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QUOTE OF THE WEEK

"True wisdom comes to each of us when we realize how little we understand about life, ourselves, and the world around us."

Socrates

INSIDE THE ISSUE

INSURANCE TERM FOR THE WEEK

Guaranteed Interest Rate

A guaranteed interest rate is an interest rate that a certain party ensures will not fluctuate beyond a certain point.

In the context of insurance, many life insurance companies offer investment vehicles with insurance rates. When a life insurance company provides an investment option with a guaranteed interest rate, the policyholder will know that the interest rate will stay within the provided range.

If an interest rate is not guaranteed, then there is always the possibility that it could change. If the interest rate on an investment vehicle changes, then it means that the investor could end up making significantly less money.

For example, if a particular investment vehicles an interest rate of 10 percent, and it suddenly drops to five percent, then the investor would lose a significant amount of money. For this reason, many life insurance policyholders prefer guaranteed interest rates.

INSURANCE INDUSTRY

1 In Every 4 Corporate Upped Insurance Cover for Employees Post Pandemic – The Times of India – 29th April 2022

Post the pandemic, not just individuals but also corporates are becoming health conscious like never before. According to a survey conducted by Policybazaar, at least one in every four corporate entities has upped the overall coverage amount to Rs 5 lakh. Earlier the preferred coverage was between Rs 1 and 3 lakh.

Moreover, out of all the group health insurance policies being bought from Policybazaar, 60 percent still opted for individual cover while the remaining opted for a family floater plan in the fourth quarter of fiscal 2022.

"The lesser premium is the primary reason behind the larger share of individual cover. Corporates, especially fresh startups, prefer individual cover at the initial phase as the prices are reasonable. However, a family floater cover with PED & Maternity Coverage is more beneficial for the employees as it provides all-round protection to the family," said Raghuveer Malik, Business Head - Corporate Insurance, Policybazaar.

Another key trend that has emerged in the adoption and usage of add-on wellness benefits like teleconsultation, mental Wellness & Health Check-up Plans amongst the corporates.

During the Jan-Mar'22 quarter, 30% chose to invest in an unlimited teleconsultation plan, while 18% opted for a health check-up plan as an add-on cover. Furthermore, 76% of customers opted for pre-existing disease (PED) cover, while 59% opted for Maternity coverage as an add on cover. "These uncertain times have taken a toll on the overall physical and mental health of the workforce. Therefore, the new-age corporate wellness playbook is all about flexibility, customisation, inclusivity, and digital means to achieve these goals...GHI does not only cover hospitalisations but also provides several employee-centric benefits like fit-coins, unlimited teleconsultations, customisation, wellness benefits, and more. When a company weighs the features of all available options keeping in mind the challenges facing the employees, they give employees the motivation to give their best. Moreover, a company can create the ideal framework to retain as well as attract the best talent in their respective industry" said Malik.

The inclusion of regular preventive health check-ups and free consultations in the group health insurance can also help deal with health issues more effectively.

The Insurance Regulatory and Development Authority of India issued guidelines in September 2020 on preventive and wellness features. The IRDAI's mandate mentioned that it should be designed with the objective of improving and keeping up the good health. Insurance companies are encouraged to incentivize the policyholders who meet the set wellness criteria with reward points.

"The insured can utilize these points to save on the policy renewal premium or redeem it for membership in sports clubs, gyms, and yoga sessions. The coverage scope has expanded beyond diagnostic tests and hospitals. The insurance companies can use the opportunity to set the wellness criteria as per the lifestyle adopted by the insured's and not just his health status," noted Policybazaar. In fact more than 30% of those who purchased health insurance plans in March and April of 2021 renewed their policies through wellness points in 2022.

According to Bajaj Allianz, the different types of wellness benefits offered under health insurance plans include health boosters and supplements, redeemable membership of empaneled yoga institutes and gyms, concession on the payment of insurance premium at the time of health insurance renewal, increment in the amount of sum insured, free health diagnostics and check-ups at empaneled hospitals, redeemable pharmaceutical vouchers at empaneled outlets and free or relatively lower expenses for outpatient treatment and consulting. The points are rewarded to you for undergoing various wellness activities like medical check-ups, fitness programs, HRA etc.

"You can earn wellness points by submitting relevant documents as a proof of undertaking any wellness activity to ICICI Lombard Health Care within 60 days. Also, you need to fill up and send the wellness points accumulation form," said ICICI Lombard. Moreover, Wellness points not redeemed under the given policy year can be carry forwarded for up to 3 years from the date of awarding of these points, it added.

(The writer is Sunainaa Chadha.)

TOP

All organisations must report cybersecurity breaches within 6 hours: CERT-In – Financial Express – 29th April 2022

CERT-In has asked all government and private agencies, including internet service providers, social media platforms and data centres, to mandatorily report cyber security breach incidents to it within six hours of noticing them.

The new circular, issued by the Indian Computer Emergency Response Team (CERT-In), mandates all service providers, intermediaries, data centres, corporates and government organisations to mandatorily enable logs of all their ICT (Information and Communication Technology) systems and maintain them securely for a rolling period of 180 days, and the same shall be maintained within the Indian jurisdiction.

The log should be provided to CERT-In along with reporting of any incident or when directed by the computer emergency response team.

The move will help in fighting cyber crime more effectively, minister of state for electronics and IT Rajeev Chandrasekhar said in a tweet, asking all companies and enterprises "must mandatorily report cyber incidents to IndianCERT".

CERT-In is empowered under section 70B of the Information Technology Act to collect, analyse and disseminate information on cyber security incidents. CERT-In said that during the course of handling cyber incidents and interactions with the constituency, it has identified certain gaps causing hindrance in the analysis of breach incidents.

"To address the identified gaps and issues so as to facilitate incident response measures, CERT-In has issued directions relating to information security practices, procedure, prevention, response and reporting of cyber incidents under the provisions of sub-section (6) of section 70B of the Information Technology Act, 2000. These directions will become effective after 60 days," Cert-In said.

According to the latest order, data centres, virtual private server (VPS) providers, cloud service providers and virtual private network service (VPN Service) providers need to register the accurate information related to subscriber names, customer hiring the services, ownership pattern of the subscribers etc, and maintain them for five years or longer duration as mandated by the law.

"Many times during LEA (Law Enforcement Agency) requests and investigations, we have seen cases of non-storage or availability of data and proper records with intermediaries and service providers. These guidelines will streamline the date records to be maintained and proper reporting of security incidents to CERT-In," said Jiten Jain, Voyager Infosec director of digital lab.

There have been several incidents of data breach in Indian entities that have led to leak of personal data of crores of individuals. Some companies continued to ignore alerts by cyber security researchers and acted only after the data was made public.

"End-user has the right to know if their data is loaded so that an individual can protect himself from fraud transactions, fake loans, ID misuse etc. Government should also force companies to inform their users within 24 hours of the incident. Neither CERT-In nor companies inform users. We saw a lot of data breaches last year. None of them informed their users. As a result, cyber crime, financial frauds and ID misuse have spiked," cyber security researcher Rajshekhar Rajaharia said.

He said that users are still unaware if their KYC (Know Your Customer) and financial data is safe or not.

TOP

INSURANCE REGULATION

IRDAI panel suggests 'micro insurance' modules for low-income group, small businesses – Financial Express – 1st May 2022

A committee appointed by regulator IRDAI has suggested over a dozen low-cost "micro insurance" modules with a view to expand protection plans for uncovered population and small businesses. The committee has suggested that the insurers should be allowed to adopt a modular approach using various permutations and combinations for Combi MI (Micro Insurance) products.

'MI' aims to protect low-income people with insurance products that are affordable. The objective of MI is to empower people to cope with and recover from common risks such as death of the breadwinner, paying for treatment of serious illnesses, reconstructing destroyed homes and businesses, among others.

A one-stop solution to meet the insurance protection needs of these targeted groups will go a long way in achieving the objective of increasing insurance penetration in these strata of society, the panel said in its report. “There is a case to have a Combi MI product which can be developed on a modular basis, giving flexibility to the insurer to offer coverage to different groups and individuals as per their specific protection needs,” the report said.

The panel has recommended 14 standard modules and suggested that such products may be sold by insurers either on individual basis or group basis. Insurers, it said, may follow a modular approach using various permutations and combinations, leaving the choice to the proposer. Certain standard products prescribed by the Insurance Regulatory and Development Authority of India (IRDAI) can be offered as modules, albeit with a restricted sum insured keeping the target segment in mind.

“It is recommended that the Combi MI product may be solicited by all distribution channels authorised to distribute insurance products by IRDAI. It may also be sold through the online mode, wherever feasible,” the report said. The panel has also suggested a maximum sum insured for each of the modules recommended by it. These include, Rs 5 lakh for ‘Saral Jeevan Bima’, Rs 5 lakh for ‘Bharat Griha Raksha Policy’, Rs 10 lakh for ‘Bharat Sookshma Udyam Suraksha’, Rs 3 lakh in case of personal accident and Rs 2,000 per day for 30 days in a year towards hospital expenses.

“Ideally, every insurer ought to offer the Combi product,” the report said. The committee was of the view that combining the MI product with various government schemes at the Centre as well as state levels will increase the outreach of the product, and also make it easier to convince the target groups about the benefit of insurance protection.

The panel suggested that one of the options to ensure uniformity and efficiency in the administration of the Combi product through the use of technology is to develop a common technological platform with the involvement of the Life Insurance Council and the General Insurance Council. The IRDAI has sought comments on the report from stakeholders by May 15.

TOP

Irdai hikes insurers' exposure to financial and insurance activities up to 30% - Live Mint – 29th April 2022

Insurance regulator Irdai Friday allowed insurance companies to have exposure to financial and insurance activities up to 30%, effectively raising the sectoral cap limit for investments.

The hike in sectoral cap limit could be positive news for insurance and banking stocks.

"The Authority in exercise of its powers conferred under Regulation 14(2) of the IRDAI (Investment) Regulations, 2016, permits all Insurers to have exposure to Financial and Insurance activities (as per section K of NIC classification) up to 30% of Investment assets. Accordingly, the limit of 25% of Investment Assets mentioned in Note no. 8 to Reg.9 of IRDAI (Investment) Regulations, 2016 stands revised to a limit of 30% of Investment Assets," Irdai said in a circular.

TOP

LIFE INSURANCE

Why does adding a disability rider to your term insurance plan make sense – Live Mint – 5th May 2022

Most people associate insurance with security. After all insurance companies selling term insurance advertise how their products are carefully tailored to lend a financial cushion to your loved ones when they need it the most. Death is synonymous with the loss of a loved one. The feeling of pain due to sudden death is aggravated by the sudden loss of income of the policyholder.

However, is a term insurance cover enough to survive the tribulations due to a sudden disability stemming from an accident or a disease? Will just a term policy do or should you top it up with some rider benefits to help tide over unforeseen difficulties? You must first check if your term plan policy includes a disability cover too because most online policies do not cover instances of partial or temporary physical disability.

Some term plans bought offline through agents offer more than just a death payout in your absence caused by death. They take care of the sudden financial needs due to accidents or critical ailments or similar incidents. However, for the nominees to avail of the payout, term insurance companies ensure that the policyholders are suffering from total physical disability, thus, rendering them completely disabled to work or earn for their families.

Defining disability

Not all disabilities have to be due to an accident. Some disabilities can be from critical or terminal illnesses too. The idea behind this is that a critical disorder poses an immediate threat to life, thus, restricting from regular, day-to-day activities. These diseases include:

- Cancer
- Heart problem
- Kidney disorder
- Alzheimer's disease
- Third-degree burns
- Liver/lung failure third stage

Irrespective of the benefits associated with payout and the conditions that trigger this benefit, insurance companies may reject your claim to disability cover on myriad grounds. The insurers maintain that the policyholders or their nominees cannot claim this cover if the former develops the disability due to the following reasons.

Any pre-existing disease or condition

- Attempted suicide
- Injury inflicted on one's own self deliberately
- Indulging in self-destruction activities irrespective of mental health condition
- Injury or accident caused under the influence of alcohol, drugs or any other substance abuse
- Disability due to war, rebellion, etc.

How do you receive the disability rider benefit?

Most term insurance companies give their policyholders the flexibility to choose how they would like to receive the disability rider benefit. Usually, the companies give three options to choose from

- The entire benefit payout in a lump sum
- The benefit payout is a regular income throughout the designated policy tenure.
- The benefit would be paid out for the term period till the survival of the policyholder's spouse.

Policyholders may also choose to receive the benefit payout as a combination of a lump sum amount and regular income for the pre-determined income period, say 10 years.

TOP

GENERAL INSURANCE

Govt-owned insurers go for organisational rejig, look for consultants – Business Standard – 3rd May 2022

Is the central government moving towards merging its four general insurance companies into one?

The question pops up as the four general insurers have decided to restructure the organisation towards profitable growth and have called for Request for Proposal (RFP) from consultancy firms.

The assignment is called "Organisational Efficiencies and Performance Management in Public Sector General Insurance Companies."

The four insurers are: The Oriental Insurance Company Limited, National Insurance Company Limited, The New India Assurance Company Limited and United India Insurance Company Limited.

Of the four, The New India Assurance is listed in the stock exchanges.

As per the tender, the companies are calling for one consultant for the assignment which is logical as the process, human resource policies and procedures are uniform in the four companies, a senior industry official told IANS.

Though the central government did not proceed further on its earlier announcement to merge the three unlisted non-life insurers- The Oriental Insurance, National Insurance and United India Insurance- or to privatise one of the three.

Given this, the current move seems to be the logical step towards that, say senior industry officials.

Further, the employees in the four companies also demand the same.

According to a senior industry official, the privatisation move is still on the cards and merger is not in consideration of the government.

Be that as it may, as per the RFP, the four companies are undergoing a transformative journey for the last two years with successfully running on the path to profitable growth and efficiencies, optimisation.

"This, being the third year, is earmarked for Organisational Efficiencies."

Accordingly, there is a proposal for restructuring the organisation to bring in profitable growth and employee development through Performance Management and Capability Management, in alignment with the key performance indicators (KPI) devised the public sector general insurance companies.

The four companies have found a need for a consultant who could quickly absorb itself into this journey of ongoing reforms and permeate them into each and every branch and staff by designing, handholding and successfully implementing the process of such transition through organisational restructuring, performance management and its real-time measurement, allocation of specific roles and responsibilities as well as performance indicators for sales, non-sales and support staff, capacity and capability building and carefully crafted change management approach.

As on 31.03.2022, the four insurers together have procured a total premium of Rs.75,116 crore with a market share of around 34 per cent.

The total employees' strength is around 44,743 spread over 6,759 offices.

The expected duration of the proposed assignment for the selected consultants is 10 months, with a provision for extension, if required on existing terms.

As per the RFP, the scope of work involves organisational restructuring that is irreversible providing for digitally enabled workflows to convert operating offices into customer experience and business development centres while centralising underwriting/claims/accounts and others into the Regional Hubs;

- activate all three key channels for retail business growth namely, Agency, Bancassurance and Alternative channels through suitable sales management, incentives and rewards processes;
- create/shift large corporate businesses (both direct and broker-driven) at select6-8 locations, directly reporting to the Head Office.
- provide capacity planning framework through manpower redistribution for both Business Development (BD) and Non-BD roles, with a clear focus on retail business through pre-underwritten products and simplified processes;
- provide a comprehensive reskilling/up - skilling and capability building framework for BD, Non-BD, large corporate and vertical teams to cope with the above restructuring in a confident and motivated manner;
- handhold the insurers in implementing the new organisation structure across functions and geographies by providing carefully designed and sensitively implemented change management approach and communication framework;
- designing objective and quantifiable KPIs for each unique role along with their measurable outcomes and its integration with the performance appraisal system for each PSGIC to achieve y-o-y milestones;
- based on the above KPIs, creating performance dashboards for each sales and non-sales staff at the Operating Offices, Regional Offices and Head Office as well as across functions linked with the core system.

While the majority of the work is centered around a common approach for all the four insurers, the implementation shall happen at individual company level.

"Broadly, 80 per cent of the proposed assignment shall be allocated towards creating unified/common strategies/methodology and frameworks while 20 per cent of the proposed assignment will be allocated towards customising and rolling them out at individual company level," the RFP said.

Interested consultancy firms should submit their proposals to the Chief Executive, General Insurers' (Public Sector) Association of India (GIPSA), the coordinating body for the project.

TOP

HEALTH INSURANCE

Why you must opt for comprehensive health insurance – Live Mint – 5th May 2022

Is it necessary to have a comprehensive health insurance policy if you are already covered under a corporate group health insurance scheme? Experts think it is wise to have a separate policy to avoid any hassles during hospitalization.

Let's take the hypothetical case of Gupta, a 35-year-old employee with a renowned firm. Gupta faced a big predicament when his wife had to be hospitalized. He was asked to submit a copy of the health policy at the time of admission but realized that his group health plan had expired and his employer hadn't renewed it. The employer told him that renewing a group health policy takes time and that he could seek reimbursement later on. Gupta was denied cashless facility and had to fall back on his savings for the hospital admission and other expenses.

Unlike Gupta, many people facing the same situation find themselves in dire straits because they do not have immediate access to cash. Thus, depending solely on corporate health policy plans can lead to problems. Here's how an individual health policy helps address those gaps.
Necessity: If you decide to change your career, retire, or start your own business, you will not get corporate health plan coverage. And in case you or any of your family members are hospitalized, you can be exposed to massive medical bills. Hence, it is critical to buy an individual policy, regardless of your employment status.

Low sum insured: The sum insured—the primary component of any health insurance policy—is critical when selecting a policy. Amit Chhabra, head of health and travel insurance at Policybazaar.com, said, "The scope of coverage provided by corporate insurance can frequently fall short of adequately protecting you. The average sum insured can range between ₹1 lakh and ₹3 lakh. This is significantly low, especially given the spiralling medical inflation and intermittent covid waves."

Limitations: Corporate group health plans frequently include a limit on either the sum insured or the extent of hospital room rent coverage. In a policy, these are known as sub-limits and co-payment clauses. While co-payment requires the policyholder to pay a portion of the total hospital bill, sub-limit clauses require the policyholder to pay a portion of the room rent. For instance, if your co-payment clause states that you must bear 20% of the hospital bill, you will end up paying ₹1 lakh if the bill is around ₹5 lakh.

Pooja Yadav, chief product officer of Edelweiss General Insurance, said, "Corporate health plans usually link the sum insured to the employee's grade and may have elements of co-pay, exclusions, waiting period, room rent capping, etc. which restrict access to quality health care. Employers may choose to restrict cover for elderly parents or not cover them at all. Hence, having an individual health plan along with the corporate plan will act as a cushion if your medical emergency goes over the corporate plan limits."

(The writer is Navneet Dubey.)

TOP

Unorganised sector workers to get ESIC health benefits; PMO asks body to tap reserve fund – Financial Express – 2nd May 2022

All 380 million unorgansied sector workers may get treatment at Employees' State Insurance Corporation (ESIC)-run healthcare facilities.

Sources said the Prime Minister's Office (PMO) has directed the ESIC to work on the plan by using its over Rs 1-trillion reserve fund, lying mostly in fixed-income instruments with the banks, to enhance its medical infrastructure and extend its reach to all 740 districts of the country from 575 now.

At present, the ESIC extends medical facilities to its members or insured persons (IPs), and members of their families, called beneficiaries, through a network of 160 ESI hospitals including eight medical colleges, two dental colleges, 1,517 dispensaries and 76 dispensaries-cum-branch offices. The number of ESIC beneficiaries now stands at over 130 million.

Further, in 157 districts where ESI hospitals are not available, it has collaboration with Ayushman Bharat-Pradhan Mantri Jan Arogya Yojana (AB-PMJAY) and the entire expenditure for treatment of such ESI beneficiaries is borne by the ESIC.

The ESIC is applicable to all factories and other establishments employing 10 or more persons earning up to Rs 21,000 a month. The ESI Act, 1948, which governs the corporation, does not apply to the unorganised sector now. In the contributory scheme, the employer contributes 3.25% and the employee 0.75% of the wages towards the scheme.

A home-based worker, self-employed worker or a wage worker who is not a member of the (ESIC) or the Employees' Provident Fund Organisation (EPFO) is called an unorganised worker. For the first time, the government has taken the initiative to identify such workers by registering them in the e-shram portal. Around 280 million out of an estimated 380 million of them have already been registered on the portal. The social security code, passed in September 2020, provides the right to health security under the ESIC to the the maximum possible workers. In addition to this, the option of the ESIC is proposed to extended to plantation workers, gigs and platform workers and institutions with less than 10 workers. If there is risky work in an institute, that institute will inevitably be brought under the purview of the ESIC, even if it is a sole labourer.

Sources said the government may ask unorganised sector workers like domestic and household workers, construction workers and those engaged as private security, among millions of others, and are not members of either the EPFO or the ESIC at present, to make a paltry contribution to the social security fund, proposed in the social security code, to avail medical benefits under the scheme.

In February, a little over 33 million existing employees of the ESIC paid contribution under the scheme, of which 1.6 million were newly registered.

(The writer is Surya Sarathi Ray.)

TOP

Healthcare for all: LGBTQ-inclusive health cover is a must in corporates – The Logical India – 1st May 2022

The Ayushman Bharat Transgender health insurance scheme that was rolled out by the centre is a huge step for the community. Through the scheme, transgenders will receive insurance covers that will accommodate their needs.

The LGBTQ community has been fighting for its rights in the corporate world for a long time. For most people, work is often stressful, and the additional burden of hiding the most basic identity from the world could be mentally and emotionally exhausting. People from the LGBTQIA community are often faced with stigma, discrimination, hostility and the pressure to manage their identity in social settings, including workplaces, to suit the needs of others. Such experiences can set a host of psychological responses that have devastating consequences for trans individuals' emotional well-being, job satisfaction, and inclination to remain with an employer.

Corporate Are Enabling Gender-Sensitivity Coverage While speaking to The Logical Indian, Raghuveer Malik, the Business Head for Corporate Insurance with Policybazaar, said, "Insurance regulators, companies and several corporates have enabled gender-sensitive coverage in their policies, and more have started following suit. This is offered to companies with as few as seven employees to schemes like Ayushman Bharat. With the inclusion of this clause, we do not ask for the gender of the spouse for same-sex partners while marking them as dependants or family. These coverages include hormone therapy, sex reassignment surgery, and post-operative care. There are certain terms and conditions involved where anywhere between 5 to 10 procedures in the LGBTIQA+ clause can be availed by each corporate".

Further, he added, "The complexity is caused by traditional brokers being unprepared with processes to accommodate changes. And hence awareness becomes important. Sensitization is key to informing clients of the possibilities, costs, and operational concerns".

GBTQ Still A Sensitive Issue In The Country While speaking about the issues in the insurance structure that need attention while keeping the primary focus on overall inclusivity, Malik said, "LGBTIQA+ is still a sensitive issue in the country, which is why there are reservations about revealing sexual orientation as well as asking for coverage for their partners. Traditional insurance brokers need to work more closely to start including these covers in their policies – which are not just enabled but promoted by the insurance regulator and companies. This is a simple and effective way to increase inclusion." Further, Malik also mentioned, "The Ayushman Transgender health insurance that the centre rolled out is a huge step for the community. Through the Ayushman Bharat Yojna, transgender people will receive insurance covers that accommodate their needs. Additionally, to deal with the psychological implications and distress that results from an incongruence between one's sex assigned at birth and one's gender identity, specialists and therapists can be empanelled as part of an EAP or OPD policy linked to the core employee benefit policies".

(The writer is Ratika Rana.)

TOP

SURVEY & REPORT

India's Medical Inflation in 2021 Highest Among Asian Countries: Report – Live Mint – 5th May 2022

The demand for health insurance in India remained strong in FY22, with an overall growth of 25%, despite high medical inflation, according to the Indian Health Insurance report by Motilal Oswal Financial Services Limited (MOFSL).

Among Asian countries in 2021, India had seen the highest medical inflation rate of 14%, followed by China (12%), Indonesia (10%), Vietnam (10%), and the Philippines (9%).

While new customers have been impacted by higher prices, existing customers have seen a double-whammy of age related increases as well as price hikes, said the MOFSL report. The key factors driving the price hikes are medical inflation, adverse underwriting experience, and higher demand from smaller corporates as employers realize the need to offer protection to employees, the report said.

The solid demand recorded in FY22 was on top of a strong base in FY21, where the growth in premium stood at 13%. The impact of the second and third Covid waves led to a significant jump in claim ratios in FY22, while the severity of non-Covid claims has been higher in FY22. Moreover, the Covid-related claims accounted for 6% of the total number of health claims paid out in FY21, and it is expected to constitute 11-12% of the total health claims paid out in FY22, according to ICRA.

From the aspect of retail health insurance, schemes across age categories witnessed a price hike in FY22. There have been further price hikes of ~2% on an average to ₹25,649 in 1QCY22. From the aspect of group health insurance, premium price hikes have been seen between 5% and 40%, with a median increase of 10%. Elevated loss ratios along with medical inflation have driven insurance companies to raise prices of both retail and group health plans.

Meanwhile, the report noted that the growth in retail health insurance trajectory will continue, pricing is likely to remain stable, except in case of any further Covid waves.

With only 3.5% of the population covered under retail health insurance plans, the retail health segment in India remains highly underpenetrated. The past two years have established the need for buying a health insurance policy among individuals as well as for increasing the sum assured.

However, the industry saw a sharp surge in claims during the first Covid wave, owing to the higher severity of claims. Although the severity of claims reduced by ~24% during the second Covid wave, the increased frequency of claims offset this benefit. The impact of the third Covid wave remained limited, with a lower number of hospitalized cases compared to the second Covid wave, but higher non-Covid claims continued to hit the industry, the report said.

TOP

Only 13% Indians plan to invest in health or life insurance: Survey – Live Mint – 4th May 2022

Only 13% Indians plan to invest in health insurance or life insurance, while 4% look to invest in fixed deposits and recurring deposits, according to Axis My India's India Consumer Sentiment Index (CSI), a monthly analysis of consumer perception on a wide range of issues.

Merely 3% are considering investments in shares or mutual funds while 2% plan to invest in gold. Around 78% said they neither invest nor plan to invest this year.

The May findings reports on the various investment preferences of consumers and their views on migrating to another country for better opportunities. The survey further revealed that less than 50% want to be informed/updated regarding the ongoing Russia-Ukraine war.

The May net CSI score, calculated by percentage increase minus percentage decrease in sentiment, was up to +12, from +11 last month and continuing the upwards trends noticed in the last four months.

The sentiment analysis delves into five relevant sub-indices – overall household spending, spending on essential and non-essential items, spending on healthcare, media consumption habits & mobility trends.

This month, Axis My India's Sentiment survey delved deeper to comprehend consumers' views about advertisement claims on television and newspapers, most featured brands during IPL, preferred news content and interest in the Russia-Ukraine war- related news. The survey also gauged consumers' outlook on quick gratification schemes offered and plans on New Year investments.

The survey was carried out via Computer-Aided Telephonic Interviews with a sample size of 10,166 people across 30+ states and UTs. 69% belonged to rural India, while 31% belonged to urban counterparts. In addition, 68% of the respondents were male, while 32% were female. In terms of regional spread, 26% each belonged to Northern and Eastern parts of India, while 31% and 17% belonged to Western and Southern parts of India. In terms of the two majority sample groups, 31% reflect the age group of 26-35-year-olds, while 30% reflect the age group of 36-50-year-olds.

Pradeep Gupta, chairman & MD, Axis My India, said, "The evolved and re-energised consumer community reflects optimism towards increasing expenditure in discretionary spends showcasing their affinity to 'what they want rather than what they need'. This provides a ray light for brand and marketers to tap towards the shifting priorities of consumers. While brands are striving to capture the instant gratification instincts of consumers there is a need to understand context and content to capture the right eyeballs. On a holistic level, it is necessary to shake the long-drawn perception of consumers being a homogenous community as every individual has distinct aspirations, seeks different investment plans, and consume varied news...Interestingly even with better opportunities abroad 64% Indians would prefer to stay in India and work towards a better living."

Key findings:

Overall household spending has increased for 66% of families which reflects a 4% increase from the last month. The net score which was at +53 last month has increased by +5 to +58 this month.

Spending on essentials like personal care & household items has increased for 48% of the families and remains the same as compared to last month. Spends however remain the same for 33% of the families. The net score which was +29 last month has remained the same this month.

Spends on non-essential & discretionary products like AC, Car, Refrigerator has increased for 14% of families reflecting an increase of 1% from last month. Spending nevertheless remains the same for 80% of the families reduced by -2. The net score has remained the same at +8 compared to previous month.

Consumption of health-related items has increased for 38% of families. Consumption more or less remains the same for 47% of the families, while decreased consumption is witnessed among 15%. The health score which has a negative connotation i.e., the lesser the spends on health items the better the sentiments, has a net score value of -23 this month.

Consumption of media has increased for 23% of the families reflecting an increase by 1% from last month. Consumption remains the same for a majority of 52% of families. The overall, net score which was at -1 in the last month is at -2 this month.

85% of families said that they are going out the same for short vacations, malls and restaurants. Increased travel is reflected only among 8% of families, an increase by +2 from last month. The overall mobility net score is at 1.

In an attempt to understand brand visibility and exposure during IPLs, the survey discovered that in the current season 9% of the total respondents have noticed ads by Dream 11 - Indian fantasy sports platform that allows users to play fantasy cricket and 6% have noticed ads by Tata Neu from Tata Digital. Among those who have watched IPL this season, Dream 11 is recalled by 41% & Tata Neu by 30%. At an overall level, 22% have watched IPL & 78% mentioned they have not watched IPL this season.

Axis My India's survey also found out that 35% indulged in online shopping in the last one year. In addition, the survey revealed that 19% views quick gratification schemes by Indian food and groceries apps (such as 10 minutes delivery Zomato, Big-basket / Licious / Dunzo–same day delivery) positively believing it to be 'convenient and time effective' but a sizable 77% have not tried it yet.

The CSI survey revealed that 33% would prefer to migrate to another country in search of better opportunities and lifestyle whereas a sizable 64% would prefer to stay in India.

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Insurance penetration continues to remain low in India: Report – 2nd May 2022

Insurance penetration of health and life insurance products continues to remain low in India, compared to global distributors, a report said. The report further added that in order to increase penetration it is crucial to reimagine distribution through traditional and newer channels.

The India Insurtech Association (IIA) collaborated with Boston Consulting Group (BCG) to release the second edition of the insurtech report, India Insurtech Landscape and Trends Report, which identifies dominating trends and key player's views in the Indian insurtech sector. It was launched at IIA's Annual Event 2022 on 23 April.

According to the report, rapid funding in insurtech has continued across the globe, and has also seen strong momentum in India. Global funding in insurtechs has grown 7X in the last 5 years, from \$2.5 billion in 2017 to \$14 billion in 2021, with growth continuing even during the pandemic period. Insurtech funding in India has also doubled in the last 2 years, from \$290 million in 2020 to \$800 million in 2021. There has been a steady rise in the number of insurtech unicorns globally, with over 20 unicorns in 2021-- 14 in United States, 4 in UK, 2 each in India (Acko & Digit Insurance) & France , 1 each in Austria , Israel & Mexico.

Experts believe insurtechs in India are well-positioned to cater to the nuanced needs of customers, and are at the cusp of exponential growth.

Subhajit Mandal, co-founder of India Insurtech Association said , "We are highly optimistic about the Indian insurtech landscape in the next few years. The sustained funding levels over last couple of years has helped launch multiple insurtech startups, which is key for innovation. Enablers such as India Stack, Insurance Information bureau and the regulatory sandbox have provided a strong platform for innovation in insurance value chain".

Jitesh Shah, MD & Partner BCG Asia Pacific Lead, Operations in Financial Institutions at BCG said "As the sector experiences unprecedented growth, it is critical to continue collaboration between insurers and insurtechs. It is also important for the industry to keep innovating to address important issues such as deeper insurance penetration, customer health and wellness, etc. To ensure that the sector experiences continued growth, there is a need for key enablers such as the National Health Stack, regulatory sandbox and Insurance Information Bureau."

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INSURANCE CASES

Religare denies insurance claim; Cancer patient wins ₹6.7 lakh compensation – Live Mint – 3rd May 2022

A cancer patient from Bengaluru has won ₹6.7 lakh after he sued Religare Insurance company for denying him medical insurance for his treatment, according to a report by the Hindustan Times, Livemint's sister publication.

As per the daily, the 60-year-cancer patient was denied medical insurance for his cancer treatment on the grounds that he had diabetes and hypertension that he did not disclose before taking the policy.

In an eight-month-long battle in a Consumer court, judges reprimanded the private firm and said hypertension and diabetes are not diseases but common physical disorders and that they cannot be grounds to deny medical insurance.

The court lashed out at Religare for not caring about the ailing patient who paid his premium on time.

The court ordered the firm to pay the cancer patient ₹5 lakh with a 12% interest, a compensation of ₹1.1 lakh for additional trauma caused by the company for denying insurance to the ill patient, and ₹10,000 towards court expenses and damages.

As per the daily, the 60-year-old patient had purchased the family cover insurance policy from Religare in November 2021. The man was diagnosed with cancer in 2018. And, when his cancer treatment started at the HCG hospital, the hospital handed him a bill of ₹11 lakh. The man approached Religare to get the insured sum of ₹5 lakh refunded.

But the insurance firm denied his claim saying the man did not disclose his pre-existing health conditions of hypertension and diabetes.

Thereafter, the patient send a legal notice and sued the firm in the Bengaluru Rural and Urban 1st additional district consumer disputes redressal forum in the Shantinagar area for unfair trade practices. The judges of the Bengaluru consumer forum condemned Religare for high-handedness towards a cancer patient and gave the order for the patient to be compensated accordingly by the firm.

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IRDAI CIRCULARS

Topic	***Reference***
New business statement of life insurers for the period ended 30th April 2022	https://www.irdai.gov.in/ADMINCMS/cms/whatsNew_Layout.aspx?page=PageNo4696&flag=1
List of corporate agents registered with the authority as on 30.04.2022	https://www.irdai.gov.in/ADMINCMS/cms/whatsNew_Layout.aspx?page=PageNo2818&flag=1
List of valid insurance brokers as on 1st May 2022	https://www.irdai.gov.in/ADMINCMS/cms/whatsNew_Layout.aspx?page=PageNo2120&flag=1

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GLOBAL NEWS

Thailand: Regulator plans to transform access to insurance info in digital era – Asia Insurance Review

The insurance regulator is working to establish a National Insurance Information Management Centre to collect insurance information from both the non-life and life insurance sectors.

The secretary-general of the Office of Insurance Commission (OIC), Dr Suthiphon Thaveechaiyagarn, said last week that the regulator is seeking public feedback on the proposed centre.

The goal is to transform access to insurance information with the establishment of the centre for government agencies, the private sector and the public, so as to enhance the operation of the insurance industry and expand its potential.

At present, the OIC operates the Insurance Bureau System (IBS) which has developed a non-life insurance database and is in the process of developing a life insurance database.

However, digital technology and regulations are evolving rapidly, making it essential that there are links with other databases and that insurance data can be analysed easily.

For this reason, the OIC deems it appropriate to push forward the establishment of the National Insurance Information Management Centre to create added value for the insurance sector and consumers. Under the proposed system, data from the IBS will be transmitted to the centre. The data have to be organised for it to be ready for application to AI and machine learning. With big data, new businesses like InsurTech, or RegTech, SupTech as well as HealthTech can be developed. This requires further development of the necessary and relevant regulatory measures.

In proposing the establishment of the National Insurance Information Management Centre, studies were carried out overseas in markets such as Australia, the UK, Ireland, Japan, Hong Kong, Singapore, Pakistan, the Philippines and India.

3 challenges
Dr Suthiphon, speaking at a separate function, said that in applying technology in the "new normal era", there are three main challenges. These are:

The first challenge lies in the supervision and auditing of the insurance business. In the new era, the development of effective but flexible regulatory regulations needs to pick up pace. The industry has to adopt principle-based laws and focus on insurance business with holistic risk management (ERM), and own-risk and solvency assessment (ORSA).

The second challenge is in the design and promotion of new insurance products. The proposed National Insurance Information Management centre will play a role because it will analyse trends and the behaviour of consumers or policyholders, to ensure that products meet needs.

The third issue is to ensure the continued protection of interests in the New Normal Era. This requires the OIC to change its service model for the public for services such as handling complaints and verifying information. The public will be able to check information online such as about their insurance policies or refer to official lists of brokers and insurance agents.

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