



Insurance Institute of India

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INSUNEWS

- Weekly e-Newsletter

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• Quote for the Week •

“The highest education is that which does not merely give us information but makes our life in harmony with all existence”
Rabindranath Tagore

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Insurance Industry

FDI in insurance a hit, but pension sector still struggling - Mint - 15th December 2015

A single legislation enacted in March raised foreign direct investment (FDI) limits in insurance and pension to 49%, but investors have responded differently to the two sectors providing social security for Indians.

In March, the government enacted the insurance amendment Act that allowed foreign investors to hold up to 49% stake in Indian insurance joint ventures, an increase from the 26% earlier permitted.

The same legislation also allowed higher investment in the pension sector as the FDI caps in both sectors were linked to each other through the Pension Fund Regulatory and Development Authority (PFRDA) Act. The PFRDA Act says that the pension FDI cap will be the same as the cap existing in the insurance sector, thereby allowing higher FDI in pension sector as well.

The government was hopeful that a relaxation in the foreign investment ceiling will see many investors come into the Indian market, given the huge under-penetration.

However, the National Pension System (NPS), regulated by PFRDA, continues to remain unattractive for foreign investors. One of the reasons is the low subscriber base for the unorganized sector under the NPS, which reduces the funds under management for pension fund managers belonging to the private sector.

There are also restrictions that permit only fund managers from the public sector—SBI Pension Fund, UTI Retirement Solutions Ltd and LIC Pension Fund—to manage the large existing subscriptions of government employees. PFRDA has moved a proposal to the government to allow private fund managers to manage the central and state government employee corpus.

A senior official of the PFRDA said that there has been no interest from foreign investors so far.

“When all these things fall into place, probably then we could see some investor interest,” he said.

The total corpus under the NPS is more than Rs.1 trillion. But, of this, only around Rs.12,000 crore is available to be managed for private sector fund managers.

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Source

Insurers to make underwriting stricter - Financial Chronicle - 14th December, 2015

As natural disasters like floods and cyclones recurring at alarming frequency since 2012-13.

In the aftermath of Chennai floods, insurance companies will get stricter while underwriting in calamity-prone areas. Like the way they do in earthquake zones, the industry looks forward to mapping of flood zones and pricing premiums accordingly.

The underwriters' job will now be heavier as natural disasters like floods and cyclones recurring at alarming frequency since 2012-13. Uttarakhand, Andhra Pradesh, Jammu and Kashmir and lately Tamil Nadu have witnessed natural calamities like floods and cyclones in the past three years.

“With the kind of flooding we have seen in Chennai the underwriting will get stricter. We will see whether the building is in a low-lying area, which can be easily flooded. We will see whether the warehouses are located in flood-prone areas and whether the stocks are kept in the basements,” said G Srinivasan, chairman, New India Assurance. The proximity of the property to water sources and maintenance of drainage pipes also could be factors that are considered while accepting a risk. Underwriters, who were lenient with the norms, will now have no choice but to go by the books.

“The deductibles in risky cases may go up and the clauses and conditions could be different. Some insurer may not be willing to underwrite and another one could charge a slightly heavier premium,” said A V Girija Kumar, director and general manager of United India Insurance. The insurance companies can also encourage customers to take loss control measures. Based on such events prices may not immediately go up, finds Easwara Narayanan, COO of Future Generali India Insurance as this is a decision the industry has to take and for that studies on the regularity of such occurrences have to be undertaken.

“However, the market is now soft, especially after the detariffing. There is a case of the pricing to harden,’ he said. The reaction of the reinsurance market towards the regular occurrence of such events also will determine the pricing.

“If the global reinsurance companies find Indian market prone to natural calamities vis-a-vis other markets, they may go for a higher pricing. At present, the reinsurance market too is soft,” added Kumar.

The industry also looks forward for some sort of mapping of flood-prone areas, similar to that for earthquakes.

“At present, we have only earthquake zones and there is no mapping for flood-prone areas. Considering the impact of climate change, there should be certain classification in terms of flooding. But studies have to be done to make such classification. Even in case of Tamil Nadu there are coastal areas which have been suffering from more number of natural calamities compared to inland areas,’ said Narayanan. Mapping of flood-prone areas will help insurance companies bring in differential pricing based on the vulnerability.

“With floods becoming regular phenomena and the company having handled flood related claims in the past, the company has a set SOP in place,” Vijay Kumar, chief technical officer (motor), Bajaj Allianz General Insurance. This includes setting up of internal disaster management team and dedicated toll-free helplines.

“SBI General has already created a mechanism to deal with natural calamity claims management. The norms for handling claims are reviewed keeping in view the type and extent of calamity and appropriate instructions are placed with the team handling the situation on ground. This helps us deliver a coordinated response when a natural disaster of this volume hits the country,” said Pankaj Verma, head, claim operations, SBI General Insurance.

Source

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Insurance cos asked to quickly process flood claims - The Hindu Business Line - 11th December 2015

The Finance Ministry has directed insurance companies to quickly process the insurance claims filed by flood-affected people in Tamil Nadu.

Source

This was stated by Jayant Sinha, Minister of State for Finance, during question hour in Lok Sabha on Friday.

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Insurers see 20k flood related claims; settle 425 so far - Financial Chronicle - 11th December 2015

Days after rain inflicted massive damage to life and property in Tamil Nadu, Puducherry and parts of Andhra Pradesh, non-life insurers have received as many as 19650 claims worth Rs 2098.94 crore.

GIPSA (General Insurance Public Sector Insurance Association) companies have witnessed 6002 claims worth Rs 1445.66 crore. About 153 claims worth Rs 3/48 crore have been settled. Private non-life insurers have seen 13648 claims Rs 653.28 crore. In this case, 272 claims worth Rs 4.14 crore have been settled. Overall, 425 claims have been settled worth Rs 7.62 crore. These are latest figures based on the numbers reported to IRDAI, which has set up a mechanism for all non-life insurers (including standalone health insurers) to submit information relating to insurance claims in Tamil Nadu, Andhra Pradesh and Puducherry on a daily basis.

Source

At the end of Thursday, the number of claims reported by general insurance firms had nearly tripled to 14,738 from 5,717 (Wednesday). In sync with higher number of claims, the estimated loss on Thursday had almost doubled to Rs 1906.92 crore from Rs 1045 crore a day ago. Till Thursday, the number of claims settled were 336 and the amount paid stood at about Rs 7 crore.

As per quick and rough estimates of ASSOCHAM Research Bureau, financial losses due to record-breaking rainfall in Chennai and several parts of Tamil Nadu may even exceed Rs 15,000 crore mark. Apart from trade and industry, it is the common people. Small and medium enterprises (SMEs) and auto ancillary units that have been worst affected by this catastrophe, the industry body said.

Meanwhile, SBI Life Insurance, Birla Sun Life Insurance and Max Life Insurance are among companies that have set up a process for speedy and hassle free settlement of claims related to Chennai flood claims.

In a unique initiative, CDSL said it has emailed a statement of holding as on November 30, 2015 to its (Beneficiary Owners) BOs residing in Chennai, Cuddalore and Kanchipuram. In order to facilitate BOs to have access to their KYC documents, CDSL has also dispatched the copies of KYC documents (Proof of Identity and Address) along with the statement. This would enable BOs to apply for duplicate documents with the concerned authorities incase their original KYC documents have been destroyed in the floods.

The average annual flood damage in a 10-year period from 1996 to 2005 was Rs 4,745 crore compared with Rs 1,805 crore, the corresponding average for the previous 53 years, NDMA figures show. The total financial loss due to the J&K floods was placed at over Rs 5,000 crore.

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India: Insurers need US\$9 bln to reach global average penetration – Asia Insurance Review

The insurance industry will require INR500 billion (US\$7.5 billion) to INR600 billion (US\$8.9 billion) in capital to improve insurance penetration in the country from around 3% of gross domestic product at present to 6%, the world average, according to the Insurance Regulatory and Development Authority of India (IRDAI).

"The capital can come from foreign investors or from Indian investors," said IRDAI chairman T S Vijayan.

He also said that no new foreign insurer had entered India after the insurance law was amended in March to raise the ceiling on foreign direct investment in insurance companies to 49% from 26%, reported the Times of India.

However, several foreign insurers with joint ventures in the country have increased or have announced that they would increase their holdings in the ventures.

In March, Minister of State for Finance Jayant Sinha said: "What we estimated is, if we have to increase insurance penetration from 3% currently to 6%, then we will require capital somewhere in the range of INR400-500 billion, of which of course 49% will have to come from FDI.

Source

"So we are talking about (foreign) investment in the range of INR250 billion in the insurance sector to really ensure that we get to 6% penetration in the medium term."

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Insurance Regulation

FDI hike in insurance will help deepen penetration: TS Vijayan – 10th December 2015

Hailing higher foreign participation in the insurance sector as a "positive" step, India Chairman TS Vijayan today said it will attract more capital and increase sectoral penetration in India.

"This is extremely positive step. I am sure more capital is going to come. More capital is required to increase the penetration of insurance in India," Vijayan told reporters here on the sidelines of Health Insurance Conference organised by Ficci.

"Insurance companies are already in discussion... when they discuss raising stake from 26 per cent to 49 per cent, there is of course discussion on pricing. Once they conclude on the pricing front, it will help increase insurance penetration."

Following relaxation in norms, some foreign players have recently increased their stake to 49 per cent from 26 per cent in their Indian joint ventures. The prominent ones are Nippon in Reliance Life Insurance, AXA in Bharti AXA Life Insurance, Bupa in Max Bupa Health Insurance and Sunlife Financial Inc in Birla Sunlife.

On Irda's response to the recent floods in Chennai and other areas, he said data are being collected on a daily basis and companies have been asked to relax provisions as well.

"We are collecting everyday the types of losses that have happened in Chennai and how much is settled. We have told the companies to relax some of the provisions (regarding claim settlement)," he said. "We are daily monitoring how claims are settled. We are sure most of the claims will be settled in time."

Vijayan spoke of the need for increased awareness about health insurance in India and making it affordable.

Earlier, at the main event, Vijayan asked the industry players to increase their customer base and underlined the need for affordable premium. The Irda chairman also pitched for involving small and payment banks as well as cooperatives to help deepen the insurance penetration in the country.

Source

Antony Jacob, CEO-Apollo Munich Health Insurance, said the industry needs to do a lot more to catch up in terms of increased communication.

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Health Insurance

Health Insurance TPA of India to be launched soon – Business Standard – 11th December, 2015

The Health Insurance TPA of India Ltd, which has been set up by public sector non-life insurance companies, to manage their health claims is all set to go live. Once it is operational, a portion of claims (8-10 per cent) that are now being handled by external third party administrators (TPAs) would move to the new body.

This TPA will help in reducing the turnaround time. The speculation that the new body will take away business from external TPAs is not true as initially it will only handle a small number of claims. TPAs process health insurance claims and offer facilities like cashless settlement of claims for insurance companies.

The new entity will not only provide pre-authorisation service and process claims, it would also provide network empanelment, verification and investigation, and pre-policy health check-up. The company is a joint venture of public sector non-life insurance companies – National Insurance Company, New India Assurance Company, United Insurance Company, Oriental Insurance Company, and General Insurance Corporation of India.

The first four have 23.75 per cent stake each in the new company while GIC has five per cent stake. The internal TPA was set up to prohibit large-scale leakages while settling insurance claims in the health segment. Insurers expect the new body to speed up the claims settlement process and reduce the claims ratio of insurance firms.

This move is also expected to reduce costs for insurers, who pay a commission to TPAs for processing the claims. The company has got a licence from the Insurance Regulatory and Development Authority of India (IRDAI) to function as TPA and is now running trials. TPA licences are valid for three years from the date of issue or renewal.

Source

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Affordability of health insurance is the need of the hour: Irda Chairman - The Economic Times – 10th December 2018

Addressing a FICCI Health Insurance Conference, the IRDAI Chairman T S Vijayan, Chairman said that apart from product innovation, affordability of health insurance is the need of the hour. He suggested that the insurers should work towards increasing the voluntary customer base, from the current 8% to at least 20-25% of India's population in order to increase affordability.

The theme of the conference was 'Creating Value through Customer Centricity'. The Irda chief recommended that health insurance should be driven by the consumer and the community it serves. "Health insurance is a financing mechanism where in the community pools its funds to be made available to those who need to pay

for their medical expenses," said Vijayan. He also emphasized that a balance needs to be created between the expectations of the consumer and aspirations of the industry.

On the occasion a paper on Critical illness was also released. The aim of it is to review the existing definitions of critical illness and also identify and define new conditions.

G Srinivasan, Chair, FICCI Health Insurance Committee and CMD, The New India Assurance said that standardization of all procedures and forms should be carried out across the industry to bring in greater transparency.

Source

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Health insurance claims: TPAs to be made more accountable - The Hindu Business Line – 10th December 2015

In a bid to seek greater accountability from third-party administrators (TPAs) for processing health insurance claims, the insurance regulator plans to tighten the regulations governing them.

According to a senior official at the Insurance Regulatory and Development Authority of India (IRDAI), the revamped TPA health regulations will clearly define the purview of operations for them.

IRDAI had made it clear in the regulations that TPAs can only process or recommend claims and cannot repudiate claims.

"All correspondence with respect to repudiation or rejection of the claim can be done only by the insurer by stating valid reasons," the official said.

Most insurers outsource claims processing to TPAs, who act as intermediaries between hospitals and insurers, to save on administrative and distribution costs. As TPAs get a commission for cutting down claims, they often question the treatment and tests the insured undergo, resulting in a reduction in the claim settlement amount.

Gaurang Damani, an activist who had filed a public interest litigation in the Bombay High Court on health insurance, said: "Insurance companies have been incentivising TPAs to reduce the bill amount and, in turn, lower their outgo."

He also said that the regulations governing TPAs will help remove anomalies that exist in the current system, which puts the consumer at a disadvantage.

Source

At present, the average claim amount of health insurance policies settled by TPAs is lower than those settled by in-house claim settlement teams set up by insurers directly.

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General Insurance

Motor insurance to cost up to 15% more in metro cities like Mumbai, New Delhi, Chennai – The Economic Times – 17th December, 2015

Car owners in Mumbai, New Delhi, Chennai and Kolkata may have to pay 15% higher premium than their cousins in other parts of the country as insurance companies believe the risk of insuring cars in big metros are higher after Chennai floods saw more than Rs 1,500 crore worth of claims.

"We will have to build in the factor of flood for all big cities that are developing fast and premium should go up by 10%-15%," said Vijay Kumar, head of motor insurance Bajaj Allianz General Insurance.

"Simple clogging due to rain water can enter basement parking and result in claims." Various parameters, including geography and fuel type, are considered while pricing the motor insurance policy.

Chennai floods have resulted in record claims of Rs 1,500 crore due to damage to cars, which is more than double of what insurers faced during the Mumbai floods in 2006.

"After the Chennai experience, we know that severity of claims is higher in metros, so there will be an increase in premium," said SS Gopalaratnam, MD and CEO of Cholamandalam MS. "We are trying to see if flood related policy rates could be revised both in motor and property because losses are higher by up to 10%."

Most insurance companies have paid motor claims worth Rs 30 crore- Rs 50 crore. Insurance companies have set up special helplines and expedited claim payouts and are helping cars to be towed to the nearest workshop. The regulator had also stepped in and asked companies to settle claims within a stipulated time.

IRDA also asked insurers to publicise details of their offices and special camps set up for the purpose through the media and state government to enable filing of claims.

After the tariff deregulation in 2007, insurers have been undercutting each other in most businesses. Experts say insurers need to invest in actuarial capabilities to underwrite risk and price it accordingly.

Other additional covers such as engine protector, depreciation and car replacement cover are bought with standalone motor insurance cover. The claims have already exceeded that of Jammu & Kashmir and Uttarakhand floods where there was a hit of Rs 1,500 crore each time for the industry: the claims from Chennai floods have already touched close to Rs 3,000 crore.

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Property and catastrophe insurance premiums likely to shoot up in 2016 – The Hindu Business Line – 16th December, 2015

Rising incidents of natural catastrophes, such as cyclones and floods, could lead to a jump in property and catastrophe insurance premiums in the next calendar year, say industry experts.

According to industry estimates, insurers are likely to face losses of around Rs 2,500 crore from the recent Chennai floods.

Incidentally, in 2014, India witnessed the world's largest and third-largest catastrophes — Cyclone Hudhud and the Kashmir floods, respectively — in terms of overall damage and losses estimated at Rs 5,000 crore.

Industry officials say that premium rates on property insurance declined as much as 80 per cent during the last five years due to pricing war among insurers. However, in 2016, this trend will reverse.

Reinsurance driven

As part of mega policies, insurers, apart from fire, cover big industrial assets against business disruptions. These policies are primarily reinsurance-driven as insurance companies pass on part of their risk to reinsurers to mitigate risks associated with severe losses.

The fall in re-insurance rates globally, arising from overcapacity (oversupply of capital), have helped insurers keep the premium low.

However, with major foreign re-insurers now planning to open branches in India, there will be an alignment between the re-insurers to ensure that there is an upward correction in property insurance prices, Sanath Kumar, Chairman and Managing Director of General Insurance Corporation (GIC Re), said.

Many restrictions likely

“We expect premium rates in the domestic market to go up as the current prices are unsustainable and high discounts are offered by insurers. We will see a tightening in the Indian market rates as there will be a lot of restrictions in placing reinsurance business overseas,” the GIC Re CMD said.

The restriction stems from the recent proposal from the insurance regulator that general insurers will have to give preference to domestic re-insurer GIC Re, after which they can place business with foreign re-insurers based in India.

Only after they have exhausted these two avenues can they go overseas for placing reinsurance business.

G Srinivasan, Chairman and Managing Director of New India Assurance, said he expects premiums on natural catastrophes in property insurance to go up as the market has consistently seen major losses over the last three years.

Source

“We have seen multiple cyclones and flooding in major cities over the last three years which will definitely impact premium rates in the natural catastrophe segment,” said Rakesh Jain, CEO, Reliance General Insurance.

Government to come out with new crop insurance scheme - The Times of India - 12th December 2015

Agriculture minister Radha Mohan Singh on Friday said the government would soon come out with a new crop insurance scheme in which farmers will have to pay lower premium and also remove anomalies in claim settlement.

Replying to a discussion on drought in Lok Sabha, the minister said the government will set up a committee to look into the revamp of minimum support price and promised to create a national market for agricultural produce by May 2017.

Singh said the NDA government would provide soil health card to every farmer by March 2017. On the drought situation in the country, he said reports coming from nine states mentioned that 207 districts were affected by drought.

"When the drought started, we had provided funds to the states. Because of the contingency plan that we had put in place, the impact on productivity has been less compared to what it should have been," Singh said.

The agriculture minister said nine states, including Maharashtra, Telangana, Odisha and Jharkhand, were affected but the government had put in place contingency plans which had limited its impact.

Though the debate was initiated by Congress member Jyotiraditya Scindia on Monday, the main opposition party did not participate in the discussion on Friday after its members and those of Trinamool Congress walked out of the House to protest some "objectionable" remarks by a BJP member against Congress leaders Rahul Gandhi and Scindia.

Attacking the UPA government for bringing amendments to the crop insurance scheme, Singh alleged that the scheme was amended to benefit corporate houses and not farmers.

"Ever after 18 months, I am unable to understand whether the amended scheme was for the benefit of farmers or corporates... We have completed the review and will streamline the scheme. We will very soon come out with a new crop insurance scheme removing anomalies in premium and claim settlement," Singh said. The present scheme covers 70 crops.

Source

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New KYC norms for non-life policies likely - Financial Chronicle - 10th December 2015

KYC is a process by which banks get information about the identity and address of the customers.

With domestic financial regulators ensuring that entities adhere to KYC (know your customer) norms, non-life insurers may be soon be asked to comply with the new guidelines at the time of inception of such policies.

At present, the prevailing industry practice is that KYC is not done for small-ticket transactions while those entailing Rs 50,000 or above are required to be KYC compliant.

KYC is a process by which banks obtain information about the identity and address of the customers. This process helps to ensure that services of financial intermediaries like banks and mutual funds are not misused. In case of banks, the KYC procedure is completed while opening accounts and also periodically update the same.

Current guidelines require general insurers to conduct KYC at the settlement stage only and that too, where the amount of claim payout / premium refund is over Rs 1 lakh. In case the claim/refund is paid out to third parties (e.g. garage, network hospital etc.), KYC applies on "customers" on whose behalf service providers act.

Also, as per current practice, KYC is mandated at issuance stage in scenarios where the premium is over Rs 1 lakh (then PAN number is collected) and when premium is over Rs 10 lakh (then enhanced KYC is performed). Enhanced KYC is basic KYC along with a check on the genuineness of the "source of funds".

At the 90th meeting of the Insurance Regulatory Authority of India (Irdai) held recently at Hyderabad, in which chairman TS Vijayan, whole-time members DD Singh, VR Iyer, Nilesh Sathe, part-time members Alok Tandon and VK Gupta were also present, a presentation was made on "the compliance with KYC norms at the time of inception of non-life policies", according to an Irdai document.

It was observed by one of the members that the cost of furnishing KYC to insurer is borne by the insured and citizens regularly produce KYC for many transactions, particularly financial transactions. Hence, citizens might not find it difficult to produce KYC for non-life insurance, the Irdai document said.

Source

Irdai has now granted in-principle approval for placing a concept paper on the compliance with KYC norms for non-life insurance. Once the paper is out, feedback will be sought from insurers on the matter. Regulations may come after the feedback process is over.

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Survey & Reports

75% of two-wheelers in India are uninsured, says ICICI Lombard - The Hindu Business Line - 17th December 2015

A majority of vehicles in the country run without an insurance cover, said a survey by ICICI Lombard.

According to ICICI Lombard, while two wheelers account for 70 per cent of all vehicles in India, almost 75 per cent of vehicles run without insurance -- either they run without Insurance or their insurance has lapsed.

Further, out of 32.9 million vehicles registered in India excluding two wheelers only 9.5 million are uninsured. This comes even as it is mandatory for all vehicles on the road under the Motor Vehicle Act to have a third party insurance cover.

Sanjay Datta, Chief-Underwriting, Claims and Reinsurance said that the renewals among two wheelers are low as there is limited distributor interest as ticket-size of these policies is small.

Source

However, he said that the company has launched three-year two-wheeler insurance policies in April which has sold more than 2.7 lakh policies which will reduce the hassles of renewing policies every year.

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IRDAI Circular

Source

IRDAI uploaded terms and conditions of life products for F.Y. 2015-16.

Source

Status of Insurance Brokers (As on 31st October, 2015) is available on IRDAI website.

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Global News

China: Income tax exemption pilot for medical insurance starts on 1 January - Asia Insurance Review

Income-tax payers in 31 cities on the Chinese mainland will enjoy income tax exemption from 1 January next year when they buy commercial health insurance as the authorities aim to promote such medical insurance to supplement a government-run basic health insurance scheme.

Shanghai, Beijing, Tianjin, Chongqing, and one large city in each of the provinces and autonomous regions will pilot the preferential tax policy, the Ministry of Finance, the State Administration of Taxation, and the China Insurance Regulatory Commission (CIRC) said in a statement. Under it, policyholders can deduct up to CNY2,400 (US\$387) per year from their assessable income for health insurance premiums.

People earning between CNY5,200 and CNY8,000 a month are able to save CNY20 a month in income tax under the exemption.

All the employed in the selected cities will be included in the programme and can buy the special policies designed by the CIRC and sold by commercial insurance companies. The policies will offer additional coverage beyond employees' current medical fund to include critical illness and accidental injury.

Source

GF Securities estimated the total health insurance premiums could

China: CIRC issues internal control guideline for insurance funds – Asia Insurance Review

China's insurance regulator has published a guideline covering the internal control of insurance funds to enhance the sector's risk management capability.

The China Insurance Regulatory Commission said in a statement on its website that the guideline will improve internal control over the use of insurance funds, enhance the sector's ability to manage risks and help the sector be prudent in investment and prevent risks, reported the Xinhua News Agency.

Along with the guideline, the CIRC also unveiled three separate documents to set standards and procedures for insurance funds' investments in bank loans, fixed-income products, stocks and mutual funds investing mainly in stocks.

For stocks and mutual funds, insurers should form a management system to cap maximum transactions and losses to control risks, the regulator said. They should also step up monitoring to avoid violations including insider trading, interest transfer, price-fixing and reporting abnormal information, the CIRC said.

Source

[Back](#)***Kuwait: Govt wants visitors to purchase health insurance – MEIR Daily***

The Kuwaiti Ministry of Health intends to require that health insurance be acquired by visitors who travel to the country on tourist or commercial visit visas, following a government study on the issue.

A team consisting of members from the Health Minister's Office and the ministry's legal affairs department is currently preparing a draft Bill to be submitted soon to the Cabinet, reported Kuwait Times citing ministry sources.

The team has discussed with various insurance companies various options to implement the scheme.

In November, Health Ministry Undersecretary Dr Khaled Al-Sahlawi said the ministry was studying the possibility of imposing health insurance on visitors.

The insurance premiums should be added to the value of air tickets, or the visitor could pay them at the border, he said.

Requiring visitors to acquire health insurance is not a new move in the GCC states. Saudi Arabia is implementing such a requirement. In the Kingdom, foreigners on visit visas will have to take health insurance from seven cooperative health insurance companies licensed by the Cooperative Health Insurance. The compulsory health insurance scheme applies to foreign visitors and their dependents, except Haj and Umrah pilgrims, guests of the State, and diplomats and visitors to foreign missions and international organisations who enter the Kingdom on business.

Source

[Back](#)***Takaful: Islamic financial industry needs 56,000 more experts over next 5 years – MEIR Daily***

Fifty-six thousand more qualified experts will be needed to fill positions in the Islamic financial sector, including insurance, in the next five years as growth accelerates.

This estimate was given by the Kuala Lumpur-based Finance Accreditation Agency, an independent quality assurance and accreditation body supported by Bank Negara Malaysia and Securities Commission Malaysia. The agency is responsible for raising the standards and quality of professional learning and development in the financial services industry.

Hoping to narrow the expertise gap is the Chartered Institute of Islamic Finance Professionals (CIIF) which aims to increase membership of its qualified practitioners to 3,000 in three years, from 400 at present, reported Gulf News.

Set up seven years ago, CIIF is going global as it seeks to fill a void of experts with specialities such as insurance and law, said its President, Mr Badlisyah Abdul Ghani.

CIIF, which changed its name and geographical focus in 2015, is in talks with associations and regulators stretching from the Middle East to Indonesia as part of that drive, he said. CIIF was formerly the Association of Chartered Islamic Finance Professionals.

The US\$2-trillion Islamic financial industry has long been plagued by a shortage of individuals who have studied beyond the prerequisite skill base. An industry report in 2013 showed that by segment, the capital market segment (comprising sukuk and Islamic funds) faces the biggest talent shortage, followed by takaful and then banking.

CIIF plans to start offering specialised courses next year to address the problem, which is hindering industry development, Mr Badlisyah said. The newly rebranded institute will also promote members globally and aims to provide a common standard of education acceptable in the various countries offering Shariah-compliant products, he said.

The standards and codes of conduct issued by CIIF will be recognised and adopted under the Islamic Finance Profession Charter, which was signed by key Shariah-compliant associations in Malaysia, Mr Badlisyah said. CIIF hopes that these guidelines will be adopted too by other qualified leading organisations such as the Bahrain-based General Council for Islamic Banks and Financial Institutions and the Indonesian Syariah Banking Association.

Source

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