of the both demand and supply chains not just dependent on demand-side policies;
2) the high upfront cost/price of EVs, and,
3) the lack of charging infrastructure both in private and public domains.

Both state and center need to work on strategies to make EVs a mandatory form of transportation mode since it is a great enabler to achieve the 2030 target. Additionally with the mandate a fee bate policy could be introduced to increase the demand. Consisting increasing cost & other constraints faced on fossil fuels used in vehicles/ transportation means the Government should immediately introduce a phase wise or complete ban on ICE sales in the ultimate.

Additionally scrappage policy for ICE vehicles needs to be integrated with properly mandated EV policies in order to encourage people to scrap their old ICE vehicles and create incentives for them to buy EVs instead. If India meets the goals, it can create a medium-to high impact social gains. For example, the improvement of air quality in the cities, reduction of fossil fuel usage, and reduction in GHG emissions - are the dire needs of the current era.

Readiness of car insurers in India for insuring Electric Vehicles:

There is uniformity in the entire process of insurance and stipulated coverages available in Motor Department of General Insurance parlance irrespective of type of vehicles. Obviously Electric car insurance always will be abiding by these. Electric car insurance is a type of motor insurance that is there to protect electric cars from a number of potential damages and losses, such as those that might happen in the case of accidents, natural calamities, or fire/ nine other perils as basic cover as stipulated in motor insurances coverages.

Electric cars are becoming the dire need as discussed above in details, as they are cost-effective and better for the environment. And in the same way that regular cars need petrol or diesel as fuel, these cars are charged with

electricity like your phone or laptop. Since electric cars are not yet very common in India, getting an insurance policy for your electric car can be a little bit different.

The minimum requirement by law is to provide insurance in respect of legal liability to pay damages arising out of injury caused to any person, unlimited in amount, and several countries' laws also provide for damage to property of other people subject to certain limits and exception. Broadly, four are three types of motor policies:

a) An `Act only' policy covers the minimum required by the law.

b) The `third party only' policies which cover the insured's liability in respect of third-party injury, death or property damage.

c) A `third party fire and theft' policy would additionally cover damage to the car and its contents from fire or theft.

d) The `comprehensive' policy, which provides the widest and more common form of covers also, includes accidental damage to the vehicle in addition to the third party, fire and theft cover.

Such policies may also include personal accident benefits for insured and spouse, medical expenses and loss of or damage to rugs, clothing and personal effects.

There may similarly in ICEs' & EVs' availability in Motor Insurance - some add-on covers like, In-voice value protection, protection from inflation, Zero Depreciation Cover, Engine Protection Cover, No Claim Bonus Protection Cover, Roadside Assistance Cover, Daily Allowance Cover, Passenger Cover, Consumables Cover, etc., in the self of your insurer for you to avail on payment of extra premium.

Motor policies are described by the type of vehicle to insured. Thus, there are separate policies for private cars, motor cycles, commercial vehicles, taxis, lorries, vans, hire cars and so on and the rules are exclusive to the type of vehicle. So, all such considerations shall be specifically applicable in due course while arriving on the premium rates for the specific one.

You can't predict what might happen to your precious electric cars. These kinds of cars have a lot of complex technical and mechanical parts, that help it run smoothly, but can also give you trouble at any time. So, having electric car insurance can be a great help and offer financial protection in an unfortunate event like accidental damage, fire, natural calamities, or theft, and can ensure that you drive your car without any worries. You must also keep in mind that having at least third-party car insurance is mandatory in India to ply your vehicle on road.

As per the Motor Vehicles Act of 1988, all vehicles in India must be insured with a motor insurance policy; electric cars are not exempted from this rule. It means that you have to compulsorily buy car insurance for your electric vehicle to drive it on Indian roads. However, electric car insurance policies aren't the same as regular car insurance plans. Since electric cars are battery-powered and consist of a different engine, coverage offered by an electric car insurance policy is more customized. Also, the cost of car insurance for electric cars is higher as compared to the usual petrol and diesel cars. So, premiums for electric car insurance policies are higher than conventional car insurance plans. Below are the reasons behind the high costs associated with electric car insurance:

1. **Electric cars are expensive to buy -**

   Electric cars are expensive to purchase compared to regular cars, and even the cheapest electric cars in India cost more than Rs. 10 lakhs. Due to the high value of electric cars, their Insured Declared Value (IDV) increases, resulting in increased car insurance premiums.

   Although the up-front cost of buying an electric car is higher, it makes sense to invest in it as it will enable you to save on fuel costs and maintenance charges over the years.

2. **Electric car parts are expensive -**

   The primary reason for electric cars being expensive is that their various components are costly. The most expensive of them is the car's battery, which accounts for more than 60% of its value. Replacing or repairing these parts can be a costly affair, which is one of the reasons behind the high pricing of electric car insurance. Car manufacturers are striving hard to reduce the cost of these parts. If they can reduce the costs of electric car parts, their insurance premium may also decline.

3. **Batteries have to be replaced -**

   Electric cars draw their power from high-capacity batteries, and these batteries come with an expiry date, which means that they have to be replaced after a certain period. As mentioned, these batteries are very costly, and replacing them may run into a few lakhs of rupees. Since comprehensive electric car insurance policies cover these costs, their premiums are on the higher side. However, if you want to reduce your electric car insurance cost, you can opt out of the battery replacement cover. But remember that you will run the risk of paying from your pocket in case your battery requires replacement in the future.

4. **High labour costs -**
   Electric cars require a high level of maintenance because of their costly and complex parts. Not all mechanics can service or repair an electric vehicle; it requires specific knowledge and skills. Currently, the number of mechanics skilled in repairing electric cars is lower in India than the traditional car mechanics.

   All these factors result in high labour costs for the replacement or repair of electric car parts, and this is another reason why electric car insurance plans are expensive.

5. **Supply chain and infrastructure-related problems -**
   Not too many people currently own electric cars in India, due to which there are several supply-chain and infrastructure-related problems. Companies are constrained in terms of getting raw materials required for the manufacturing of EVs. These factors contribute to the high pricing of electric cars, and subsequently, their insurance plans also become expensive.

However, as more people start buying electric cars in India, EV manufacturers will invest in improving their infrastructure and supply chain. Hence, the cost of car insurance for electric cars is expected to decline in the future.

Electric Car Insurance Premium Calculator (As per Go Digit's Digit Car Policy calls for):

Let us take the simple example of Electric Car's Mandatory ACT ONLY (Third Party Liability Motor Insurance Policy) Premium.

Car insurance premiums for private electric cars are based on many factors, like kilowatt capacity, make, model, and age.

Vehicle kilowatt capacity (KW)	Premium rate for one-year third-party policy	Premium*rate for long-term policy
Not exceeding 30 KW	Rs. 1,780	Rs. 5,543
Exceeding 30KW but not exceeding 65KW	Rs. 2,904	Rs. 9,044
Exceeding 65KW	Rs. 6,712	Rs. 20,907

**Long term policy may be issued by the insurers' means covering one single policy for 3-years policy period for new private cars.*

Similarly, a single long-term policy having at a stretch 5-years' policy period available for new two-wheelers.

The premium numbers/ quantum mentioned here are indicative, not exclusive, i.e., the Own Damage (O. D.) Premium may vary as per the size, cubic capacity, seating capacity and type of the vehicle; So, please visit the various WEBSITES of the Indian Insurers like PSUs, ACKO General Insurance Limited (the most successful on-line insurer on the very first year of operation), ICICI LOMBARD (the Private Sector giant), Bajaj Allianz (pioneer in Auto Insurance), TATA AIG, GO DIGIT, etc., or for product information/promotion sites like, Beema Bazar, Policy Bazar to name a few.

While Summing Up:

Electric Vehicles (EVs) are on course to fulfil their promise as game-changers for the automobile industry. Two-wheeler (2W) and three-wheeler (3W) segments are likely to lead the adoption curve, followed by e-buses and passenger taxis. Directionally several factors, including the availability of charging infrastructure, robust financing ecosystem, reduced battery prices and increased customer awareness, are paving the way for a new era of EV adoption. The government is also pushing the EV policy to address some of the adoption barriers. EV is, thus, are emerging as a disruptive force, with several players experimenting with and discovering innovative business models and use cases.

Reference:

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

IT'S TONTINE TIME AGAIN!

Although this concept may seem alien today, tontines have a long creditable history that reaches back half a millennium. The name "Tontine" comes from a 17th-century Italian financier, Lorenzo de Tonti. In those days, Tonti pitched for a tontine scheme to the French government in the 17th century as a way for King Louis XIV to raise money.

A Tontine is organization of individuals who enters into an agreement to pool sums of money permitting the last survivor of the group to take everything. It can also be said that Tontine is a rare agreement among several persons, who agree that each will invest in an annuity and the last to die will receive the remaining assets and profits.

The holders of tontine life insurance contracts pay premiums for a certain amount of time before they gain the right to acquire dividends. In the event that a policyholder dies during the tontine policy, his or her beneficiary will be entitled to benefits, but no dividends. The earnings that ordinarily would be used to pay dividends are accumulated during the tontine period and subsequently given only to policyholders who are still alive at the end of the term. This type of policy is known as a dividend-deferred policy.

During late Middle Ages tontines became very popular in Europe as a financing tool. The European monarchs borrowed, via tontines, to fund their wars.

At the height of its popularity in the 1900s, tontines represented two-thirds of the insurance market in the United States and accounted for more than 7.5% of the nation's wealth. By 1905, there were an estimated nine million active tontine policies in the U.S., with only 18 million households! In 19th century tontines were a popular vehicle for increasing life insurance sales in America. History credits tontines for the insurance industry's ascendance in America.

The modern culture served to amplify the fashionability and the dark side of tontines. Popular writers like Agatha Christie, Robert Louis Stevenson, and P.G. Wodehouse wrote stories about tontine participants conspiring to kill one another to claim the big payoff!

Today growing number of financial advisors, academics, and Fintech firms think that it is the right time to take a serious look at these financial instruments. They would like to see tontines make a comeback. Tontines are attractive because they provide regular income of an annuity - more income for living members - and because of tontines' structure and relatively low costs, they produce higher yield than annuities.

Tontines also offer a solution to longevity risk-the danger of outliving money. With automation and developments like blockchain technology, today's tontines could boast of something that was missing earlier: transparency. With transparency there is less possibility of fraud. The market for tontines is as large as for life insurance, especially with the Baby Boomers, Gen X and Millennials began looking for an alternative to low yielding pensions. ❑

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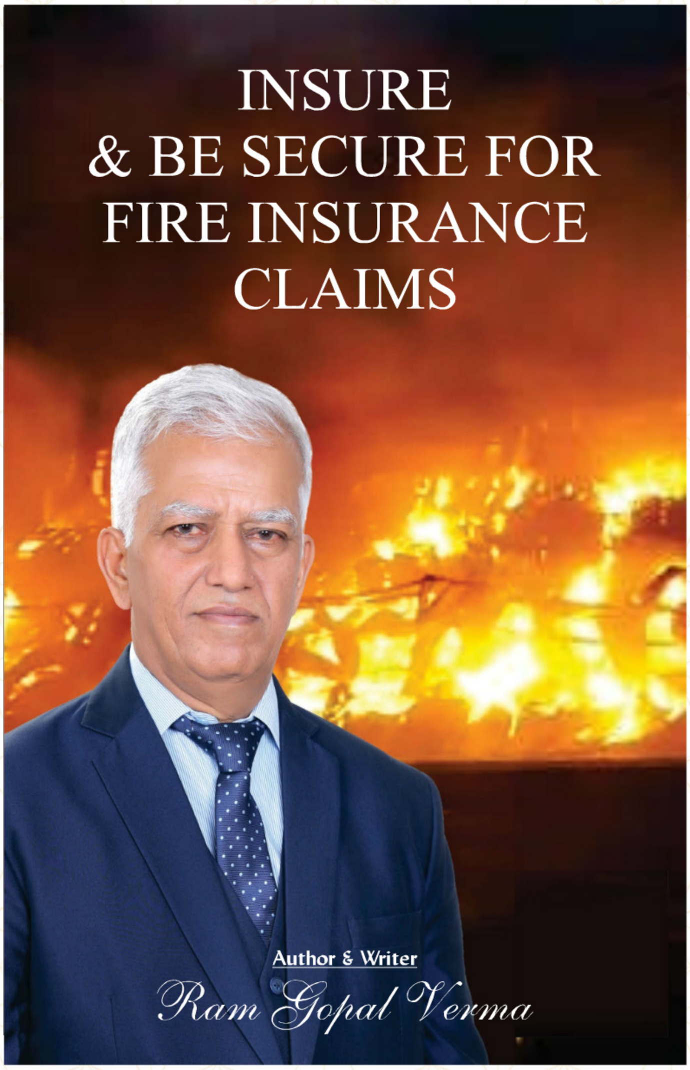
Teacher's Day Celebration by Kolkata Insurance Institute

Mr. Peter Chittaranjan, GM, National Insurance Co. Ltd. felicitating Prof. (Dr.) J. K. Das, Dean, Calcutta University

Mrs. Kasturi Sengupta, DGM, National Insurance Co. Ltd. felicitating Dr. Rakesh Agarwal, Editor, The Insurance Times

Report on Page 46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IMPORTANCE OF LIFE INSURANCE

Life insurance, which we take lightly, which we should not…

…why do we say that? Isn't life precious? Do we consider it precious? Not really!

Look at the figures, which narrate an alarming scenario concerning life insurance in India. At least 988 million Indians - more than the population of Europe and 75% of all Indians, are not covered by any form of life insurance. Even if one is insured, it is only 8% of what may be required to protect a family from financial shock following the death of an earning member, reveals Government data.

In the financial year 2021, India's life insurance penetration stood at around three percent, while the non-life insurance penetration was much lower at one percent. The overall penetration for the industry was over four percent in 2021.

How big is the insurance market in India? India's Insurance market stands at $131 Bn as of FY22. The Indian insurance industry grew at a CAGR of 17% over the last two decades and is expected to continue its commendable growth trajectory in the future years.

What is life insurance? Life Insurance provides a definite amount of money in case the life insured dies during the term of the policy or becomes disabled on account of an accident.

Why life Insurance is needed? To ensure that your immediate family has significant financial support in the event of your demise.

Who needs life insurance? Every individual who has a financially dependent family. Life insurance is for securing you and your family financially. Everyone wants that their children are well-taken care of in their absence. Life insurance makes sure your loved ones don't suffer financially when you are not around.

About the author

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Why should you have life insurance? To fulfilling-term financial goals, for protecting children's future, service loans and liabilities, children's education planning, helping dependent spouse, leaving a tax-free legacy, and retirement planning.

While considering life insurance, you must evaluate the merits of Term Insurance, which is the simplest and purest form of life insurance. It provides financial protection to your family at the most affordable rates. With term insurance, you can get a large amount of life cover (i.e. sum assured) at a relatively low premium rate. The benefit amount is paid out to the nominee in case of the death of the person insured during the term of the policy.

Life insurance plans are not only- Zindagi ke baad bhi! These are Zindagi ke saath bhi!!

All of us want to have a good life and going forward want to give a good life to our children, for which we need to accomplish some goals.

To accomplish these goals, money needs to be saved. Life insurance plans help you achieve your goals by helping you build a financial corpus with the protection of a life cover. Life insurance plans inculcate a habit of disciplined saving. Paying a little amount as an insurance premium each month will help you accumulate funds. What's even better is that this small monthly amount only keeps growing. So, years from now, you'll have enough wealth accumulated to accomplish your more substantial and long-term financial goals. These are Insurance - cum- Investment plans.

Besides, you can claim an income tax deduction on your life

insurance premiums under Section 80Cof the Income Tax Act, 1961. Pay-outs for death claims are tax-free under Section 10(10D) of the Income Tax Act, 1961.

What are the important aspects of buying an insurance policy?

Sum Assured, the first and foremost thing to look at is the amount you will be covered through your insurance. You are required to choose the sum assured before the commencement of the policy. You need to assess all the future needs and expenses of your family members before deciding on an amount.

Duration of the Policy, the time for which your policy will be active. These can range from 10 years to even covering for you till the age of 100.The longer the policy the lower can be your premium.

Flexibility, this can be in the form of providing multiple payment options, freedom to choose the mode and duration of payments, etc. The more flexible a policy is the more it is easy for you to customize according to your own.

Terms and Conditions, make sure you do read the terms and conditions part associated with the policy thoroughly.

Claim Settlement, Last but not least is to consider the claim settlement process of the insurer. Go through the process so that you know the steps involved to get the claim. Also, check the claim settlement ratio of the company.

All these aspects will make your choice of life insurance policy easier. The need of the hour is to increase the life insurance penetration manifold considering the untimely deaths being witnessed during Covid 19.

I back my statement with the research report released this year by CARE Ratings which projects the industry to continue to grow at around 14%-15% per annum. The momentum is expected to be maintained in the life insurance industry due to factors such as growing awareness, increasing urbanization, product innovation, multi-channel distribution, tax benefits, etc.

Look at life, & beyond with a promise!

You can connect with your Insurance Broker immediately to cover your life, to make the slogan true - Zindagi ke saath bhi, Zindagi ke baad bhi by LIC of India. ❑

REGULATOR FACES THE HEAT AS INSURANCE FRAUDS ESCALATES

A case of auto insurance fraud worth crores of rupees using forged documents has come to light in the Kerala state. A detailed investigation conducted by the State Crime Branch revealed the modus operandi of the fraudsters. In two cases a vehicle in eight cases and in 11 cases another vehicle was produced for claiming the sum insured. According to the preliminary assessment of the police, the fraud could be more than 50 crores. Interestingly, this is the first time such a huge fraud has been detected in Kerala. Under the investigation of many cases, the Crime Branch has registered an FIR in eleven cases. It has been found that the agents acted as middlemen to carry out bogus accidents and defraud the insurance companies.

The police have hand over evidence which shows that an additional Rs 40 lakh was paid in addition to the actual amount claimed as insurance. Investigators from the New India Assurance Company, the National Insurance Company in Kerala, had conducted their own investigation and submitted evidence including documents to the police. 15 policemen of the above police stations, five advocates and their gumstans (helpers), some doctors working in two private hospitals in the city and agents of advocates acting as middlemen have been accused in these cases, to be introduced as, In some northern districts, cases of insurance company employees being involved in fraud have also been reported.

During the investigation, the police found evidence that indicated that even those involved in minor accidents had to get the documents signed. After obtaining his signature, minor mishaps were blown up and shown as swindling of large sums of money. Vehicle owners are promised half the amount as part of the deal. Though FIRs have been registered in 11 cases, at present only one lawyer of the Vanchiyur court has been presented as an accused. Soon after the matter came out of the air, the said advocate withdrew the applications for fresh claims from the court.

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It may be recalled that a Division Bench of the Supreme Court had recently directed a Special Investigation Team to submit an urgent report regarding a similar fraud in Uttar Pradesh involving 27 advocates and police. Same gang accused in one case, witness in another and guarantor in another A preliminary inquiry into the fraud was carried out following a letter written by the insurance company to the state police chief last August.

During investigation, it was found that fraud was committed by presenting fake treatment certificates and changing the accident site, time and vehicle. It was also found that the gang, including advocates, presented themselves as accused in one case, witnesses in another and guarantors for bail in several other cases. Meanwhile, Deputy Superintendent of Crime Branch submitted a report seeking registration of cases after re-examination of the cases. State Police Chief has warned that a big mafia is active in fraud of auto insurance claims in the state and the police should keep a strict vigil on this front. During investigation of an insurance fraud that took place at Thiruvananthapuram traffic station in 2015, it was found that a particular scooter with registration number KL:-01-1372 was involved in 11 accidents during a period of two years. The police are yet to recover this two-wheeler. This particular registration number was used to execute six claims of National Insurance Company and five claims of New India Assurance Company for committing fraud. In eight cases compensation has been claimed.

Insurance fraud is a deliberate deception

Insurance frauds are typically committed at the time of applications or claims. Nearly 70% of these frauds are committed via falsification of documents. According to industry estimates, insurers lose close to 10% of their overall premium collection to frauds. The last year-and-a-half has brought ground-breaking changes to insurance: unprecedented digitalisation, rapidly evolving customer expectations, and transforming fraudulent behaviours. Insurance fraud is a deliberate deception perpetrated against or by an insurance company or agent for the purpose of financial gain.

Fraud may be committed at different points by applicants, policyholders, third-party claimants, or professionals who provide services to claimants. Insurance agents and company employees may also commit insurance fraud. Common frauds include "padding," or inflating claims; misrepresenting facts on an insurance application; submitting claims for injuries or damage that never occurred; and staging accidents. People who commit insurance fraud include:

- organized criminals who steal large sums through fraudulent business activities,
- professionals and technicians who inflate service costs or charge for services not rendered,
- and ordinary people who want to cover their deductible or view filing a claim as an opportunity to make a little money.

Some insurance lines are more vulnerable to fraud than others. Healthcare, workers' compensation, and auto insurance are generally considered to be the sectors most affected.

Fraud Scenarios

India is one of the biggest markets for insurance companies across the world. However, it also needs to be understood that operating an insurance business in India is not free from risks. This is because insurance companies in India face an abnormally large number of fraud cases. In fact, it is estimated that the Indian insurance industry loses close to $6 billion to insurance fraud in India. This works out to about 8.5% of all the premiums collected every year. Insurance data is dynamic and hence data analytics cannot depend only on past behaviour patterns and so data has to be updated regularly.

Predictive analysis can play a significant role in identifying distributor nexus, mis-selling and repeated misrepre-

sentations. Relationship analytics could be used to identify linked sellers and suspected churn among them. A few scenarios of Insurance frauds brought to the notice of companies, regulators and whistleblowers:

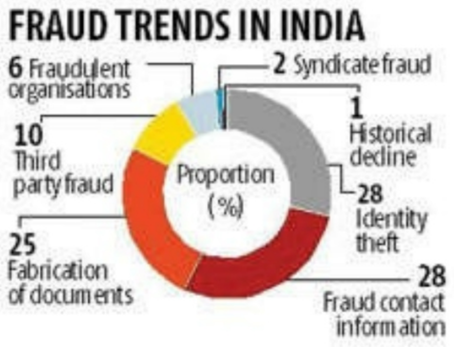
- Producing forged documents
- Non-disclosure of critical information
- Buying of policies in the name of a dead person or a person with a terminal illness
- Stating false reasons for claims
- Misappropriating assets
- Inflating expenses
- Manipulating pre-policy health check-up records
- Staged accidents and fake disability claims

All types of insurance policies are prone to fraudulent claims. However, a fake claim on life insurance policies is six times more likely as compared to other types of policies. Continuous evaluation of existing customers is also critical for early fraud detection. For example, one red flag for potential fraud can involve beneficiary or address changes for new customers. Insurers should verify address changes, as many consumers do not know their identity has been stolen until after it has happened.

Survey findings

According to a survey titled 'Impact Of Covid - 19 Pandemic On Insurance Fraud Risk Mitigation And Investigation', insurance frauds increased during Covid-19. At least one in four respondents from the insurance industry said insurance frauds increased during the pandemic. Moreover, the insurers had to take a cut in fraud investigation budget. There is an overall increase in insurance fraud investigations after the onset of Covid-19. With 55% of respondents confirming that their professional activities related to fraud-fighting have either increased overall, or increased under a specific area of operation during the pandemic.

However, nearly half of the respondents also reported either a budget cut (32%), or zero budget allocation (16%) for investigations. The report also highlighted that insurers are using digital mediums to detect frauds. The survey revealed that the industry's shift to digital fraud investigations is permanent, with 92% of the respondents affirming that the increased use of technology in investigations would continue in the post-pandemic times. Of these, 71% were specific that more emphasis would be on a digital approach.



IRDA Fraud Policy

According to the Insurance Regulatory and Development Authority (IRDA) of India, every insurance company is required to set up a Fraud Monitoring Framework. The framework shall include measures to protect, prevent, detect and mitigate the risk of fraud from policyholders / claimants, intermediaries and employees of the insurance companies. Insurers are expected to adopt a holistic approach to adequately identify, measure, control and monitor fraud risk and accordingly lay down appropriate risk management policies and procedures.

The Insurance Company Board of Directors are mandated by the IRDAI to review their respective Anti-Fraud Policies on an annual basis, and at such other intervals as it may be considered necessary. These policies also guide in building a framework that will allow them to exchange information with other insurance companies with regard to sharing intelligence on the occurrence of incidents and scenarios of such frauds so that these can be red-flagged within the insurance ecosystem.

Fraud Monitoring Function

Every Insurance company is mandated to have the Fraud Monitoring Function as a separate vertical that shall ensure effective implementation of the anti-fraud policies. They shall be responsible for laying down procedures for internal reporting from/and to various departments, to educate employees, intermediaries and policyholders on identification and prevention of frauds. Further, they must regularly update regulatory authorities on such incidents as well as steps taken to contain such scenarios within a stipulated time. Lastly, they must furnish periodic reports to their respective Boards for review and course correction. Insurers are liable to inform both potential and existing clients about their anti-fraud policies. Insurers include necessary cautions in the insurance contracts and relevant documents, duly highlighting the consequences of submitting a false statement and/or incomplete statement, for the benefit of the policyholder, claimants and their beneficiaries.

Control by means of identifying triggers

Fraudsters have become increasingly innovative. Newer ways of cheating the insurance companies are being used almost every day. One of the ways to control fraud is to identify triggers for early detection. The fraud monitoring function needs to be instrumental in identifying vulnerable and susceptible areas in their customer association to identify triggers to detect fraud. According to a FICCI report common triggers observed to detect frauds are:

- Claim from a policy with only one member at minimum sum insured amount.
- Multiple claims with repeated hospitalization and multiple claims towards the end of the policy period, close proximity of claims.
- Any claims made immediately after a policy sum insured enhancement.
- Claims from a member with the history of frequent change of insurer or gap in the previous insurance policy.
- Policy claims with evidence of significant over/under insurance as compared to the insured's income/lifestyle.
- Claims from a non-traceable person or where courier/cheque have been returned from insured's documented address
- The second claim in the same year for an acute medical illness/surgical minor illness/orthopedic minor illness in the same policy period for main claim. Young males between 25-35 years getting admitted for acute medical illness
- Claims from members with no claim free years, i.e. regular claim history

It is the need of the hour to have laws that can provide swift recourse against such frauds. In today's scenario, stringent laws and strict punishment are required for those guilty of having committed these frauds which will also act as a deterrent for others looking to exploit this industry. Insurance entities continue to curtail fraud, yet a lot needs to be done to make the existing framework more robust and comprehensive. Perpetrators have the creativity to identify ways of subverting the system, so staying ahead needs constant software upgradation and monitoring by seasoned professionals!

Combating the digital fraudster:

The problem with insurance companies in India is that they do not extensively share data as banks do. This is the reason why every insurance company has to rely on its own network to detect fraud. It is extremely important that all insurance companies form a common database and start sharing fraud data extensively. A start has been made as a repository has been formed in 2016. About 43 insurance companies have come together and have appointed credit rating agency Experian in order to use Experian's big data and analytics capabilities. Fraudulent behaviours are rapidly evolving as fraudsters are becoming more intelligent, proficient and adventurous in the digital space. When fraudulent behaviors and technologies are rapidly evolving - optimizing analytics and building an adaptive analytics strategy is key to success.

Life Insurance Frauds

Anurag Joshua (name changed) received an email from his insurer that a good amount of maturity amount on his insurance policy is due. The concerned person in the mail asks Joshua to deposit some TDS amount before the company transfers the maturity amount. Joshua does it only to discover that it was a hoax. Someone had created a fake email ID to dupe him. There are multiple cases when people produce fake death certificates to receive the life insurance amount.

In Gurugram, fake insurance claim unravels racket-The insurance fraud was discovered by chance, after possibly a few hundred claims, because of an insurance policy that was linked to three others. It was a meticulously planned insurance fraud built on a foundation of data stolen from insurance companies, potentially earnings for its perpetrators hundreds of crores in life insurance claims on around 10,000 fake deaths -- but it was discovered by chance, after possibly a few hundred claims, because of an insurance policy that was linked to three others. The lady complained to the police, and the fraud came to light.

The gang members used to work 14 hours a day, making calls and sending emails for insurance claims. The gang, the police claimed, opened at least 300 bank accounts in different places in Delhi-NCR. They planned to dupe more than 10,000 families of their insurance money, Physical verification is not mandatory for insurance claims less than Rs.40 lakh. The gang was aware of this. However, they were unaware that the policyholder had multiple linked policies with the same company. As per investigation, a gang of six is behind the fraud, built around stolen insurance data, forged death certificates, hundreds of bank accounts, and fake claims. Police have arrested four of the gang. They have so far recovered at least 250 insurance claim documents from their possession. They believe the gang may have actually claimed money against 150 policies.

In life insurance sector, the equation is quite different, there are mainly four types of Schemes of frauds, Mis-selling of Insurance Policy, which mean selling the Term Plan instead of ULIP and vice versa. This scheme costs 36% of the total frauds in Life Insurance Sector followed by the Fake Documentation Scheme with 33%. India's life insurers suffer from low persistency rates that see more than one in three policies lapse by the end of the second year. This may be attributed to mis-selling, misrepresentation of material facts, premeditated fabrication and in other cases suppression of facts.

Life insurers have been facing fraud that is largely data driven and can be curbed with effective use of data analytics. While seeking customer information, insurers should perform checks against public record databases to ensure they have insights into the validity of personal information. This can be achieved through data mining and validation from various sources. For instance, in the US, frauds are committed through stolen social security numbers or driver's license

numbers, or those of deceased individuals. Data accessed from various sources will help identify if the person in question is using multiple identities or multiple people are using the identity presented. The use of public, private and proprietary databases to obtain information not typically found in an individual's wallet to create knowledge-based authentication questions which are designed to be answered only by the correct individual can also help reduce fraud significantly.

Auto insurance fraud

Motor Insurance is the biggest and most lucrative sector in General Insurance business followed by Health Insurance Sector. Motor Insurance in India has around 40-45% of total general insurance premium. Fraud rings or groups may fake traffic deaths or stage collisions to make false insurance or exaggerated claims and collect insurance money. The ring may involve insurance claims adjusters and other people who create phony police reports to process claims. A real accident may occur, but the dishonest owner may take the opportunity to incorporate a whole range of previous minor damage to the vehicle into the garage bill associated with the real accident.

Personal injuries may also be exaggerated, particularly whiplash. Insurance fraud cases of exaggerated claims can also include claiming damage to the car that is not from the accident reported in the claim While a high repudiation rate (claims that have been written back) does make sense for the insurer, it also erodes customer trust considerably. The insurance industry is looking to strike a balance between identifying (and averting) frauds, and paying out genuine claims while weeding out the spurious ones.

Healthcare fraud

Although healthcare insurance is generally outside the purview of property/casualty insurance, healthcare fraud affects all types of property/casualty insurance coverage that include a medical care component, such as medical payments for auto accident victims or workers injured in the workplace. Fraud and abuse take place at many points in the healthcare system. Doctors, hospitals, nursing homes, diagnostic facilities, medical equipment suppliers and attorneys have been cited in scams to defraud the system. The most prevalent types of healthcare fraud are:

- Billing for services not rendered;
- Upcoding services and medical items (the provider submits a bill using a code that yields a higher payment than for the service or item that was actually rendered);
- Filing duplicate claims;
- Unbundling (billing in a fragmented fashion for tests or procedures that are required to be billed together at reduced cost); and
- Performing excessive services; performing unnecessary services; and offering kickbacks.

Claims fraud is a threat to the viability of the health insurance business. Although health insurers regularly crack down on unscrupulous healthcare providers, fraudsters continually exploit any new loopholes with forged documents purporting to be from leading hospitals. Medical ID theft is one of the most common techniques adopted by fraudsters. Due to this, claim funds are paid into their bank accounts, through identity theft.

The insurer's procedures allows for the policyholder to send a scanned image of his/her cheque, with the bank account details for ID purposes, which is then manipulated by the fraudsters. Besides forged documents, other common sources of fraud come from healthcare providers themselves, with cases of 'upgrading' (billing for more expensive treatments than those provided), 'phantom billing' and 'ganging' (billing for services provided to family members or other individuals accompanying the patient, but not delivered).

Compensation fraud

Employers who misrepresent their payroll or the type of work carried out by their workers to pay lower premiums are committing workers' compensation fraud. Some employers also apply for coverage under different names to foil attempts to recover monies owed on previous policies or to avoid detection of their poor claim record. Fraud by medical care providers includes upcoding or billing for procedures that were never performed. Examples of claimant fraud include over-utilizing medical care to keep receiving lost income (indemnity) benefits, exaggeration of symptoms, working while allegedly disabled and not reporting income, claiming a job-related injury that never occurred. or claiming a non-work-related injury as a work-related injury.

Catastrophe-related property fraud

When disasters strike some individuals or groups see an opportunity to file claims that are either exaggerated or completely false. Some even intentionally damage property after a disaster to receive a higher payout. Another example of opportunistic fraud following natural catastrophes is contractor fraud. A handful of states have attempted to protect homeowners from contractor fraud by enacting laws that provide for notices and contract termination rights and prohibiting rebating or other compensation to induce homeowners to sign contracts.

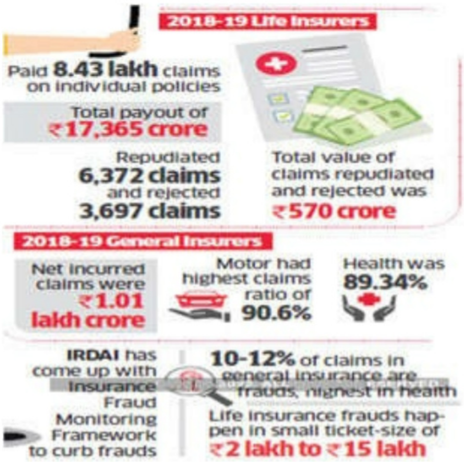
In recent years, the increase in billion-dollar weather catastrophes and the propensity of claimants to commit opportunistic fraud has resulted in some insurers turning to forensic meteorologists. These experts can accurately verify weather conditions for an exact location and time, allowing claims adjusters to validate claims and determine whether more than one type of weather element is responsible for damage. Since they use certifiable weather records, their findings are admissible in court.

How Insurers fight frauds

The legal options of an insurance company that suspects fraud are limited. An insurer can inform law enforcement agencies of suspicious claims, withhold payment, and collect evidence for use in a court. Insurers are turning their attention towards big data and analytics solutions to help check fraud, recognize misrepresentation and prevent identity theft. With the government's recent push to adopt digitization, the Aadhaar card plays a crucial role, linking income tax permanent account numbers (PANs), banks, credit bureaus, telecoms and utilities and providing a unified and centralized data registry that profiles an individual's economic behaviour. The e-commerce boom provides additional data on financial behaviour. The success of the battle against insurance fraud therefore depends on two elements:

- The level of priority assigned by legislators, regulators, law enforcement agencies and society
- The resources devoted by the insurance industry itself

Most insurers have established special investigation units (SIUs) to help identify and investigate suspicious claims. These units range from small teams, whose primary role is to train claim representatives to deal with the more routine kinds of fraud cases, to teams of trained investigators, including former law enforcement officers, attorneys, accountants and claim experts. More complex cases involving large-scale criminal operations or individuals that repeatedly stage accidents may be turned over to the NICB, which has special expertise in preparing fraud cases for trial and serves as a liaison between the insurance industry and law enforcement agencies.



Additional takeaways from the latest study include:

- **Anti-fraud technology is flourishing.** The study identified automated red flags (88%), predictive modeling, text mining, reporting capability, case management, exception reporting, and data visualization/link analysis among insurers' most used anti-fraud technologies.
- **Insurers are diversifying their data sources.** Beyond relying on their own internal data, insurers are turning to industry fraud-watch lists, public records, third-party data aggregators, social-media data and data from personal devices.
- **A picture is worth a thousand data points.** Insurers are flocking to photo analysis technology to authenticate claim damage, identify digitally altered images, and index pictures submitted in other claims.
- **Investigators are clamoring for more resources.** New anti-fraud technology is creating efficiencies in investigative processes, but the resources insurers are dedicating to internal and external investigative teams are insufficient to keep pace with the billions in fraud committed each year. Limited IT resources were the top anti-fraud challenge.

India's insurance industry has significantly digitised its fraud investigations in the wake of the covid-19 pandemic, a new survey of industry professionals has revealed. Organizations were using digital solutions for investigations, while some are in various stages of planning the transition to digital.

Use of technology to combat fraud

One of the most effective means of combating fraud is the adoption of data technologies that cut the time needed to recognize fraud. Advances in analytical technology are crucial in the fight against fraud to keep pace with sophisticated rings that constantly develop new scams. Traditional approaches, such as using automated red flags and business rules, have been augmented by predictive modeling, and link analysis-which examines the relationships between items like people, places and events. Artificial intelligence can be used, among other tools, to uncover fraud before a payment is made. These newer strategies are employed when claims are first filed. Suspicious claims are flagged for further review, while those with no suspicious elements are processed normally.

In search of refinement, insurers are blending tools to improve their fraud detection programs. Programs that scan insurance claims have been improved by the consolidation of insurance industry claims databases. Systems that identify anomalies in a database can be used to develop algorithms that enable an insurer to automatically stop claim payments. The greatest challenges for insurers are limited IT resources, which affects about three-quarters of insurers. This is followed by problems in data integration.

Today, insurance providers are increasingly turning to data analytics to quantify fraud detection and weed out bogus claims more efficiently than ever before. With the help of accurate underwriting, the potential of fraud is being detected faster now. However, for data analytics to successfully identify and eliminate frauds, it is imperative not to repeat the mistakes of the 'Identify, Analyse, and Recommend' statistical model that insurance companies used after the fall of claim agents.

Antifraud legislation

The problem is that the law punishes insurance companies but does not provide any recourse to them. If insurance companies prove that a person has actually tried to commit fraud, they get away with very light punishment. In order to stop the fraud in the insurance sector, it is important that strict laws are created as well as implemented. These laws will act as a deterrent to professional frauds that are making a career out of cheating insurance companies. Insurance fraud is any act committed to defraud an insurance process. It occurs when a claimant attempts to obtain some benefit or advantage they are not entitled to, or when an insurer knowingly denies some benefit that is due. Insurance fraud received little attention until the 1980s, when the rising cost of insurance and organized crime rings' growing involvement in fraud spurred efforts to pass stronger antifraud laws.

To successfully bring a fraud case to trial, insurers must be able to provide information to prosecutors on individuals suspected of fraud. Immunity laws, which allow insurance companies to report information without fear of criminal or civil prosecution, now exist in all states. However, not all laws cover insurance fraud specifically, nor do all regulations allow information to be reported to law enforcement agencies or to state departments of insurance. Many are limited in other ways, like only providing protection against libel suits or violation of unfair claims practices acts in auto insurance fraud. Some experts believe that immunity laws should be extended to include good faith exchanges of certain kinds of claim-related information among insurance companies.

Categories of frauds

Two categories of fraud exist: hard fraud and soft fraud. Hard fraud occurs when a policyholder deliberately destroys property with the intent of collecting on the insurance policy. A hard fraud occurs when someone deliberately plans or invents a loss such as a theft of a motor vehicle or setting fire to property covered by an insurance policy. Soft fraud, which is more common, occurs when a policyholder exaggerates on an otherwise legitimate claim, or intentionally omits or lies about information on an application to obtain a lower premium. Soft fraud is often considered a crime of opportunity.

The most common type of fraud scheme among insurance producers is premium diversion. This occurs when an insurance agent or broker keeps policyholders' premium payments instead of sending them to the insurance company. Other types of diversion schemes include selling insurance without a license and collecting premiums without paying claims. Fraud affects the lives of innocent people as well as the insurance industry. Insurance fraud has existed ever since the beginning of insurance as a commercial enterprise. It takes many forms and may occur in any areas of insurance. Insurance companies, their intermediaries or those pretending to be either of them may also perpetrate frauds. It is important that fraudulent activities are eliminated from the industry and it is the duty of all stakeholders to do their bit in dealing with insurance fraud. The IRDAI has come across certain instances of fraudulent activities and has issued alerts to the public about them.

Continuous customer evaluation is vital for fraud detection

Consistently assessing existing customers is the key to detecting frauds early. For instance, a major red flag for potential fraud is the address or beneficiary change for new customers. Insurance providers should verify any change in address, considering most customers would be oblivious to the fact that their identities have been stolen. Fraudulent claims account for a significant portion of all claims received by insurers, and cost billions of dollars annually. Types of insurance fraud are diverse and occur in all areas of insurance. Insurance crimes also range in severity, from slightly exaggerating claims to deliberately causing accidents or damage.

Fraudulent activities affect the lives of innocent people, both directly through accidental or intentional injury or damage, and indirectly by the crimes leading to higher insurance premiums. Insurance fraud poses a significant problem, and governments and other organizations try to deter such activity. The rising instances of fraudulent claims are a major concern for the insurance industry. Fraud cases cost not only the insurer but, also the honest people as the rates are increased owing to the losses borne by the companies.

In a bid to prevent fraudulent claims from going through, insurers are updating their fraud detection capabilities. Fraudulent and dishonest claims are major morale and moral hazard, not only for the insurance industry but even for the entire nation's economy. Insurance fraud is more common in semi-urban and rural areas where insurers might not have adequate infrastructure for a thorough inspection.

Insurance frauds in the form of inflated or false claims hurt not only the insurance companies, but also their customers or insurance buyers, who have to pay higher premiums as a result. Insurance frauds are typically committed at the time of applications or claims and cost a whopping amount every year to insurance companies. Nearly 70 per cent of these frauds are committed through false documents. According to industry estimates, insurers lose close to 10 per cent of their overall premium collection to frauds.

The growing adoption of technologies like artificial intelligence and data analytics are enabling better and faster insurance investigations, which augurs well for the whole industry. Like in most developed insurance markets, it is imperative that data on policies, claims and customers be made available on a shared platform, in real-time.

Such a platform can allow for real-time enquiries on customers. It can also facilitate screening of the originator of every proposal. Insurers would contribute policy, claims and distributors' information to the repository on a regular basis. Such data repositories can provide insights to help insurers detect patterns, identify nexus and track mis-selling. While there is no doubt that the insurance segment is witnessing an unprecedented annual growth, Insurers continue to struggle with loss-leading portfolios and lower insurance penetration among consumers. Insurers are facing increasing pressure to strike the right balance, while ensuring adherence to underwriting and claims decisions in the face of regulatory pressures, growth of digital channels and increasing competition.

Adding to this is the need to secure the good risks, while weeding out the bad risks. In the insurance industry, an estimated Rs 250 crore is the fraud losses every year. Of this, the health insurance-related fraud is estimated to be Rs 50 crore. Here the most common frauds are related to exaggerated medical bills presented by a hospital or fake hospital bills presented by a patient.

Insurance fraud is the act committed with the purpose to obtain outcome from an insurance process in a fraudulent way. It is a big, unending problem in almost all countries around the world. Such rip-offs cost a whopping amount for these governments.

Today everyone is looking out for the best ways to make a quick buck! In the event of expecting quick returns, sometimes it takes the form of gaining through forged insurance claims. According to a recent survey, the number of forged insurance claims accounts to 10-15 % of total claims in India. Insurers are doing everything they can to beat the evil impacts of extortion and headway in innovation could assist with going far in this battle.

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HOW EMBEDDED INSURANCE IS CHANGING INDIA'S INSURTECH LANDSCAPE

Embedded insurance is the real-time bundling and sale of insurance when a consumer purchases a product or service at the point of sale.

It is changing the way people buy insurance by expanding opportunities and building strong customer journeys, making it easier for customers to access insurance or warranty products.

The inherent convenience and personalisation have ensured that India's embedded finance industry will grow by 46% to INR 1,61,442 Cr by 2029.

It took a pandemic to force multiple sectors to accelerate their digital agendas and insurance is no different. As per a recent global survey, 96% of insurance CEOs felt that COVID-19 served as the digital catalyst that fast-tracked digitisation of operations and led to the creation of next-generation operating models.

A growing spate of insurance companies and ecommerce firms are now integrating artificial intelligence (AI), internet of things (IoT), big data analytics, machine learning, open application programming interfaces (API), and other technologies to deliver a hassle-free customer experience and transform the Indian insurance industry. Embedded insurance is only getting started, but it has the potential to become a trillion-dollar business.

What is Embedded Insurance?

Embedded insurance is the real-time bundling and sale of insurance when a consumer purchases a product or service at the point of sale. This insurance could either be complementary (like a warranty) or a consumer may need to pay a nominal fee above the transaction cost. Embedded insurance is made simple and affordable through this issuance process, which also gives insurers access to untapped and underserved markets.

For instance, rural India has a high demand for life insurance products, but traditionally, it has been difficult to sell these services there. With the advent of embedded insurance processes, insurers can now serve this untapped market by providing services like credit life insurance, hospicash, and personal accident Insurance through microfinance without having to rely on costly distribution channels like conventional banks.

How is it Disrupting the Industry?

Embedded technology is changing the way people buy insurance by expanding opportunities and building strong customer journeys, making it easier for customers to access insurance or warranty products throughout the purchase cycle.

Here are some examples:

- Online cab services are offering ride insurance for an amount as low as Rs.2 while you are making the booking.
- Warranty and insurance products are being offered while purchasing electronic devices, appliances against theft, appliance protection, etc.
- Travel aggregators have embedded travel insurance for loss of luggage, trip cancellation or delay.

Along with seamless purchase journeys, the breadth and depth of embedded products is rapidly increasing.

Customers and Businesses Will Benefit

- Embedded insurance provides an easier purchase flow, as it's an 'add-on' to the primary product. As a result, there is no need for a lengthy warranty form, and payment is made in conjunction with the main product.

For instance, if a customer provides information to obtain a loan from a bank or a non-banking financial company (NBFC), that information can be used to issue insurance. This removes the need for additional paperwork and reduces the chances of errors.

- Embedded products are more personalised, complementing the main product's attributes and tailored to the customer's security needs.
- Businesses are also benefiting from lower 'Customer Acquisition Costs' because the customer is already purchasing the main product and embedding the insurance product expands their portfolio.

The inherent convenience and personalisation have ensured that India's embedded finance industry will grow by 46% to INR 1,61,442 Cr by 2029.

Challenges with Embedding Products

However, the transition to embedded insurance is not as straightforward as it appears. Providing insurance in addition to the core product requires time, effort, and capital. In addition, some products are easier to embed than others. Products that require complex underwriting, such as life insurance, where health and behavioural considerations are important, will necessitate an understanding of customer behaviour and may be difficult to implement.

As a result, a company must understand its product offerings, create a parallel technology stack to provide insurance and create a completely new business flow to resolve queries and provide integrated insurance services.

How Is Plug-Play Technology Solving The Problem?

In India, there is currently a 70% protection gap - the difference between the amount of insurance required and the amount of insurance purchased. Insurance companies are identifying these gaps and attempting to address them by incorporating smaller products into larger ecosystems. There is also the requirement to provide the appropriate policy at the appropriate time. Understanding customer needs allows insurers to create offerings that will persuade a consumer to purchase insurance for a product.

One way to bridge this gap is to develop a plug-and-play technology platform. This platform eliminates the hassle of developing an insurance product and allows the company to focus on its core value proposition. The technology determines the best insurance plan for a specific product, and the business decides where the insurance product will be added in the purchasing process. A customisable plug-and-play platform also enables sellers to embed insurance products without the need for additional coding, and an integrated analytics dashboard aids in the understanding of both business and user metrics.

This creates a win-win situation for both the customer and the business, as the customer is insured when necessary, and the business gains additional revenue without having to develop new technology.

Such tools enable insurers to build value-added digital distribution partnerships and embed transparent offers, resulting in relevant and customer-centric insurance offerings.

What is the future of Embedded Insurance?

Insurance has the best chance of being purchased when it is provided at the right time or is bundled with the product. As a result, many ecommerce websites now bundle various types of insurance with their products to ensure customer ease of use and convenience. This approach will also play a significant role in efficiently exploiting the protection gap, resulting in the sustained growth of the embedded insurance market.

However, for this model to succeed, businesses must strike the right balance between speed and efficiency of business operations, customer protection, and regulatory compliance. India is Asia-Pacific's second-largest insurance technology market, and in the coming years, a greater number of partnerships between product and insurance companies will result in greater insurance penetration in the untapped Indian market. This will particularly be the case in rural and underserved areas, creating innovative and tailored offerings for a diverse consumer base.

Courtesy : Inc42

NATIONAL SEMINAR ON "PERCEPTION ON MARINE CARGO AND HULL INSURANCE"

on 3rd September, 2022, Kolkata

Kolkata Insurance Institute(KII) organized a National Seminar on "Perception on Marine Cargo and Hull Insurance" on 3rd September, 2022 at Biswa Banga Convention Centre, New Town, Kolkata. Around 103 participants attended the seminar.

The seminar was inaugurated by Prof (Dr.) J. K. Das, Dean,Calcutta University. The working President of KII, Mrs. Kasturi Sengupta, D.G.M., National Insurance Co. Ltd., welcomed the participants and spoke briefly on the theme of the seminar.

The President of K.I.I. Mr. Peter Chittaranjan, General Manager, National Insurance Co. Ltd. gave a brief account of the activities of the Institute and mentioned about the importance of Marine Cargo and Hull Insurance. He stressed upon the necessity of organizing more such seminars to increase awareness about latest developments in the Insurance Industry.

Mr. B. K. Nayak, Principal, College of Insurance, Kolkata gave a brief introduction on the topic and enumerated his experience in Marine Insurance.

The Chief Guest Prof. (Dr.) J. K. Das Dean, Calcutta Universityspoke about the need of awareness in the Insurance sector. He stressed upon the role of Insurance education to make policyholders more aware about the policies and need for organizing more such programmes.

The Journal of KII was released by Mr. Peter Chittaranjan, Prof (Dr) J K Das, Mrs. Kasturi Sengupta, Mr. B. K. Nayak, Mr. N. C. Mondal (DGM, UII), Mr. P. N. Karmakar (Ex COI/ NIA).

First speaker in the seminar was Mr. Joydeep Roy, Executive Director, Safe Risk Insurance Broker. He spoke on the Hull Insurance underwriting and claims. He deliberated on the topic with help of various definitions, contract terms and case studies.

Next speaker was Mr. Sibesh Sen, Executive Vice President, HDFC Ergo. He spoke on cargo policies underwriting. He explained all vital abbreviated terms used in Marine insurance and shared many case studies. He also briefed the International scenario in Marine Insurance.

After lunch break, third speaker was Mr. Suman Ganguly, Marine consultant, Salasar Services (Insurance Brokers) Pvt. Ltd. and Axiom Insurance Brokers.Mr. Ganguly touched upon Cargo policies underwriting aspects in detail. He referred to several real life examples along with numerous case studies. He also stressed upon the need for awareness about Cargo Insurance Underwriting among the Insurers and Intermediaries.

Dr. S. Mukherjee, DIG, Coast Guard - shared his experience in the coastal area of the sea. Dr. Mukherjee shared his experience on Marine Insurance fraud in the International arena. He mentioned a fact on Titanic which was enjoyed by all.

Vote of thanks was proposed by Hony. General Secretary, Sri Samir Kumar Chatterjee.

Report on Teacher's Day

Kolkata Insurance Institute celebrates Teachers Day Programme every year by felicitating educators for their contribution to the Insurance field. This year also program was held in the Board Room of National Insurance Co. Ltd., CRO-I. Members of KII along with several dignitaries attended the program. This year Prof. (Dr.) J. K. Das, Dean, Calcutta University and Dr. Rakesh Agarwal, Editor, Insurance Times were felicitated. Uttoriay, memento and sweets were given to the teachers.

President of K.I.I. Mr. Peter Chittaranjan, General Manager, National Insurance Co. Ltdspoke on the significance of the day and praised KII for regularly holding this event every year. He lauded the contribution of Prof. (Dr.) J. K. Das, and Dr. Rakesh Agarwal in the education sector.

Mrs. Kasturi Sengupta, working President KIItoo congratulated Prof. (Dr.) J. K. Das, and Dr. Rakesh Agarwal for their immense contribution to the education sector.

Prof. (Dr.) J. K. Das thanked KII for honoring him. He shared a story of Dr. S Radhakrishnan, Ex President of India. He also defined the teacher; narrated the relationship between Teacher and Student.

Dr. Rakesh Agarwal also thanked KII for selecting him to be honored on Teacher's Day. Dr Rakesh Agarwal has been the Editor of The Insurance Times since past 30 years and has authored number of Books on insurance and has been quite active in providing regular training programmes in insurance sector. He stressed the need for spreading awareness in insurance sector as it has been lagging behind in terms of promoting knowledge based selling.

Dr. Ram Prahlad Chowdhury also spoke on the significance of Teacher's Day and recited his own poem on Azadi.

Mr. P. N. Karmakar said he enjoyed his life better as Teacher and wished to be associated with the industry and to contribute in any manner.

During the occasion, the Kolkata Insurance Institute announced to rename the journal published by KII as "Beemadarshi". It was proposed by Mr. Angshuman Roy, Vice President, KII, and accepted by the committee.

Non-life insurers register 12% rise in gross direct premium income at Rs 24,472 crore in August: Irdai

Non-life insurers registered a 12 per cent yearly growth in their gross direct premium income during August this fiscal at Rs 24,471.95 crore, data from insurance sector regulator Irdai showed. In the same month a year ago, all the 31 non-life insurance companies in the domestic market had garnered a gross premium income of Rs 21,867.93 crore. According to the data provided by the Insurance Regulatory and Development Authority of India (Irdai), a total of 24 general insurers witnessed a 9.3 per cent growth in their collective gross direct premium income in August at Rs 17,101.75 crore as against Rs 15,648.63 crore in the year-ago period.

The five standalone health insurance providers reported a jump of 28 per cent in their gross direct premium income during the month at Rs 2,059.38 crore. The figure stood at Rs 1,609.75 crore in August 2021. The rest two specialised public sector insurers in the non-life space witnessed a 15.2 per cent rise in their combined premium income in August 2022 at Rs 5,310.82 crore as against Rs 4,609.55 crore a year ago. On a cumulative basis, all the 31 players' gross direct premium income in AprilAugust period of 2022-23 rose by 18.57 per cent to Rs 1,02,357.29 crore. It was Rs 86,329.09 crore in same period of 2021-22.

Govt, LIC mull at least 51% stake sale in IDBI Bank

The government and life insurer LIC, which together own 94.71 per cent stake in IDBI Bank, are weighing in on selling at least 51 per cent stake in the lender, sources told. A 51 per cent stake in IDBI Bank at the prevailing market capitalisation amounted to Rs 22,017 crore. Earlier, reported that the centre had reached out to global buyout funds and financial institutions, such as the Carlyle Group, TPG Capital and Prem Watsa-controlled Fairfax Holdings, to gauge investor interest in buying majority stakes held directly by the government and LIC in the bailed-out lender.

BIMTECH
BIRLA INSTITUTE
OF MANAGEMENT TECHNOLOGY

Event and happenings at Birla Institute of Management Technology (BIMTECH)

6th BIMTECH Insurance Colloquium on 7th October, 2022

Birla Institute of Management Technology (BIMTECH) will host the 6th BIMTECH INSURANCE COLLOQUIUM-2022 having the theme "Fostering Sustainability and Inclusive Growth-Value Creation Through Building Trust, ESG and Customer Centricity" on 7th October, 2022, Friday MCA Recreation Centre, Bandra Kurla Complex, Mumbai.

The event will see participation of galaxy of eminent speakers comprising of CEO's, policymakers and experts from the insurance industry. The welcome address would be given by Dr. Harivansh Chaturvedi, Director BIMTECH. Mr. Sakate Khaitan, Senior Partner, Khaitan Legal Associates and Member BOG, BIMTECH will be giving the theme address. We are privileged to have the presence Mr. M. R. Kumar, Chairman LIC of India to deliver the keynote address at the colloquium. We would be honouring G N Bajpai, Former Chairman-Securities and Exchange Board of India-SEBI, Former Chairman-LIC of India, with Lifetime Achievement Award

Students with Mr. Debasish Panda, IRDAI chairman

Visit of BIMTECH PGDM (Insurance Business Management) Programme students to Health Conference

Students attended the 16th Health Insurance Summit, organized by the Confederation of Indian Industry (CII) on 30th August, 2022 held at New Delhi. The conference had a galaxy of eminent speakers-CEOs of insurers, policymakers, the IRDAI Chairman, and industry experts.

The students had the opportunity of meeting Mr. Debasish Panda, Chairman, IRDAI among other esteemed speakers.

Visit and participation by BIMTECH faculty at International Conference as panel speakers

Dr. Abhijit Chattoraj, Professor and Chairperson of Insurance Business Management Programme and Dean Student Welfare will be a panel speaker at a conference organized by the FAIR (Federation of Afro Asian Insurers and Reinsurers forum) on the theme "Impact of rising inflation and resilience of the Re/Insurance Industry" taking place in Istanbul Turkey from 21 st to 24 th September. Dr. Chattoraj will speak on 22nd September on the topic "Role of Regulators in helping the industry to navigate Economic Challenges"

Prof Pratik Priyadarshi a faculty in Insurance Business Management Programme at BIMTECH will be a panel speaker at Asia Nat CAT and Climate Change Conference organized by Asia Insurance Review in Singapore from 26th -27th September 2022. The conference theme is "Unmask the Possibility" Mr. Priyadarshi will speak on the topic Will climate change be the cause of new pandemics? On 27th September 2022.

LEGAL

Mumbai businessman kin get record Rs. 4 crore solatium for 2016 death

In possibly the highest payout in recent times, the Motor Accident Claims Tribunal ordered the owner of a dumper truck and an insurance company to jointly pay around Rs 4.13 crore compensation (with interest) to the family of a Sakinaka 54-year-old garment businessman, who died after his bike was rammed into by the heavy vehicle in 2016.

The tribunal relied on the income tax returns, which it said was "a statutory document on which reliance may be placed to determine a victim's annual income". The tribunal refuted the insurance company's claims that since the victim was not wearing a helmet, he was responsible for his death. The family had sought compensation of Rs 3 crore.

The wife of Jameel Shaikh and his six children moved the tribunal on November 7, 2016, against the dumper truck owner Gauri Jadhav and New India Assurance Co Ltd.

The family said on August 28, 2016, between 3-4pm while Jameel proceeding from Sakinaka to Powai on his motorcycle, the truck came from behind in "high, improper speed" and knocked him down. Jameel was taken to hospital, where he was declared dead.

An FIR was registered against the driver for causing death by negligence. The dumper owner didn't respond to the claim and the order against them was passed ex parte.

The insurance company argued that had Jameel worn a helmet, which was mandatory in law, the head injury could have been avoided. It is contended that the driver of the offending vehicle was not holding a valid and effective driving licence at the time of the accident and thus, insured has committed breach of terms and conditions of the policy. It denied the liability to pay the compensation.

The tribunal said the insurance company had not produced evidence to support its claims.

Reforms in insurance law are in order

GoI is reportedly looking at changes in the insurance law, including lowering the minimum capital requirement, to drive up insurance penetration. Easing the minimum capital requirement of 100 crore will help reduce the initial hurdle for new-age companies foraying into the sector.

Allowing different types of insurance companies such as micro-insurance and agriculture insurance - akin to different kinds of banks catering to different customer classes - will foster innovation. Greater competition will drive down costs and give policyholders a wider choice. The capital requirements after the initial roll-out are a function of the volume of business and, so, depend on the insurer's book size.

Insurance is a risk-based business. Premium payments lie on the books of insurers, and prudential norms require insurance companies to provide for more capital as premium collections rise. So, more capital will be necessary if these insurers want to grow.

A vibrant insurance market that can attract long-term funds calls for more reforms. Rightly, the FDI cap was hiked to 74% from 49% to allow foreign partners majority control. Reportedly, two rules - one that requires insurance companies to have an identifiable promoter with a 50% stake in perpetuity (unless another promoter steps into his shoes), and another barring M&As between insurance and non-insurance entities - are seen by some as roadblocks to investment. A road map for stake dilution makes sense when a company is professionally managed and capable of getting listed. The insurance regulator should take a page from RBI that allows stake dilution by promoters of private banks. Lifting the bar on M&A activity involving a noninsurance company is in order. It can help insurers build capabilities by acquiring startups.

Mergers will result in more effective use of capital to support the insurers' solvency margin requirements. Consolidation will help increase insurance penetration into India's hinterland. Clear regulatory norms are required for policyholders to have trust in insurers.

FinMin mulls changes in insurance laws to boost penetration

The finance ministry is contemplating changes in insurance laws, including reduction in minimum capital requirement, with a view to increasing the insurance penetration in the country.

Insurance penetration in India increased from 3.76 per cent in 2019-20 to 4.20 per cent in 2020-21, registering a growth of 11.70 per cent. Insurance penetration measured as the percentage of insurance premium to GDP witnessed handsome growth during the year, mainly due to the outbreak of COVID-19.

The ministry is doing a comprehensive review of the Insurance Act, 1938 and also looking at making relevant changes to help push growth of the sector, sources said, adding the process is at a preliminary stage.

One of the provisions being considered is lowering the minimum capital requirement of Rs 100 crore for setting up an insurance business, the sources said.

Easing capital requirement would allow entry of differentiated insurance companies like in the banking sector, which has categories like universal bank, small finance bank and payments bank.

With the ease of entry capital norms, sources said, there could be entry of companies focussed on micro insurance, agriculture insurance or insurance firms with regional approach.

So for them, the solvency margin requirement would also be different but without compromising on policyholders' interest, the sources said.

Entry of more players would not only push penetration but result in greater job creation in the country.

Presently, there are 24 life insurance companies and 31 non-life or general insurance firms, including specialised players like the Agriculture Insurance Company of India Ltd and ECGC Limited.

Last year, the government brought an amendment in the Insurance Act to allow increasing foreign holding in insurers from 49 per cent to 74 per cent. Besides, Parliament passed the General Insurance Business (Nationalisation) Amendment Bill, 2021, allowing the central government to pare stake to less than 51 per cent of the equity capital in a specified insurer, paving the way for privatisation.

In 2015, the Insurance Act was amended for raising the foreign investment cap from 26 per cent to 49 per cent. All these amendments since privatisation of the insurance sector have led to exponential growth.

According to a study, India is likely to become the sixth largest insurance market in the world in the next 10 years, supported by regulatory push and rapid economic expansion.

Total insurance premiums in India will grow by an average 14 per cent per annum in nominal local currency terms over the next decade, making India the sixth largest in terms of total premium volume by 2032 from 10th largest in 2021.

Both life and non-life insurers collected a premium of Rs 8.2 lakh crore during 2020-21. ❑

Informal sanitation workers to get govt health insurance cover under PM-JAY

The Centre has decided to expand health insurance coverage for informal sanitation workers to expand its outreach to grassroot-level workers through government schemes. The Centre has decided to bring these workers, mostly involved in sanitation work like septic tank cleaning and casual sanitation work, under the Pradhan Mantri Jan Arogya Yojana (PM-JAY) or Ayushman Bharat. The scheme provides health cover of '5 lakh per family per year for secondary and tertiary care hospitalisation to economically weaker sections. The government has decided that in case an informal sanitation worker is not in the beneficiary list, the government would pay the premium to bring him and his family under the ambit of the PM-JAY. The premium will be funded from the ministry of social justice and empowerment's new scheme -- the National Action for Mechanised Sanitation Ecosystem (NAMASTE).

The move comes after recent ground visits revealed how casual workers, specifically sanitation workers, had not tapped into the government schemes due to lack of awareness. On a recent visit to Meerut, ministry officials reported that out of 42 sanitation workers the team interacted with to generate awareness, only one worker was a beneficiary of PM-JAY and the remaining did not have access.

IRDAI Circular

Appointment or Continuation of Common Director(s) u/s 48A of Insurance Act, 1938

IRDAI/F&I/CIR/MISC/183/9/2022

Date: 02nd September, 2022

1. The second proviso of section 48A of the Insurance Act, 1938 provides that "the Authority may permit an agent or intermediary or insurance intermediary to be on the Board of an insurance company subject to such conditions or restrictions as it may impose to protect the interest of policyholders or to avoid conflict of interest."
2. Applications are filed with the Authority seeking approval under section 48A of the Insurance Act, 1938, for new appointment or continuation of common director(s) representing insurance agent, intermediary or insurance intermediary on the board of insurance company.
3. The Authority, in exercise of powers conferred under section 14(1) of the IRDA Act, 1999 hereby provides the following framework for appointment of common director under section 48A of the Insurance Act, 1938:
   a. The appointment or continuation of common director representing insurance agent, intermediary or insurance intermediary on the board of insurance company shall be deemed to have been permitted, unless otherwise provided for in this Circular, subject to following conditions:
      i. The proposed director shall not be working in the capacity of the Chief Insurance Executive / Specified Person or any other officer responsible for soliciting insurance business for or on behalf of the insurance agent, intermediary or insurance intermediary while holding the position of director in the insurance company.
      ii. There should be no conflict of interest or prejudice against the interest of the policyholders as a result of such appointment.
      iii. Insurer shall not pay any remuneration to non-executive directors without prior approval of the Authority. However, insurers are permitted to pay sitting fees, as per applicable norms.
      iv. The disclosure requirement as laid down under the Corporate Governance Guidelines for Insurers in India, IRDA (Preparation of Financial Statement and Auditor's Report of Insurance Companies) Regulations, 2002 and any other extant applicable laws shall be complied with.
      v. A resolution is passed approving such appointment by the Board of insurance company/ agent/intermediary/insurance intermediary.
      vi. The common director shall recuse himself/herself from the discussion and voting on any matter/discussion pertaining to:
         1. Any area having potential conflict of interest;
         2. Insurer/Agent/Intermediary/Insurance intermediary where she/he is holding common directorship.
      vii. The number of directorships held by the common director shall not exceed, at any point of time, the maximum number of directorships specified under the extant law including the Companies Act, 2013.
      viii. The Insurer/Agent/Intermediary/Insurance intermediary shall comply with all other applicable laws.
   b. An individual, already acting or proposed to act as

Executive Director / Whole-Time Director on the Board of the Insurer/Agent/Intermediary/Insurance intermediary, shall not be appointed as nominee/common director.

c. The common director may be appointed as Chairperson on the Board of the insurance company / agent / intermediary / insurance intermediary subject to necessary safeguards, to be put in place at all the times, to protect the interest of policyholders and to avoid the conflict of interest as may arise due to such appointment.

4. The Insurers shall file a certificate on an annual basis, duly certified by the CEO, confirming compliance with the provisions of this circular on financial year basis. The compliance shall be filed with Authority not later than 30th April of the succeeding financial year.

5. This Circular will come into force from the date of issuance of the same and will supersede the Circular IRDA/F&A/CIR/MISC/141/08/2018 dated 30.08.2018.

(Rakesh Joshi)
Member (F&I)

Guidelines on Information and Cyber Security

IRDAI/GA&HR/GDL/MISC/184/09/2022

Date: 2nd Sep, 2022

1. Reference is drawn to Point no. 3 on “Applicability” of Guidelines on Information and Cyber Security for Insurers dated 07.04.2017 read as “this guidelines document is applicable to all insurers regulated by Insurance Regulatory and Development Authority of India (IRDAI).”

2. It has been decided by the Authority to extend the applicability of said guidelines to all Insurance Intermediaries with immediate effect.

Member (F&I)

Applicability of Service Tax / GST on services provided by IRDAI to Insurance intermediaries

IRDAI/GA&HR/CIR/MISC/189/09/2022

Dated : 06th Sep, 2022

1. Reference is drawn to para 12 of Annexure – I of D.O.No. 22003/15/2019-14C dated 30th March 2022 (enclosed) issued by Home Secretary, GOI and communication from Department of financial services advising IRDAI to issue instructions to all entities coming under its administrative control for celebrating the "Cyber Jaagrookta (Awareness) Diwas (CJD)" on the first Wednesday of every month, and also to prepare an “Annual Action Plan”.

2. In this connection, you are requested to prepare an “Annual Action Plan” for celebrating “Cyber Jaagrookta Diwas” on every first Wednesday of the month during the period 11am to 12 noon (tentatively) and share the action plan with us at infosec@irdai.gov.in by 30th September, 2022.

(P.S. Jagannatham)
Chief General Manager (GA & HR)

Rationalization of Health Insurance Business Returns

13.09.2022

As part of promoting ease of doing business for insurance companies, Insurance Regulatory and Development Authority of India (IRDAI) has been constantly striving to reduce the compliance burden of all the regulated entities. Towards this endeavour, the health insurance returns being filed by the insurance companies have been significantly reduced. Now, the General and Health Insurers will have to file 8 returns and Life Insurers will be filing 3 returns in place of 17 returns being filed currently. This step will further help insurers in focusing on their business rather than a plethora of compliances and in turn help in increasing the insurance penetration in country.

These revised reporting norms will be applicable with immediate effect.

Mr. Thomas Devasia, Member (Non - Life)

Date:21-09-2022

Mr. Thomas Devasia assumed charge as Member (Non-Life) in the Insurance Regulatory & Development Authority of India (IRDAI) on 19 September 2022.

He has been with the general insurance industry for over 35 years in roles spanning management of direct and reinsurance underwriting, loss adjustment and broking across the Indian and Middle East insurance markets.

Mr. Thomas holds Masters in Statistics and started his career with GIC Re after graduating from New India Assurance Training College in 1986. ❑

GROSS DIRECT PREMIUM INCOME UNDERWRITTEN BY NON-LIFE INSURERS WITHIN INDIA (SEGMENT WISE) : FOR THE PERIOD UPTO August 2022 (PROVISIONAL & UNAUDITED) IN FY 2022-23 (Rs. In Crs.)

	Fire	Marine Total	Engineering	Motor Total	Health	Aviation	Liability	P.A.	All Other Misc (Crop Insurance + Credit Guarantee+ All other misc)	Grand Total	Market %
General Insurers											
Acko General Insurance Ltd	0.00	0.00	0.00	231.31	300.31	0.00	26.85	2.62	10.05	571.15	0.56%
Bajaj Allianz General Insurance Co Ltd	1047.99	144.02	134.07	1883.71	1242.88	4.96	270.92	85.04	1803.32	6616.91	6.46%
Bharti AXA General Insurance Co Ltd	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Cholamandalam MS General Ins. Co Ltd	299.68	55.18	11.55	1486.28	239.49	0.00	11.10	128.94	30.86	2263.09	2.21%
Edelweiss General Insurance Co Ltd	10.20	0.94	2.75	129.70	72.81	0.00	0.05	13.55	1.33	231.33	0.23%
Future Generali India Ins. Co Ltd	243.82	46.67	31.61	645.52	253.60	0.32	27.09	30.61	195.42	1474.68	1.44%
Go Digit General Insurance Ltd	201.96	26.22	23.52	1336.88	283.06	0.00	512.94	58.46	21.62	2464.66	2.41%
HDFC Ergo General Insurance Co Ltd	889.87	107.90	86.59	1620.81	1862.81	6.97	245.27	298.79	1182.86	6301.87	6.16%
ICICI Lombard General Ins. Co Ltd	1589.79	372.55	262.76	3030.75	2141.98	58.54	378.74	236.00	931.77	9002.88	8.80%
IFFCO-Tokio General Insurance Co Ltd	484.91	142.93	68.04	1342.72	871.16	0.00	99.31	59.89	538.58	3607.54	3.52%
Kotak Mahindra General Insurance Co Ltd	31.08	7.97	3.24	187.99	142.94	0.00	0.34	20.64	13.59	407.79	0.40%
Liberty General Insurance Co. Ltd	53.04	19.24	14.20	470.76	152.60	0.00	8.51	11.70	32.16	762.21	0.74%
Magma HDI General Insurance Co Ltd	127.94	12.41	1.91	699.88	74.60	0.00	23.16	2.91	0.31	943.12	0.92%
National Insurance Co Ltd	608.40	115.53	136.52	1715.13	2619.24	19.66	74.63	312.00	203.26	5804.36	5.67%
Navi General Insurance Co. Ltd	0.20	0.00	0.00	14.74	16.79	0.00	0.00	0.17	0.00	31.90	0.03%
Raheja QBE General Insurance Co Ltd	12.42	0.00	1.03	159.12	4.88	0.00	27.49	0.22	0.20	205.35	0.20%
Reliance General Insurance Co Ltd	639.02	64.68	105.97	1300.16	697.70	18.10	34.41	73.19	1135.23	4068.47	3.97%
Royal Sundaram General Ins. Co Ltd	172.12	25.16	25.48	827.80	206.63	0.00	4.97	21.36	4.44	1287.96	1.26%
SBI General Insurance Co Ltd	675.02	39.62	31.27	968.35	738.35	0.03	27.13	343.81	1108.43	3932.01	3.84%
Shriram General Insurance Co Ltd	30.51	0.90	6.09	734.78	0.72	0.00	2.36	12.97	5.26	793.59	0.78%
Tata AIG General Insurance Co Ltd	945.99	264.59	65.91	2178.95	889.87	35.64	216.39	197.61	151.50	4946.45	4.83%
The New India Assurance Co Ltd	2010.34	419.81	397.27	3185.39	7498.72	105.68	241.23	323.81	608.51	14790.76	14.45%
The Oriental Insurance Co Ltd	850.68	217.07	153.23	1214.18	3269.58	59.44	67.64	244.05	210.10	6285.96	6.14%
United India Insurance Co Ltd	1029.55	204.36	172.93	2045.87	3315.57	35.62	136.84	177.80	203.77	7322.31	7.15%
Universal Sompo General Ins. Co Ltd	123.94	15.79	6.36	804.42	130.12	0.00	12.75	66.10	346.74	1506.22	1.47%
General Insurers Sub Total	**12078.47**	**2303.54**	**1742.30**	**28215.20**	**27026.41**	**344.96**	**2450.12**	**2722.24**	**8739.31**	**85622.57**	**83.65%**
Previous Year Sub Total	10779.68	1782.70	1467.21	23459.31	22842.00	334.67	1710.58	2496.64	7056.44	71929.23	
% Growth	12.05%	29.22%	18.75%	20.27%	18.32%	3.07%	43.23%	9.04%	23.85%	19.04%	
Health Insurers											
Niva bupa health insurance company limited	0.00	0.00	0.00	0.00	1382.25	0.00	0.00	28.10	0.00	1410.35	1.38%
Aditya Birla Health Insurance Co Ltd	0.00	0.00	0.00	0.00	976.18	0.00	0.00	65.51	0.00	1041.69	1.02%
Care Health Insurance Ltd	0.00	0.00	0.00	0.00	1814.66	0.00	0.00	139.07	0.00	1953.73	1.91%
ManipalCigna Health Insurance Co Ltd	0.00	0.00	0.00	0.00	480.76	0.00	0.00	9.36	0.00	490.12	0.48%
Star Health & Allied Insurance Co Ltd	0.00	0.00	0.00	0.00	4509.39	0.00	0.00	65.10	0.00	4574.49	4.47%
Health sub Total	**0.00**	**0.00**	**0.00**	**0.00**	**9163.24**	**0.00**	**0.00**	**307.14**	**0.00**	**9470.38**	**9.25%**
Previous Year Sub Total	0.00	0.00	0.00	0.00	7201.93	0.00	0.00	237.17	0.00	7439.10	
% Growth					27.23%			29.50%		27.31%	
Specialised Insurers											
Agriculture Insurance Co Of India Ltd	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6843.19	6843.19	6.69%
ECGC Ltd	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	421.20	421.20	0.41%
Specialised sub Total	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**7264.39**	**7264.39**	**7.10%**
Industry Total	**12078.47**	**2303.54**	**1742.30**	**28215.20**	**36189.65**	**344.96**	**2450.12**	**3029.38**	**16003.70**	**102357.34**	**100.00%**
Previous Year Sub Total	10779.68	1782.70	1467.21	23459.31	30043.93	334.67	1710.58	2733.81	14017.15	86329.04	
% Growth	**12.05%**	**29.22%**	**18.75%**	**20.27%**	**20.46%**	**3.07%**	**43.23%**	**10.81%**	**14.17%**	**18.57%**	
% Market Share	11.80%	2.25%	1.70%	27.57%	35.36%	0.34%	2.39%	2.96%	15.64%	100.00%	

Note: Compiled on the basis of data uploaded by member insurers on Online Portal.

Performance STATISTICS - LIFE INSURANCE

SUMMARY OF NEW BUSINESS PERFORMANCE OF LIFE INSURERS FOR THE PERIOD ENDED AUGUST - 2022 (PROVISIONAL)

(₹ Crores)

Sl. No.	Particulars	Premium in Rs. Crores					No. of Policies / Schemes				
		Month of Aug-2022	Upto Aug-2022	Month of Aug-2021	Upto Aug-2021	YTD Variation in %	Month of Aug-2022	Upto Aug-2022	Month of Aug-2021	Upto Aug-2021	YTD Variation in %
1	**Aditya Birla Sun Life Insurance Co. Ltd.**										
	Individual Single Premium	81.93	167.26	21.23	87.27	91.65%	1325	2621	241	816	221.20%
	Individual Non Single Premium	227.87	804.53	172.31	651.22	23.54%	17834	77142	18148	75747	1.84%
	Group Single Premium	339.64	1414.93	76.70	501.57	182.10%	13	45	5	27	66.67%
	Group Non Single Premium	0.72	2.46	0.29	1.16	111.47%	0	1	0	1	0.00%
	Total	**668.52**	**2471.96**	**275.78**	**1262.46**	**95.80%**	**19196**	**79917**	**18404**	**76634**	**4.28%**
2	**Aegon Life Insurance Co. Ltd.**										
	Individual Single Premium	0.02	0.01	0.01	0.10	-85.59%	548	700	0	506	38.34%
	Individual Non Single Premium	0.06	0.47	0.89	6.53	-92.77%	26	568	463	4741	-88.02%
	Group Single Premium	0.26	0.75	0.00	0.00	---	0	4	0	0	---
	Group Non Single Premium	0.00	0.00	0.00	0.00	---	0	0	0	0	---
	Total	**0.42**	**1.37**	**1.16**	**11.63**	**-88.22%**	**575**	**1274**	**464**	**5264**	**-75.80%**
3	**Ageas Federal Life Insurance Co. Ltd.**										
	Individual Single Premium	14.62	70.87	21.26	90.42	-21.61%	304	1492	444	1765	-15.47%
	Individual Non Single Premium	36.94	137.41	32.79	102.26	34.37%	3556	14460	3677	12076	19.74%
	Group Single Premium	19.97	78.61	11.99	42.09	86.75%	0	3	0	0	---
	Group Non Single Premium	0.00	0.00	0.00	0.00	5.42%	0	0	0	0	---
	Total	**71.54**	**286.89**	**66.03**	**234.77**	**22.20%**	**3860**	**15955**	**4121**	**13841**	**15.27%**
4	**Aviva Life Insurance Co. Ltd.**										
	Individual Single Premium	1.17	5.07	0.79	4.15	22.15%	15	60	15	17	252.94%
	Individual Non Single Premium	14.22	52.25	14.39	50.88	2.68%	2360	7912	1981	6492	21.87%
	Group Single Premium	0.00	1.88	0.26	1.37	37.14%	0	2	0	0	---
	Group Non Single Premium	0.07	0.46	0.10	0.40	13.40%	0	0	0	0	---
	Total	**16.71**	**95.05**	**22.95**	**95.00**	**0.05%**	**2385**	**8011**	**2006**	**6566**	**22.01%**
5	**Bajaj Allianz Life Insurance Co. Ltd.**										
	Individual Single Premium	46.45	210.56	21.31	86.42	143.65%	483	2421	361	1251	93.53%
	Individual Non Single Premium	358.80	1559.58	260.73	996.96	56.43%	44271	205668	38180	144119	42.71%
	Group Single Premium	232.17	2407.18	207.03	1234.82	94.94%	6	63	14	35	80.00%
	Group Non Single Premium	0.00	0.00	0.00	0.00	---	0	0	0	0	---
	Total	**669.02**	**4481.63**	**505.29**	**2438.13**	**83.81%**	**44768**	**208243**	**38558**	**145443**	**43.18%**
6	**Bharti AXA Life Insurance Co. Ltd.**										
	Individual Single Premium	4.08	11.81	5.13	24.15	-51.10%	39	175	50	167	4.79%
	Individual Non Single Premium	53.16	243.94	50.35	209.36	16.52%	7535	35300	9610	39190	-9.93%
	Group Single Premium	14.43	78.37	14.32	60.09	30.42%	0	5	2	5	0.00%
	Group Non Single Premium	0.00	0.00	0.00	0.00	---	0	0	0	0	---
	Total	**74.67**	**342.57**	**69.80**	**293.87**	**16.57%**	**7574**	**35480**	**9662**	**39362**	**-9.86%**
7	**Canara HSBC Life Insurance Co. Ltd.**										
	Individual Single Premium	30.08	97.69	33.67	131.01	-25.43%	170	709	263	1326	-46.53%
	Individual Non Single Premium	113.71	452.34	98.29	327.16	38.26%	14360	57255	13492	47136	21.47%
	Group Single Premium	45.21	253.09	45.44	528.41	-52.10%	4	10	0	2	400.00%
	Group Non Single Premium	0.02	0.25	0.15	0.98	-74.40%	2	3	0	0	---
	Total	**231.11**	**1014.28**	**179.00**	**1089.73**	**-6.92%**	**14537**	**57992**	**13760**	**48505**	**19.56%**
8	**Edelweiss Tokio Life Insurance Co. Ltd.**										
	Individual Single Premium	1.52	10.04	1.36	9.90	1.47%	14	105	28	451	-76.72%
	Individual Non Single Premium	27.22	128.18	28.69	113.25	13.19%	3619	19113	4530	20140	-5.10%
	Group Single Premium	1.52	4.45	1.81	9.45	-52.96%	0	0	0	0	---
	Group Non Single Premium	0.00	0.00	0.00	0.00	---	0	0	0	0	---
	Total	**30.43**	**143.32**	**31.97**	**133.33**	**7.49%**	**3633**	**19219**	**4558**	**20595**	**-6.68%**
9	**Exide Life Insurance Co. Ltd.**										
	Individual Single Premium	5.90	33.69	13.98	63.03	-46.55%	85	389	101	419	-7.16%
	Individual Non Single Premium	54.19	237.15	54.60	201.27	17.83%	10093	44321	10840	41511	6.77%
	Group Single Premium	0.01	0.19	0.09	0.29	-34.58%	0	0	0	0	---
	Group Non Single Premium	6.02	9.21	0.85	26.54	-65.31%	9	20	0	10	100.00%
	Total	**69.95**	**308.87**	**86.39**	**334.71**	**-7.72%**	**10187**	**44730**	**10941**	**41940**	**6.65%**
10	**Future Generali India Life Insurance Co. Ltd.**										
	Individual Single Premium	1.79	3.63	0.42	1.06	241.16%	27	80	23	48	66.67%
	Individual Non Single Premium	22.26	93.35	16.49	74.82	24.76%	3411	13543	2662	10644	27.24%
	Group Single Premium	1.65	5.67	1.96	11.27	-49.66%	0	0	0	0	---
	Group Non Single Premium	0.00	0.00	0.00	0.00	---	0	0	0	0	---
	Total	**55.54**	**246.25**	**22.33**	**152.70**	**61.27%**	**3440**	**13635**	**2685**	**10701**	**27.42%**
11	**HDFC Life Insurance Co. Ltd.**										
	Individual Single Premium	327.88	1493.63	397.95	1470.97	1.54%	3556	17221	4146	17068	0.90%
	Individual Non Single Premium	772.61	2891.18	646.15	2537.37	13.94%	67663	286613	73150	315426	-9.13%
	Group Single Premium	948.97	4299.76	713.07	3505.03	22.67%	21	68	0	23	195.65%
	Group Non Single Premium	0.00	0.00	0.00	0.00	---	0	0	0	0	---
	Total	**2091.33**	**8873.38**	**1790.50**	**7652.56**	**15.95%**	**71271**	**303988**	**77304**	**332545**	**-8.59%**
12	**ICICI Prudential Life Insurance Co. Ltd.**										
	Individual Single Premium	231.12	1078.44	274.48	1178.60	-8.50%	2256	12613	2921	12041	4.75%
	Individual Non Single Premium	445.66	1911.88	517.55	1846.47	3.54%	43989	199439	51944	212779	-6.27%
	Group Single Premium	334.26	1433.45	247.55	825.75	73.59%	11	30	14	41	-26.83%
	Group Non Single Premium	0.00	0.00	0.01	0.14	-98.92%	0	0	0	0	---
	Total	**1420.76**	**5949.21**	**1276.44**	**4991.96**	**19.18%**	**46452**	**212727**	**54907**	**225622**	**-5.72%**

Performance STATISTICS - LIFE INSURANCE

SUMMARY OF NEW BUSINESS PERFORMANCE OF LIFE INSURERS FOR THE PERIOD ENDED AUGUST - 2022 (PROVISIONAL)

(₹ Crores)

Sl. No.	Particulars	Premium in Rs. Crores					No. of Policies / Schemes				
		Month of Aug-2022	Upto Aug-2022	Month of Aug-2021	Upto Aug-2021	YTD Variation in %	Month of Aug-2022	Upto Aug-2022	Month of Aug-2021	Upto Aug-2021	YTD Variation in %
13	**IndiaFirst Life Insurance Co. Ltd.**										
	Individual Single Premium	5.68	23.04	6.63	24.82	-7.18%	115	524	165	605	-13.39%
	Individual Non Single Premium	134.10	557.55	105.48	360.26	54.76%	24654	107449	21609	75511	42.30%
	Group Single Premium	95.18	367.07	148.97	492.11	-25.41%	20	82	34	161	-49.07%
	Group Non Single Premium	0.03	0.11	0.08	0.34	-67.87%	0	1	0	0	---
	Total	**234.38**	**947.77**	**261.16**	**877.53**	**8.00%**	**24789**	**108056**	**21808**	**76277**	**41.66%**
14	**Kotak Mahindra Life Insurance Co. Ltd.**										
	Individual Single Premium	101.49	420.79	96.17	354.09	18.84%	1233	13993	1719	7673	82.37%
	Individual Non Single Premium	149.47	601.75	137.38	460.00	30.82%	20169	88364	22459	79831	10.69%
	Group Single Premium	198.11	903.66	121.05	437.45	106.57%	9	29	4	42	-30.95%
	Group Non Single Premium	2.11	8.45	0.00	0.07	12172.17%	1	3	0	4	-25.00%
	Total	**553.37**	**2259.36**	**488.33**	**1545.28**	**46.21%**	**21466**	**102578**	**24218**	**87846**	**16.77%**
15	**Max Life Insurance Co. Ltd.**										
	Individual Single Premium	188.13	777.98	142.24	583.85	33.25%	828	3830	640	2586	48.11%
	Individual Non Single Premium	342.32	1586.72	394.50	1573.76	0.82%	39622	189059	47468	203871	-7.27%
	Group Single Premium	67.52	283.61	70.10	257.51	10.13%	2	4	0	21	-80.95%
	Group Non Single Premium	0.00	0.00	0.00	0.00	---	0	0	0	0	---
	Total	**604.04**	**2671.31**	**610.78**	**2423.57**	**10.22%**	**40463**	**192940**	**48108**	**206484**	**-6.56%**
16	**PNB Metlife Life Insurance Co. Ltd.**										
	Individual Single Premium	9.00	44.67	13.83	50.05	-10.75%	107	753	201	724	4.01%
	Individual Non Single Premium	166.97	620.43	120.62	425.04	45.97%	24054	98359	20460	80763	21.79%
	Group Single Premium	65.73	264.76	37.73	131.51	101.32%	0	0	0	1	-100.00%
	Group Non Single Premium	0.03	0.15	0.06	0.63	-76.13%	26	54	1	69	-21.74%
	Total	**262.98**	**991.87**	**180.70**	**659.82**	**50.32%**	**24187**	**99166**	**20662**	**81557**	**21.59%**
17	**Pramerica Life Insurance Limited.**										
	Individual Single Premium	0.68	2.58	1.64	2.42	6.52%	11	41	21	41	0.00%
	Individual Non Single Premium	13.10	56.51	9.92	44.57	26.79%	2790	12627	2598	9287	35.96%
	Group Single Premium	36.40	117.39	12.36	36.95	217.67%	0	17	1	1	1600.00%
	Group Non Single Premium	0.00	0.00	0.00	0.00	---	0	0	0	0	---
	Total	**51.90**	**193.65**	**26.69**	**103.92**	**86.34%**	**2807**	**12716**	**2627**	**9406**	**35.19%**
18	**Reliance Nippon Life Insurance Co. Ltd.**										
	Individual Single Premium	1.74	12.95	3.89	20.22	-35.96%	71	426	145	666	-36.04%
	Individual Non Single Premium	64.39	347.09	66.46	290.35	19.54%	11754	60353	13142	58446	3.26%
	Group Single Premium	0.00	0.00	0.00	0.00	---	0	0	0	0	---
	Group Non Single Premium	4.02	33.80	17.72	65.02	-48.01%	3	21	3	14	50.00%
	Total	**71.25**	**396.98**	**89.37**	**384.00**	**3.38%**	**11832**	**60822**	**13294**	**59150**	**2.83%**
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	547.71	1989.10	332.83	1174.60	69.34%	7180	29681	7025	35574	-16.57%
	Individual Non Single Premium	1088.11	4564.05	1171.71	3565.15	28.02%	160921	714295	160852	553264	29.11%
	Group Single Premium	981.13	3864.16	707.98	2510.53	53.92%	8	46	9	34	35.29%
	Group Non Single Premium	5.20	14.38	0.06	12.47	15.30%	0	0	0	0	---
	Total	**2700.80**	**10615.77**	**2237.81**	**7382.34**	**43.80%**	**168147**	**744159**	**167891**	**588919**	**26.36%**
21	**Shriram Life Insurance Co. Ltd.**										
	Individual Single Premium	2.68	16.49	6.85	25.88	-36.27%	825	3732	817	2727	36.85%
	Individual Non Single Premium	42.69	188.71	36.40	151.89	24.25%	22048	98613	19804	79745	23.66%
	Group Single Premium	28.50	126.67	21.88	56.65	123.60%	1	2	0	1	100.00%
	Group Non Single Premium	0.00	0.00	0.00	0.00	---	0	0	0	0	---
	Total	**75.80**	**360.00**	**71.24**	**280.07**	**28.54%**	**22875**	**102361**	**20626**	**82539**	**24.02%**
22	**Star Union Dai-Ichi Life Insurance Co. Ltd.**										
	Individual Single Premium	10.61	47.60	10.89	51.16	-6.96%	210	1184	248	1025	15.51%
	Individual Non Single Premium	99.19	411.99	85.28	264.42	55.81%	16624	60221	10937	35431	69.97%
	Group Single Premium	126.63	212.43	16.68	63.55	234.25%	0	2	0	0	---
	Group Non Single Premium	0.00	0.00	0.00	0.06	-107.28%	0	0	0	0	---
	Total	**426.90**	**1362.07**	**175.46**	**612.62**	**122.34%**	**16841**	**61423**	**11190**	**36479**	**68.38%**
23	**Tata AIA Life Insurance Co. Ltd.**										
	Individual Single Premium	54.77	281.76	43.80	164.30	71.49%	494	2590	534	1853	39.77%
	Individual Non Single Premium	499.71	1929.89	327.34	1193.70	61.67%	48047	219872	38484	157756	39.37%
	Group Single Premium	17.92	80.80	8.74	24.62	228.21%	1	4	1	2	100.00%
	Group Non Single Premium	0.36	1.75	0.35	1.75	-0.19%	0	8	0	11	-27.27%
	Total	**592.85**	**2397.05**	**390.79**	**1428.34**	**67.82%**	**48578**	**222644**	**39034**	**159709**	**39.41%**
	PRIVATE										
	Individual Single Premium	1669.05	6799.67	1450.34	5598.47	21.46%	19896	95340	20108	89349	6.71%
	Individual Non Single Premium	4726.77	19376.94	4348.32	15446.67	25.44%	589400	2610546	586490	2263906	15.31%
	Group Single Premium	3555.20	16198.89	2465.70	10731.04	50.95%	96	416	84	396	5.05%
	Group Non Single Premium	18.59	71.01	19.68	109.57	-35.19%	41	111	4	109	1.83%
	Private Total	**10974.25**	**46410.61**	**8859.97**	**34388.33**	**34.96%**	**609863**	**2708036**	**606828**	**2355384**	**14.97%**
24	**Life Insurance Corporation of India**										
	Individual Single Premium	2115.81	8652.07	2311.31	7808.39	10.80%	85103	358089	91308	300443	19.19%
	Individual Non Single Premium	2497.34	11217.69	2344.32	9281.32	20.86%	1568300	6681193	1679836	5284052	26.44%
	Group Single Premium	16732.84	77162.28	13896.89	48374.25	59.51%	77	435	19	63	590.48%
	Group Non Single Premium	441.41	1928.48	106.88	614.21	213.98%	516	2255	696	2665	-15.38%
	Total	**21882.13**	**99199.82**	**18960.77**	**66592.38**	**48.97%**	**1656500**	**7051330**	**1773904**	**5593960**	**26.05%**
	GRAND TOTAL	**32856.38**	**145610.43**	**27820.74**	**100980.72**	**44.20%**	**2266363**	**9759366**	**2380732**	**7949344**	**22.77%**

Glossary

Warrant

An agreement that gives the holder the right to purchase an underlying financial instrument at a given price and time or at a series of prices and times according to a schedule or warrant agreement.

Warranty

Coverage that protects against manufacturer's defects past the normal warranty period and for repair after breakdown to return a product to its originally intended use. Warranty insurance generally protects consumers from financial loss caused by the seller's failure to rectify or compensate for defective or incomplete work and cost of parts and labor necessary to restore a product's usefulness. Includes but is not limited to coverage for all obligations and liabilities incurred by a service contract provider, mechanical breakdown insurance and service contracts written by insurers.

Poll

Do you think Insurance Sector will witness sea change in distribution channels

Yes

No

Can't say

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Poll Contest, **The Insurance Times**

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Results of Poll in our September 2022 Issue

Do you think relaxation of norms for corporate agents will affect Insurance Broking business?

Yes	30
No	70
Can't say	00


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তাঁর আশীর্বাদে জীবন প্রফুল্ল হয়।
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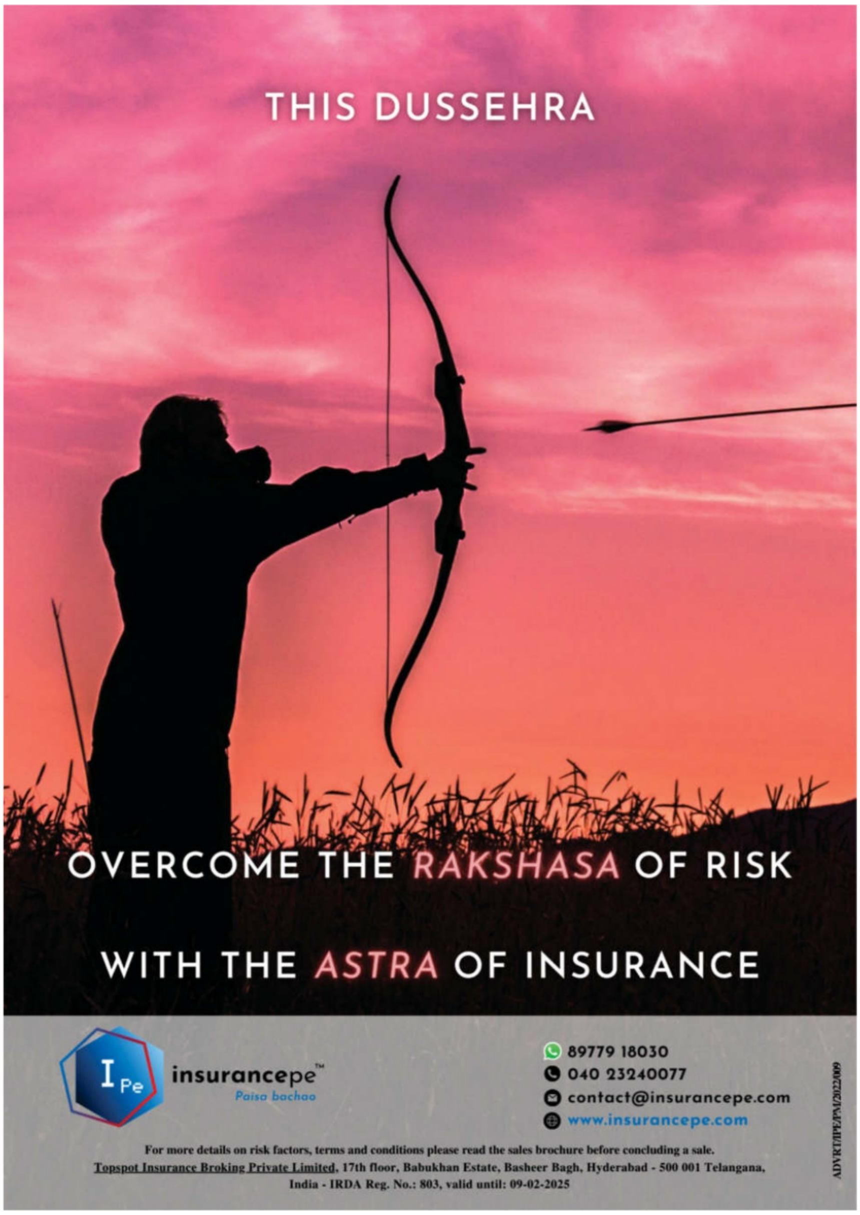
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