



भारतीय बीमा संस्थान
INSURANCE INSTITUTE OF INDIA

INSUNEWS

Weekly e-Newsletter

21st – 27th March 2020

Issue No. 2020/12



QUOTE OF THE WEEK

“Idealism increases in direct proportion to one's distance from the problem.”

John Galsworthy

INSIDE THE ISSUE

Insurance Industry	2
Insurance Regulation	5
Life Insurance	7
General Insurance	13
Health Insurance	15
Motor Insurance	28
Reinsurance	28
Survey	29
Pension	31
IRDAI Circular	32
Global News	32



INSURANCE TERM FOR THE WEEK

Credit Personal Property Insurance

insurance written in connection with a credit transaction where the collateral is not a motor vehicle, mobile home or real estate and that covers perils to the goods purchased through a credit transaction or used as collateral for a credit transaction and that concerns a creditor's interest in the purchased goods or pledged collateral, either in whole or in part; or covers perils to goods purchased in connection with an open-end transaction.

Source

INSURANCE INDUSTRY

Covid-19 outbreak: Insurers facilitate telemedical check-ups for policy buyers - The Economic Times - 27th March 2020



Country's top insurers have initiated telemedical facilities for prospective customers, where medical and term policies can be availed through check-ups over the phone in place of physical consultations with doctors.

With the country under lockdown to slow the spread of Covid-19 outbreak, insurers such as HDFC Ergo, Religare, Max Bupa, Tata AIA along with intermediaries such as Policybazaar have ramped up these remote services that would involve vetting of customer applications and subsequent consultations by doctors over the telephone.

"The process earlier required a customer to visit a doctor and get a standard check-up done. This will be now replaced by a doctor consulting a patient over a telephone call asking about, for example, prescription history and past ailments for both health and term insurance," said Santosh Aggarwal, chief business officer, life insurance – Policybazaar. "We are already seeing the conversion rate at our site increase nearly 35% over the last month or so."

The move will ensure continuity of business for insurers while also reducing exposure of doctors and customers during a period when citizens have been advised to stay at home as much as possible, explained Aggarwal. The government has classified insurance as an essential service. However, insurers hold the right to decline claims if customer disclosures are found incorrect.

While telemedical consultation for insurance was being tested on a limited scale by select insurers over the last one year in a pilot stage, the need to implement full scale service was necessitated due to the ongoing Covid-19 pandemic, industry experts said. "For our new customers, our team of doctors is working 24X7 to underwrite new policies," said Ashish Mehrotra, CEO, Max Bupa.

(The writer is Ashwin Manikandan.)

Source

[TOP](#)

Insurance policies may lapse during business shutdown, brokers warn - Insurance Business Magazine – 25th March 2020



Companies in India are at risk of having their insurance policies lapse during business closures caused by government-imposed lockdowns to stem the spread of COVID-19.

On behalf of its clients, the Insurance Brokers Association of India (IBAI) has approached the country's insurance regulator, requesting the extension of existing policies for a minimum of 60 days by paying pro-rated premiums at the current terms and rates, *Times of India* reported.

In its request, the association also asked the Insurance Regulatory and Development Authority of India (IRDAI) to temporarily relax the rule that requires insurers to have received the premium before providing cover. In order to avoid a gap in coverage, companies must pay premiums before the current policy expires.

According to the report, many business insurance policies are annual contracts. While these can be purchased any time of the year, many businesses buy them coinciding with the start of the Indian fiscal year on April 01, for ease of accounting.

IBAI president Sanjay Kedia said that many overseas insurance authorities and markets, such as Lloyd's of London, have implemented extensions to existing policies due to disruptions caused by COVID-19.

(The writer is Gabriel Olano.)

[TOP](#)

Source

Policyholders get an extension on insurance premiums due in March – Mint – 23rd March 2020



As COVID-19 (popularly known as Coronavirus) takes most part of the world by storm, the central and state governments in India are taking measures such as suspending flights, locking down states and imposing curfews to combat the spread of the virus.

In order to ensure policyholders are not hit by these measures, the Insurance Regulatory and Development Authority of India (Irdai) has suggested alternate methods for insurers to continue servicing their customers. The regulator has asked life insurance

companies to allow a one month extension on premiums due in the month of March 2020.

"This will give some relief to policyholders in these trying times where several states are locked down and could disturb operations of insurers, intermediaries, and distributors. Due to Covid-19, for customers who cannot pay online or are already panicked and stressed, this move will bring some respite," said Rakesh Goyal, director, Probus Insurance, an insurtech broking company.

Health insurers have been asked to accept a delay in policy renewals up to 30 days without deeming the same as a break in policy. Companies have been asked to contact policyholders about this well in advance to ensure there is no discontinuance in coverage. "This is a big help for policyholders who are stressed about missing the renewal date and worry that they may not be able to file a claims in case of medical emergencies," added Goyal.

All general, health and life insurance companies have been asked to display information on functioning of their offices and alternate arrangements made by the insurers for premium payments, renewals, claim settlement, grievance submission among others on their websites. In cases where offices are not functioning (fully or partially) the policyholders shall be notified by SMSes, e-mails, and press release in addition to display boards/pamphlets in the branch offices. Call centres, if possible and necessary, have been asked to function to help policyholders during these trying times.

COVID-RELATED CLAIMS

For claims received with regard to COVID-19, life insurers have been asked to settle them expeditiously by developing faster claim settlement processes to provide immediate help to the affected policyholders and their dependents. Companies have been asked to provide information on the admissibility of COVID-19 death claims on their respective websites for all products. In case of health insurance contracts too, specific product-wise information regarding admissibility has to be displayed on the insurer's website. IrDAI has also asked insurers to submit a fortnightly report to the authority on settlement of claims related to COVID-19.

(The writer is Disha Sanghvi.)

[TOP](#)

Source

How nominations work in insurance policies, bank accounts, shares, mutual funds, PPF – 23rd March 2020



A nominee holds the owner's assets in trust after his/her death. If the deceased person leaves a will, the proceeds are paid out as per its provisions. If not, the distribution of assets is governed by the personal law applicable to the deceased.

However, nomination is a very effective tool to access assets in case of death. If there is no nomination, the legal heirs may have to go through a long drawn and cumbersome process of proving themselves as legal heirs and executing indemnity bond.

Life insurance policies

Here multiple nominees with their respective shares can be registered at the time of buying the policy. If a non-family member is nominated, the insured needs to prove insurable interest for the nominee.

Bank accounts

Nomination in bank accounts can be done in favour of one person only. However, nomination in favour of more than one (up to two persons) is permissible in jointly operated locker accounts with common consent. Also, one can have separate nominees for different accounts—FD, savings and RD accounts held with the same bank.

Shares

In case of shares held by the investor, nomination needs to be registered at the depository participant level.

MF investments

Up to three persons can be nominated in mutual funds. Nomination is captured at a folio level by the fund house. All investments (though different schemes) under the same folio will have the same nomination.

Public Provident Fund

Nomination can be made by filling up Form E and Form F respectively as applicable. Nomination cannot be made in case of a minor's account. PPF allows multiple nominations along with specification of each nominee's share.

Point to note

Nominations can be changed by following due process.

A minor can be a nominee, provided guardian details are specified in the nomination form.

[TOP](#)

Source

Companies cover may lapse on shutdowns – The Times of India - 23rd March 2020



Large corporations risk lapsing insurance policies for their plant and machinery as well as people since both insurers and corporates are forced to shut shop because of the coronavirus lockdown.

Insurance brokers have approached the regulator Irdai on behalf of their clients, asking for a law to be diluted that prevents the insurers from providing cover until the premium is received. Most non-life policies are annual contracts. While they can be purchased at any time of the year, on most occasions it is done to coincide with the fiscal as it makes accounting for the premium much easier.

The Insurance Brokers Association of India (IBAI) has written to the regulator to consider permitting extension of existing policies for a minimum of 60 days by paying pro-rata premium at existing terms and rates. For this extended cover to be seamless, insurance companies need to receive the premium before the earlier policy expires.

"The Indian insurance market adheres to Section 64VB of the Insurance Act, which further increases the complexity of policies expiring on March 31, 2020," said IBAI president Sanjay Kedia in a letter to the chairman of sector regulator Irdai.

According to Kedia, Lloyds of London has already allowed an extension to existing policies due to the Covid-19 threat. Most global insurance markets have also provided relaxation to policyholders through an auto-extension clause.

"Administratively ensuring compliance to Section 64VB will be very challenging for both policyholders as well as insurers. Thus, we request the authority to consider temporarily waiving the 64VB clause for another 30 days, so that policyholders may continue their coverage and make premium payable at a later date," IBAI said.

(The writer is Mayur Shetty.)

Source

[TOP](#)

INSURANCE REGULATION

IRDAI Issues Lock-Down Guidelines for Insurers - The Hindu Business Line – 24th March 2020

In view of the lock-down in 75 districts across the country and in many states, the insurance regulator has issued special guidelines to insurers. Stating that lock-down may disrupt operations of insurers, the Insurance Regulatory and Development Authority of India (IRDAI) has asked insurers to maintain business continuity with all possible alternate modes including telephonic contact and digital mode.

In case of renewal of life insurance policies, the insurers may offer an additional grace period of 30 days (there is a grace period of 30 days being provided) if desired by the customers. In health insurance

policies, the insurers could offer 30 days grace period without deeming it as a break in the policy. The board meetings which are scheduled till June 30 may be held through video conferences of any other audio-visual means, the regulator said. The monthly mandatory submissions could be delayed by 15 days while quarterly returns can also get an additional window of 30 days, it said.

[TOP](#)

Source

Irdai draft to simplify health policy claims – Mint – 22nd March 2020



In rating health insurance every year, the Mint SecureNow Mediclaim Ratings (MSMR) rates down policies that come with sub-limits such as a cap on the room rent. While policies with sub-limits may be cheaper, they can turn out to be expensive at the time of claim, because you might end up paying more out of pocket during hospitalization.

Take the case of a cap on room rent, which also means a cap on all the associated costs, such as doctors' fees and diagnostics. So if you choose a

higher category room, you not only pay the difference in room rent, but also associated costs. The regulator also seems to have taken cognizance of this. Through a draft circular dated 17 March, which is open for feedback till 2 April, 2020, Irdai aims to make the associated costs with room rent uniform to minimize confusion. This is part of Irdai's larger focus on standardization of terms and conditions in health insurance contracts. We tell you what the draft says and how it can benefit you.

PROPOSED CHANGES

At present, the total hospital bill varies depending on the category of room picked by the policyholder. "If the sub-limit on room in a policy only allows for a twin sharing room, and the policyholder goes for a deluxe room, then insurer deducts not only the difference in the room rent but also the associated medical expenses. This has always been an area of concern and a cause for disputes because there are no clear guidelines," said Shreeraj Deshpande, chief operating officer, Future Generali India Insurance.

In its draft, the regulator stated that if there is a sub-limit on rooms and the policyholder occupies a room with a tariff that exceeds what he is eligible for, the proportionate deduction on "associated medical expenses" cannot include cost of medication, implants and medical devices, and diagnostics. "Hospitals cannot charge for medicines differentially for two different categories of rooms because the maximum retail price is fixed. Diagnostics, which includes scans and doctor's fees, is where there has always been differential pricing. But Irdai is now saying that diagnostics cannot qualify as an "associated medical expense", and therefore cannot be treated differently either," said Mahavir Chopra, a health insurance expert.

The draft also states that insurers are not permitted to apply proportionate deduction on intensive care unit (ICU) charges, because hospitals don't have different categories of ICU. "The regulator is trying to establish a fixed definition for 'associated medical expenses' to make health insurance simpler and transparent in nature," said Deshpande.

The regulator has also asked insurers to list expenses which are classified as associated and non-associated. This means, services and materials that a hospital does not charge differentially for will all qualify as non-associated expenses. For expenses that are non-associated, there will not be any proportionate deduction. Associated expenses would be medical expenses charged by the hospital, which vary based on the type of room selected by the patient or his kin. "Most of the charges in the hospital can be variable, including surgeon's fees, doctor visit charges and diagnostic expenses. Cost of diagnostics may not be associated anymore, but we will have to wait for the final draft. Charges which may not vary

and hence categorized as non-associated will be ICU charges, pharmacy charges, equipment charges, implants, etc.," said Chopra.

THE IMPACT

On insurers: This is an exposure draft. The cost of diagnostics may continue to be categorized as an associated cost, because hospitals do have differential pricing. "This can only happen if hospitals stop charging differentially for diagnostics," said Chopra.

Implants too, typically, are not charged differentially. Deshpande said the cost of pharmacy and implants can be removed from "associated medical expenses", but removing cost of diagnostics may not be possible. Standardization of proportionate deductions will also push insurers to move towards following a single method of deduction on claims.

On policyholders: "Uniformity of associated expenses will make it easy for policyholders to understand how much of a payout they will get, and for what kind of expenses. This will improve overall transparency in health policies and reduce grievances," said Chopra.

"These guidelines will stop any deductions that were happening on non-associated expenses. Proportionate deduction will now be applicable only for associated expenses, which will enhance the claim amount," said Ravi Vishwanath, president, accident and health, HDFC ERGO General Insurance. "This is a welcome move because any step taken to make the policy clearer and simpler for the insured is a step in the right direction," he added.

The guideline, when enforced, is expected to have negligible impact on premiums because most insurers are now moving towards having an eligibility capping (type of room) or removing the room rent limits altogether. *Mint* recommends opting out of policies that have a room rent cap, because it complicates things and lowers the claim amount.

(The writer is Disha Sanghvi.)

[TOP](#)

Source

LIFE INSURANCE

Life insurers fear hit in new premium - The Telegraph – 27th March 2020



Life insurance companies are bracing for a hit in their new business premiums this month as individuals prioritise their requirements.

According to industry estimates, new business premium collected in March accounts for 17-20 per cent of the total new business premium collected annually.

In the first 11 months of the ongoing financial year, new business premium underwritten was Rs 2.33 lakh crore compared with Rs 2.14 lakh crore in the

corresponding period of the previous year.

"With the lockdown in place, a large section of the people are facing movement and business related restrictions. March is a key month with many prospective buyers planning to purchase their insurance keeping in mind the income tax related exemptions under section 80C of Income Tax Act," said an LIC executive in Calcutta.

Research firm Icra anticipates a reduction in the growth rate of new business premium, as well as an increase in claims on the market linked products side such as Ulips, who valuation has taken a hit on account of the market crash.

“In the event if India reaches a world average infection rate of 100 people per 1 million population, this would result in a mortality rate which would not increase the death claims by a large margin.

However, for the savings product there could be a larger impact of surrender claims especially for Ulips, where investors will see large erosion in their funds, because of the equity market declines,” Icra said in a note on Thursday. According to Icra, marked-to-market losses on their equity investment would also adversely impact the insurance companies’ solvency parameters.

“Predominantly, a large part of the equity investment portfolio of the life insurance industry is with LIC (around Rs 4.5 lakh crore till the end of the first quarter). A 40 per cent correction in the equity capital market would result in a MTM loss of around Rs. 58,000 crore for LIC,” Icra said. It said the impact for the private sector players would be relatively lower.

IRDA directive

Insurance regulator IRDA has asked life insurers to enhance the grace period for payment of renewal premium by an additional 30 days if desired by the policyholders.

[TOP](#)


Source

Coping with Covid-19: What life insurers are doing to help policyholders - The Hindu Business Line – 25th March 2020

As coronavirus cases rise in India, corporates across the country have started taking precautionary measures to contain its spread while also continuing to service their customers. Life insurance companies including LIC, SBI Life and ICICI Pru Life are opting for alternative modes such as telephone and digital to reach out to policyholders, and are offering relaxations wherever necessary. According to a recent circular from insurance regulator IRDAI, life insurance companies are allowed to extend the due date on premium payment. Further, they can consider developing a quicker claim settlement process in virus-hit areas. They are also required to provide information on their websites on the admissibility of Covid-19 death claims for all the policies issued.

LIC recently announced a facility to extend the due date of premium payment up to April 15 for in-force policies. ICICI Pru Life and SBI Life, too, have extended the grace period by 30 days. Soon, other life insurers may follow suit. SBI Life has launched a revival campaign for individual policies up to March 31 this year. This means your lapsed policy can be revived without any late payment penalty. Similarly, ICICI Pru Life has offered to revive policies that have lapsed in the last 6-12 months. It is also waiving additional charges such as reinstatement and late payment fees. Aditya Birla Sun Life, in addition to the existing digital claim settlement procedures, has a dedicated claim relationship manager to facilitate quick and speedy settlement of coronavirus-related claims.

(The writer is Bavadharini KS.)


Source

[TOP](#)

Explained: How ULIPs work and what you should know before investing - Financial Express – 24th March 2020

When it comes to financial decisions, we usually tend to gravitate towards products that have “more” benefits. Unit Linked Insurance Plans (ULIPs) are one such category of products that pack in multiple benefits in a single investment. ULIPs come with the dual benefit of providing individuals with an insurance cover in addition to acting as an investment solution. ULIPs provide life cover and also help individuals create wealth by investing a portion of the premium in debt or equity assets. By investing in

ULIPs, investors can get the desired life cover and invest for their financial goals as well. Simply put, ULIPs can create more value for investors.

How ULIPs work?



When an individual invests in a ULIP, he/she needs to pay a fixed premium for the selected cover amount. While some portion of the premium is used for providing insurance coverage the balance portion is invested in an equity or debt instrument. Investors have the flexibility to choose between equity, debt and balanced option for their investment plan. Additionally, they also have the option to switch between investment plans during the course of the premium payment. Fund managers manage the investment according to the fund type and invest in debt or equity instruments. It is important to note that as per the IRDAI, the lock-in

period for ULIPs is 5 years and its performance or ability to generate returns is linked to the markets.

Three-in-one deal

Insurance – one of the primary benefits of a ULIP is the life insurance cover that it provides. By investing in a ULIP one can protect their family from uncertain events and ensure that the family is well taken care of in case of the untimely death of the insured individual.

Financial Goals – the other major benefit that ULIPs provide is their ability to generate wealth through investment in equity and debt assets. For long-term goals, investors can choose to invest in ULIPs. They can choose from debt, equity or balance option according to their need, risk profile and investment time horizon. Since ULIPs have a compulsory lock-in period of 5 years and insurance, in any case, is a long-term product, investments in ULIPs can benefit from the power of compounding and eventually generate significant returns for the investor.

Tax Benefits – According to the Income Tax Act, 1961, the premiums paid towards a ULIP are eligible for a tax deduction under Section 80C. The maximum allowable deduction under this section is Rs 1,50,000. On maturity, the returns from the policy are exempted from income tax under Section 10(10D).

In addition to the above three major benefits, ULIPs are easy to invest in and offer investors the flexibility of switching between investment plans. As investors' circumstances change, so does his ability to assume risk. By allowing investors to switch between debt and equity at no additional costs, ULIPs ensure that as an investor you are able to build an optimal investment portfolio that accurately reflects your risk-return requirements.

Points to know before investing in ULIP

In life, if we really want to succeed, we must constantly work towards building our knowledge and knowing more about the various aspects of our lives. When it comes to investment decision making, there are a lot of details that one needs to pay attention to. Below are a few more things that you should consider before investing in ULIPs.

The sum assured is a minimum guaranteed amount that your unit-linked investment plan gives your nominee in case of your death. In case of death of the policy holder, the insurer will have to nominee the highest value of the following:

- The minimum sum assured, or
- The fund value as on that day, or
- 105 percent of the premiums paid.
- Minimum policy term will be 5 years.
- The grace period will be 15 days for monthly premiums being paid and 30 days in all other cases.
- Lock-in the period will be 5 years.

If the policy has been discontinued after 5-years, then one can revive the policy within two years of discontinuation.

Partial withdrawal is available after 5 years only. In the case of child policies, no withdrawal is allowed until the child becomes 18 years old.

Same day NAV will be applicable if the premium received or redemption request received is before 3 P.M. Else, the NAV for the next day will be applicable.

Standalone products that primarily offer one single benefit have their own advantages while products like ULIPs that offer multiple benefits have their own advantages. Any investment decision should be taken from a holistic portfolio perspective to ensure that one is able to meet all their financial, as well as, security-related goals.

(The writer is Dharendra Mahyavanshi.)

[TOP](#)

Source

Why buy a term insurance plan before April 1, 2020? – Financial Express – 23rd March 2020



If you are looking to buy a term insurance plan, you may have to hurry up a bit, in case you want to keep the cost lower. According to industry experts, the premium of term insurance plans may be revised upwards from April 1, 2020. Therefore, for those who have the need to buy a term insurance policy or are inadequately insured, should try to buy the term plan before March 31, 2020.

Term insurance plans are low-cost, high cover plans that only provide life protection. On death during the policy term, the sum assured is paid to the nominee while nothing gets paid if the policyholder survives the term of the policy. Anil Kumar Singh, Chief Actuarial Officer, Aditya Birla Sun Life Insurance says, “Protecting one’s future financial needs with a term insurance plan is definitely good for the long run. In view of the increasing uncertainties in people’s lives, having a life cover with a term insurance plan is a must and one of the safest options, securing the financial future of one’s family members”.

The term insurance plan premium increase with age. It means, higher the age, higher is the premium. Once bought, the premium remains the same until the end of the policy term. The primary benefit of term insurance plan is to replace the income of the bread earner of the family and help maintain the standard of living of the surviving members of the policyholder.

The increase in premium could be primarily owing to a hike in the reinsurance premium. Indian insurance companies re-insure their business with re-insurers companies by paying a reinsurance premium. Any upward revision in reinsurance premium by re-insurers is generally passed on to the policyholders.

According to industry people, the reinsurance premium may be revised which will lead to the premiums for term insurance plans to increase by 20 to 50 per cent, across different insurers from April 1. Any such increase is also significant because the term insurance premium has remained more or less constant for the past 5 to 6 years.

Most financial planners suggest to buy life insurance of at least ten times of the take-home pay and term plans best suits for such a need. One may buy term insurance online which are comparatively much cheaper than offline term plans. As per the Delhi government’s notice, the insurance sector falls under essential services and one may therefore either buy the term plan online or approach the insurance company.

Before buying a term insurance plan, compare the premium across a few insurers and then decide. Anyone with financial dependents needs to have life insurance and buying the term plan best suits the requirement. With stock markets down, the value of assets or the portfolio could have come down for most investors. Make sure, your long term goals are protected with adequate life insurance and buying it before March 31, 2020, will help even if the premium remains constant.

(The writer is Sunil Dhawan.)

[TOP](#)

Source

Partial withdrawal from life insurance policy reduces sum assured - The Economic Times - 21st March 2020



You can partially withdraw money from unit-linked life insurance policies, but this will automatically decrease the sum assured for two years from the date of withdrawal. The sum assured is restored to the original level after two years provided no further partial withdrawal is made during those two years. Therefore, it becomes crucial to use this facility wisely.

The partial withdrawal facility is only available in case of unit-linked insurance plans (Ulips) and unit-linked endowment plans. You cannot partially withdraw from traditional insurance policies which are not unit-linked.

New rule for partial withdrawal from life insurance policy

The new Insurance Regulatory and Development Authority of India (IRDAI) rule came into effect on February 1, 2020 and as per the new guidelines, life insurers will now have to launch revised insurance plans in the market after withdrawing the current life insurance plans on offer.

There are few terms and conditions that you need to be aware of to partially withdraw from a unit-linked insurance policy.

As per the change in rule, now, policyholders get the option of partially withdrawing from the fund value three times during the entire term of the policy.

Rakesh Goyal, Director, Probus Insurance Broker, said that there is a limit on the amount that can be partially withdrawn. "You can partially withdraw the minimum amount of either Rs 1,000 or Rs 2,000. This amount varies from policy to policy. On the other hand, the maximum limit for the withdrawal is around 25 percent of the fund value (the value at the time of withdrawal) and these withdrawals are linked to certain life events such as the marriage of children, the child's higher studies, and critical illness, purchasing or building a new property."

Apart from these, there are a few more conditions.

Naval Goel, Founder, PolicyX.com said, "You have to be at least 18 years of age to make a partial withdrawal. You are allowed to partially withdraw money only after the completion of 5 policy years and also only if all due premiums have been paid on time and the policy is in force."

How partial withdrawal works

Let us assume you bought a unit linked life insurance plan whose fund value is Rs 2 lakh after five years into the policy term. The annual premium of this policy is Rs 30,000 for a sum assured of Rs 5 lakh. As per the new rules, you can partially withdraw a maximum of 25 percent of your fund value and not more than that such that at least one year's premium remains in the fund.

So in this case, you can withdraw only 25 percent of Rs 2 lakh, that is, Rs 50,000 subject to the fact that at least Rs 30,000 remains in the fund. Thus, as soon as you withdraw, not only your fund value but your sum assured will also decrease by Rs 50,000.

The sum assured will get reduced to Rs 4.5 lakh from the original Rs 5 lakh, for a tenure of two years, after which it will get restored to Rs 5 lakh automatically. However, the restoration will only happen if you continue to pay your premium for the next two years. This way you have actually paid the cost of risk cover in the policy. Further, it is also subject to a condition that you have not made more withdrawals in those two years.

However, if insured dies within 2 years of a withdrawal the nominees will not get the original or full sum assured / death benefit. In such a case the nominee will only get the reduced sum assured (reduced for 2 years after withdrawal) on death of insured or the minimum guaranteed death benefit i.e. 105 percent of the premiums paid. In this case the sum assured/ fund value does not get restored to original level. The nominee would get the full death sum assured only if death happens after the sum assured is restored to original level.

Karthik Raman, CMO and Head-Products, IDBI Federal Life Insurance said, "In case the fund value is more than the sum assured, for instance, if the fund value is Rs 6 lakh and the sum assured is Rs 5 lakh, then when there is a partial withdrawal of say Rs 1.5 lakh (25 percent of the fund value), both fund value and sum assured will again fall by Rs 1.5 lakh. But only sum assured will get restored automatically after two years. Fund value gets restored to the extent of additional premiums being paid and/or increase in net asset value (NAV)."

He added, "Earlier, post the age of 60 years, any partial withdrawals done was reduced from the sum assured permanently and would not get restored. However, there has been a change brought about by the new regulations. Now, even post the age of 60 years, the sum assured gets restored to the original amount 2 years after the partial withdrawal."

Points to note

No penalty charges are applied on making a partial withdrawal. Also, the policyholder will not be taxed on partial withdrawal of funds.

Under section 10(10D) of the Income Tax Act, for life insurance policy where the premium payable does not exceed 10 percent of the sum assured, the amount received on partial withdrawal is exempt from tax. However, for policies purchased before April 1, 2012, the premium should not exceed 20 percent of sum assured for the proceeds to be tax-free.

(The writer is Navneet Dubey.)

Source

[TOP](#)

What Determines Your Life Insurance Premium? – Businessworld – 20th March 2020



You and your friend are nearly the exact same age, and both of you applied for the same Life Insurance policy. Your friend's proposal was accepted, whereas your Life Insurance Advisor came back to you with an increased premium requirement for the same life cover. Confused? Besides your age, here are a few factors that may have influenced this outcome.

Gender

Statistically, Women tend to outlive Men by 5 to 7 years in India. This means that they are required to pay premiums for a higher number of years compared to men, but the quantum of annual premium is reduced. What this essentially means is that all

other factors being equal, Women could end up paying slightly lower annual premiums than men for the same policy.

Smoking & Drinking Habits

All right, this one's a no brainer. Smoking causes millions of deaths worldwide, and is directly or indirectly responsible for at least 15 different types of cancer. Heavy drinking has similar ill effects on your health, damaging the liver and other vital organs, and reducing overall life expectancy. Your smoking and drinking habits are bound to have a material impact on your life insurance premiums. Yet another reason to ditch the cancer stick and stick to your 'two drinks a day' limit.

Present Health Condition

Some policies (especially the ones in which the life cover is high) will require you to undergo a medical examination to allow the insurance company to better understand your present health condition. Irregularities with respect to your heart health, for instance, can lead to an increased premium; or to the insurance company not issuing the policy at all. Any serious issues with respect to your present medical condition are bound to influence your premium amount.

Family's Medical History

You may be in the pink of health, but if you have a family history of illnesses such as heart disease, diabetes, hypertension, or cancer, it may lead an upward revision in premium estimates. Diseases that tend to be hereditary in nature will obviously have a more material impact on your premiums.

Occupation & Lifestyle

The job you've chosen will materially impact your mortality risk – and your subsequent Life Insurance premiums. For instance, the percentage of fatalities every year is far higher for coal miners as compared to those employed in white collar jobs. Your hobbies and pastimes affect your risk of dying as well – if you enjoy tightrope walking or cliffhanging in your spare time, you can be sure that your Life Insurance Company won't be quite so kind while computing your premium requirement.

Weight

A Body Mass Index (BMI) of over 30 is likely to be viewed as unfavorable by your Life Insurance provider, and will likely lead to higher premiums. Your BMI crosses 40 - and you may become uninsurable. Just another reason to start your morning run and shed a few useless pounds.

(The writer is Aniruddha Bose.)

[TOP](#)



Source

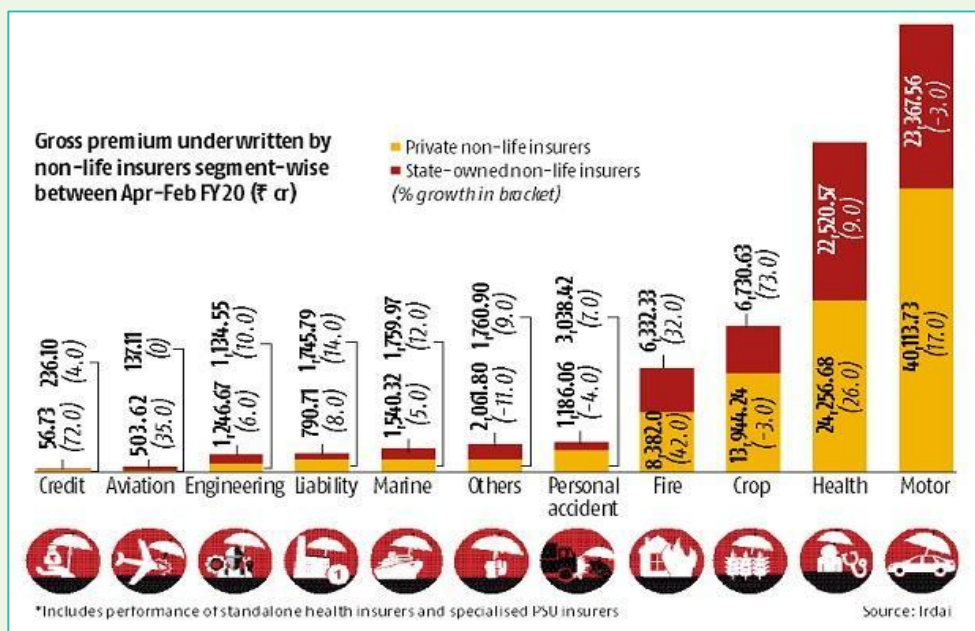
GENERAL INSURANCE

Non-life insurers register 14% premium collection growth in Apr-Feb FY20 - Business Standard – 25th March 2020

Non-life insurance companies have registered a 14 per cent growth in premium collection for the April-February period of the current financial year (FY20), over the same period in the last financial year (FY19). For private sector non-life insurers, segments like fire, motor, health have performed better than other segments.

The crop insurance segment has seen negative growth for the private insurers as many have stopped underwriting crop insurance policies. Aviation has seen a flat growth for private insurers. While the private sector insurers saw a 17 per cent growth in premium collection, the state-owned non-life insurers registered a 9 per cent growth in the same period.

For state-owned insurers, segments like fire, crop, credit, and aviation have seen a double-digit growth while segments like motor and personal accident have seen degrowth.



(The writer is Subrata Panda.)

Source

[TOP](#)

Coronavirus spread: Business interruption loss not covered under insurance – Business Standard – 23rd March 2020



Many state governments have enforced a partial lockdown to contain the spread of COVID-19, resulting in business interruption losses for small and large companies, shops, and others. But the losses cannot be made good by claiming for insurance as the 'loss of profit' clause does not get triggered in the policies unless there is physical damage.

"The non-life industry does not foresee business interruption loss claims arising due to COVID-19 like quarantine or close down of operations due to non-availability of staff because there would be no property damage due to any accident or event," a General Insurance Council spokesperson said.

"The current business interruption policies for commercial establishments do not offer any cover for epidemic or pandemic declared by the World Health Organization (WHO) or the government," the spokesperson added.

Normally, business interruption losses are covered under property damage policy. So, only if there is property damage then the 'loss of profit' policy gets triggered. Cases where there has been a fire, breakdown of machinery due to riots, terrorist activities or natural events like floods, cyclones and earthquake, the 'loss of profit' policy gets triggered and business which have suffered losses can make claims for their losses.

Sanjay Datta, chief (underwriting & claims) at ICICI Lombard, said: "Business loss from physical damage is covered but not the notional loss. Notional loss can happen for economic slowdown also. There was a slowdown due to the global financial crisis and several companies shut shops but that was not covered under insurance policies because there was no physical damage".

Generally, major industries, hotels, and big shops take business loss policy along with property insurance wherein any claims arising due to physical damage from any of the insured peril is admissible. "In this case, since none of the insured perils have happened and the businesses have been closed under government action, no claim arising out of business loss due to COVID-19 can be admissible," said CR Mohan, senior vice-president, Bajaj Allianz General Insurance.

"However, there may be some all-risk covers which may include coverage due to COVID-19. But such policies are very rare and have to be underwritten, specifically with terms and conditions, subject to reinsurance support," the General Insurance Council spokesperson said. The partial lockdown has also resulted in many film productions getting stopped temporarily causing budget over-runs. However, film insurance if taken by the production house or the producer may come in handy here.

"At present, film insurance does offer coverage against losses incurred due to stoppage of production due to an epidemic or pandemic in a limited way subject to the disease being declared as an epidemic/pandemic by the WHO or the government. However, it may not cover loss of profit since the same cannot be estimated," the spokesperson added.

(The writer is Subrata Panda.)

[TOP](#)

Source

Non-life insurance premium rises 14% to Rs 1.73 trn during April-February - Business Standard - 22nd March 2020



Non-life insurance firms reported a 14 per cent increase in the premium collection to Rs 1.73 trillion during April-February this financial year, according to the Insurance Regulatory and Development Authority of India (Irdai) data. As many as 34 non-life insurance companies had collected a total premium of over Rs 1.52 lakh crore in the same period of 2018-19.

Public sector insurance firms witnessed a rise of 11 per cent in their premium income at Rs 76,369.72 crore during the first 11 months of 2019-20, the data showed. The two specialised public sector companies, AIC and ECGC, reported a 25 per cent jump in the collection at Rs 10,032.72 crore in the period.

Private sector non-life insurance providers collected a total premium of Rs 97,072.18 crore during April-February 2019-20, up by 17 per cent a year ago. Seven standalone health insurers in the private sector reported a 21.31 per cent jump in their total premium income at Rs 12,602.31 crore in the period as against Rs 9,633.21 crore during the year-ago period.

Source

[TOP](#)

HEALTH INSURANCE

Govt to provide Rs 50 lakh health insurance per health care worker for 3 months due to Coronavirus - The Economic Times - 26th March 2020

The government proposes to provide insurance cover of Rs 50 lakh per person to frontline health workers - sanitation staff, paramedics and nurses, ASHA workers and doctors- who are working to tackle the COVID-19 illness and face the highest risk of contracting the illness.

Finance minister Nirmala Sitharaman announced this on March 26, during a press conference. The insurance cover provided to the health workers will be for three months with effect from March 25, 2020.

This is expected to benefit 22 lakh health workers handling the COVID-19 crisis across India, the FM said. According to the PIB press release, the health insurance scheme for health workers fighting COVID-19 in Government Hospitals and Health Care Centres will cover the following:



⑦ Safai karamcharis, ward-boys, nurses, ASHA workers, paramedics, technicians, doctors and specialists and other health workers would be covered by a Special insurance Scheme.

⑦ Any health professional, who while treating Covid-19 patients, meet with some accident, then he/she would be compensated with an amount of Rs 50 lakh under the scheme.

⑦ All government health centres, wellness centres and hospitals of Centre as well as States would be covered under this scheme approximately 22 lakh health workers would be provided insurance cover to fight this pandemic, according to the release.

This way, if a health worker is diagnosed as coronavirus positive, they would be able to get claims settled for up to Rs 50 lakh under this health insurance cover scheme. The policy will cover hospitalisation and other treatment expenses related to COVID-19. A regular health insurance, too, normally covers expenses related to hospitalisation and medication costs, etc.

Guidelines issued by IRDAI to tackle COVID-19

The Insurance Regulatory and Development Authority of India (IRDAI) has also asked insurers to come up with need-based insurance policies to cover the coronavirus, for the public at large. IRDAI stated, "In order to provide need-based health insurance coverage, insurers are introducing products for various specific diseases including vector borne diseases. For the purpose of meeting health insurance requirements of various sections, insurers are advised to design products covering the costs of treatment for Coronavirus."

Various general insurers have, over the past one month, come out with health insurance plans to provide coverage for the coronavirus. Click the below links to read about some of these policies.

[TOP](#)

Source

Indian women and health insurance: Why they must be friends – CNBC – 26th March 2020



"Women are the real architects of society" — Harriet Beecher Stowe

We all must accept the fact that women are the strongest pillar of the society and they are the ones who shape the future. Women — especially in India— are masters at multitasking, as they flawlessly manage work at office and household together, and with utmost perfection. However, in their never ending quest of managing everything possible at both household and professional front, they often neglect themselves as individuals, putting their own health at risk. However, it is very important for women to

realise that they will only be able to give their best if they themselves are fit and fine.

As per available data, women in India use much more health care services in comparison to that used by men. Moreover, though the life expectancy rate of women in India is comparatively higher than men, still

Indian women are more prone to chronic illnesses and require extended healthcare services. Lack of adequate sleep and exercise, together with unhealthy food habits are paving way for a plethora of illnesses amongst young women in India which were once associated with older folks.

According a study, 38 percent of the Indian women are at a major risk of chronic illness. A majority of women in India today suffer from acute symptoms of stress and anxiety that often lead to depression and other psychological disorders. Adding to it are instances of ailments like diabetes, thyroid and infertility that have increased by leaps and bounds over the last decade.

Apart from chronic illnesses, the trend of life-threatening ailments such as cancer is also on the upsurge among young women in India. As per a recent survey, an increasing number of younger women in India who are in their 30s and 40s are being diagnosed with breast cancer. In accordance with the survey findings, 4 percent cancer patients today belong to the 20-30 years' age bracket, 16 percent belong to 30-40 years' age bracket while 28 percent fall under the 40-50 years' age bracket.

On an average, a whopping 48 percent breast cancer patients in India are in the age-group of 20-50 years. Apart from the surge in life-threatening ailments, the increasing cost of medicines and advanced treatments also calls for a comprehensive protection. And this is why health insurance is indispensable for women in India! However, a majority of women in India are missing out on health insurance and it is all the more concerning that, those who are most vulnerable are bearing the brunt.

In India, it is often observed that the individual financial security of women is completely side-lined, and clubbed into the family's security. Most women — single or married — do not have individual health insurance and are mostly dependent on their husband or family for their health expenses. If a woman's health insurance is clubbed in her husband's or family's group health insurance policy, she would necessarily be not able to attend all health-services like independent health insurance. This is because group health insurances have their own set of limitations and women need to have an independent health insurance policy to fend for themselves in any situation.

Currently, Indian women account for less than 20 percent of consumers who buy individual health insurance policies. The majority of women policyholders are in the 26-45 age demographic, while women aged 55 and above account for the lowest number of policyholders despite becoming gradually vulnerable to numerous healthcare issues. Though, women aged above 55 account for the largest health insurance claims. This is a major reason why health insurance is indispensable for women in India. A comprehensive health insurance policy provides a plethora of benefits to the policyholder.

Thankfully, with the market evolution, there are numerous products available in the market that offers best of the required services. The various women specific health insurance plans are specially designed keeping in mind the different illnesses that a woman may encounter during her lifetime. There are plans available in the market under which the women can choose for critical illnesses and even certain cancer add-ons to have an overall health cover.

The women-specific products in the market cater to women specific needs and critical illnesses, moreover, there is no special premium pricing for any such product. But as a woman it is important for you to stay informed, and invest in a plan that is benefitting you in more ways than one. The health insurance plans that offer maternity cover with the numerous inclusions such as coverage for in-patient hospitalisation, delivery charges for normal delivery/ C-section and even lawful termination of pregnancy, under certain conditions.

While buying health insurance online, women in India should consider a few other aspects aside from the list of diseases it covers. The other aspects that need to be considered include waiting period for pre-existing disease, waiting period for maternity coverage, coverage for OPD expenses, value added services on offer, age, room and treatment related limits, and a network of hospitals with cashless treatment facility.

(The writer is Amit Chhabra.)

TOP


Source

Impact of Coronavirus on Life and Health Insurance Policies – Entrepreneur – 25th March 2020



Coronavirus has caused 9 deaths in India so far, with confirmed cases to touch the 600 mark soon. As numbers increase rapidly, how can health and life insurance policies come to your aid if you or your family member is tested covid-19 positive?

Earlier this month, the Insurance Regulatory and Development Authority of India (Irdai) had issued guidelines for health insurers asking to expedite coronavirus related claim settlement

in the case of hospitalisation.

Industry experts that Entrepreneur India spoke to say that the claim settlement process for covid-19 related cases will remain the same as other illnesses.

“This is not the first time of a virus outbreak. There have been Ebola, Zika, Nipah in the past, and coronavirus is just another one such outbreak. A health insurance policy covers all types of infections and coronavirus will also be included,” says Mayank Bathwal, CEO, Aditya Birla Health Insurance. “Anyone who is hospitalized for 24 hours as a result of coronavirus will get coverage.”

Apart from hospitalization charges, most health insurance policies will also cover post-hospitalisation expenses incurred during the recovery period. “Since COVID-19 is a new disease and does not come under pre-existing disease, it will be covered under your base policy. Hence, the insured will be provided with all the covers, including in-patient treatment, pre and post hospitalization, and other test and diagnosis,” states Reliance General Insurance guideline on coronavirus related coverage.

Bathwal says “All covers such as in-patient treatment, pre-hospitalization, post-hospitalization, OPD and ambulance cover that a health policy offers will be available to the insured to fight against this pandemic.”

In fact, Edelweiss General Insurance has extended hospitalization coverage to quarantined cases that have not even been diagnosed positive. “We have decided to cover hospitalization for not only those who have a confirmed diagnosis but also those who have been quarantined in specific facilities identified by the government. The coverage amount is up to the sum insured under the policy. For the quarantined patients, the health policy ensures coverage for the entire period of quarantine with up to 100 per cent of the claim amount being paid against quarantine and detection charges,” a company statement said.

Some insurance policies have the clause of not covering pandemics and epidemics, but industry experts believe all companies will have to comply to Irdai’s strict directive. “The regulatory stance is very clear that claims reported under Covid-19 should be reviewed thoroughly before rejecting any claim. This is a worldwide emergency and we don’t think any claims related to coronavirus will be rejected,” says Sanjay Datta, Chief- Underwriting and Claims, ICICI Lombard General Insurance. “Our policies don’t have pandemic exclusion,” he adds.

Nevertheless, it is advised that the policyholder check with its insurer about the terms and conditions of the policy to avoid hassle at the time of making a claim.

What About Life Insurance

Just like health insurance, death due to coronavirus will be honored in life insurance settlement. Health-related illness that results in death of the insured are generally covered under life insurance policies, say experts. “Insurers will be closely monitoring all the claims coming in basis coronavirus detection and shall expedite the claim processing of such cases,” says Manu Lavanya, Director and Chief Operations Officer, Max Life Insurance.

If you have already contracted the infection at the time of applying for a policy now, the insurer is likely to reject or hold the policy. Insurance companies ask for medical history declaration and even conduct tests to determine medical history. “The only grounds of claim rejections remain where the policyholder had pre-existing health conditions at the time of buying the policy but did not disclose it. This is as per the industry standard claims terms and conditions,” explains Lavanya.

If you are applying for a policy now, it is advised to declare all details correctly upfront so that full death benefit is paid to the beneficiary later even if the death is caused by coronavirus.

(The writer is Shipra Singh.)

[TOP](#)


Source

Coronavirus: Govt allows deliveries in private hospitals under insurance scheme - The Tribune – 25th March 2020

In view of the emergent situation, arising out of the spread of coronavirus and the increasing pressure of public healthcare infrastructure, the government has allowed all kinds of deliveries in the impanelled private hospitals under Ayushman Bharat Sarbat Sehat Bima Yojana without any need of taking referral from the Government facilities.

As per an order issued by Secretary Health, the decision was taken by exercising of powers under the Epidemic Diseases Act, 1897, the Government of Punjab has already issued the Punjab Epidemic Diseases, COVID-19 Regulations, 2020 for the containment and prevention of the spread of COVID-19.

The government said that amid the current situation the government hospitals may be over-burdened with various quarantine, treatment and containment measures to be implemented to meet the exigency of the situation.

Therefore, considering the current situation, ten procedures pertaining to obstetrics and gynecology including high-risk deliveries and cesarean section which was earlier reserved for government hospitals stands de-reserved with immediate effect.

Thus, the treatment of these ten procedures can be availed from impanelled private hospitals under the scheme which was earlier prohibited without getting referred from the government facilities.

Procedures:

- 1 Caesarian Delivery
- 2 High-risk delivery: Premature delivery
- 3 High-risk delivery: Expected Gestation at delivery less than 35 weeks
- 4 High-risk delivery: Mothers with eclampsia or imminent eclampsia
- 5 High-risk delivery: Obstructed labour
- 6 High-risk delivery: Major Fetal malformation requiring intervention immediately after birth
- 7 High-risk delivery: Mothers with severe anemia
- 8 High-risk delivery: Other maternal and fetal conditions as per guidelines such as Rh haemolytic disease, uncontrolled diabetes, severe growth retardation, etc that qualify for high-risk delivery, etc.
- 9 Normal Delivery
- 10 Caesarian hysterectomy

[TOP](#)


Source

Your Money: Covid-19: Why health insurance is critical now - Financial Express - 25th March 2020



The Government of India is taking all possible measures to ensure that Covid-19 does not spread in India like it did in other countries. From maintaining social distancing, sanitising hands, restrictions on public gathering, closing of malls, stores, and cineplexes, etc., the government has ordered lockdown. As a responsible citizen, you must also be following all possible guidelines issued by the Mgovernment to protect yourself and your family against Covid-19.

Nobody knows which way this critical situation will turn. A look at the statistics of other countries show that if the

number of recovered cases has risen, at the same time active Covid-19 cases have also risen. We must ensure that we are financially prepared for any medical emergency that comes our way in the coming months.

Health insurance cover can play a big role here, which will allow you to get treatments at the best hospitals. Moreover, this counts for a good tax-saving amount of up to a maximum of Rs 50,000 where you have insured yourself, your family and your parents as well. The deduction can be availed in the current financial year if the policy is taken before March 31.

Coronavirus cover

Policyholders will have a query whether hospitalisation due to coronavirus will also be covered in previously issued health policy. First, remember that all fresh health insurance policies will cover coronavirus cases after 30 days of the initial waiting period cover. There will be no special condition in processing claims for the confirmed cases of coronavirus.

Claims for such cases will follow the normal process. It will be treated as a normal illness such as chikungunya, pneumonia and other viruses. There's no exclusion marked by insurance companies so far. So in case you have still not insured your family, make sure you contact your insurance agent and get yourself and your family insured with adequate health cover today itself.

The spread of Covid-19 all across the globe has taught us many things, whether it is about basic hygiene factors or maintaining social distancing from people infected by any germ. The one very important thing it has also taught us is that we should not ignore health-insurance any further. It is the need of the hour for every family. Any unplanned private hospitalisation can make a big hole in your pocket. Therefore, in order to create a safety-net around our savings and family members we must ensure that our family is adequately covered so that they can get the best treatment in the top hospitals of India.

Reviewing health insurance

Only group health insurance: Your existing group-insurance cover will lapse in case you change your job. So, buy a separate health policy for your family.

Group health insurance plus personal health insurance: Higher the number of family members, higher the insurance cover. Think from the perspective that if all family members get hospitalised. Buy Super Top-Up plan which is low cost and offers high cover.

Not insured with any health insurance: You may face trouble at the time of unplanned hospitalisation. An insurance cover could help you safeguard your savings and investments and ensure better treatment. Buy personal health insurance policy of at least Rs 10 lakh sum assured per family.

(The writer is Vinay Taluja.)

TOP

Source

Health insurance: Irdai for redefining sub-limit rules in policies – Financial Express – 25th March 2020



In order to standardise health insurance claims, especially as the coronavirus pandemic spreads in the country, the insurance regulator has put out a draft exposure where health insurers have to define associate medical expenses in the terms and conditions of policy contract.

The regulator has underlined that expenses related to cost of pharmacy, cost of implants and medical devices and cost of diagnostics will not be allowed to be part of the definition of 'associate medical expenses'. It notes that as a part of product design, insurers propose proportionate deductions of the

associated medical expenses when a policyholder chooses a higher room category than the category that is eligible as per terms of the policy.

Room rent

The Insurance Regulatory and Development Authority of India's (Irdai) draft exposure is likely to change the norms which govern how much of the hospital bill will be reimbursed to a policyholder in case of a claim. Analysts say the proposed changes are expected to benefit policyholders with insurance policies which have sub-limits.

In fact, in most health insurance policies, if the room rent opted by the insured exceeds the rent covered in the policy, then the amount which is more than the eligible room rent bill is not reimbursed fully by the insurance company.

In such a case, the insurer subjects the bill to proportionate deduction. The proposed changes by the regulator aim to restrict proportionate deduction which would lead to, in most cases, the insured being able to get a higher percentage of the bill reimbursed by the insurer.

Regulatory changes

Irdai has underlined that insurers will not recover any expenses towards proportionate deductions other than the defined 'associate medical expenses' while processing claims."Insurers shall ensure that proportionate deductions are not applied in respect of the hospitals which do not follow differential billing based on the room category.

Towards this, the policy conditions shall be specified that the proportionate deduction would be applied only in case of a hospital that follows differential billing practice based on room category, it says.

The regulator has also said that insurers are not permitted to apply proportionate deduction for 'ICU charges' as different categories of ICU are not there. Pankaj Arora, MD & CEO, Raheja QBE General Insurance, says that the regulator's proposal will help in better claims settlement for the policy holder at large, increase transparency on policy benefits, leading to enhanced customer experience.

Proportionate deduction

In health insurance, proportionate deduction happens when a policy holder opts for a room where the tariff is more than the tariff capped by the insurer. All other associated medical expenses are also linked to the proportionate deduction.

For example, if the room rent is capped at 1% of sum insured and the sum insured is Rs 1 lakh, then the insurer will only pay Rs 1,000 and any room rent amount more than this will have to be paid by the insured. Similarly, doctors' fees, surgery/ operation charges, nursing expense, medicine cost can have sub-limits.

If Irdai's proposal is implemented, it will benefit surely benefit those policyholders who have opted for sub-limits. In fact, most policies sold in the market have such sub-limits and policyholders do not get the entire claim amount. Experts say its always better to go for a health insurance policy which does not have any sub-limit on medical expenses and room rent. Though such policies come with higher premium, it is always better in the long run, especially when there is a claim.

(The writer is Saikat Neogi.)

[TOP](#)

Source

Covid-19 treatment to be covered under Ayushman Bharat - The Economic Times - 24th March 2020

The National Health Authority (NHA) has decided to cover Covid-19 treatment of the poorest of the poor in private hospitals under Ayushman Bharat — the central government's health insurance scheme for the deprived.

An Ayushman Bharat beneficiary would be able to get himself tested for Covid-19 in any empanelled private hospital free of cost as per the NHA's decision. In case a suspected Covid-19 patient has to be isolated in a private hospital, the isolation would also be covered under the scheme. A senior NHA official, who did not wish to be identified, told ET: "We have finalised the packages which are required to cover treatment of the Ayushman Bharat beneficiaries. We have decided to cover the confirmatory multiple tests for Covid-19 in the empanelled hospitals and in case the person needs isolation. These will be covered under the scheme."

Apart from this, the NHA expects to cover the treatment cost under its viral infection packages. According to people in the know, additional packages for respiratory distress have been worked out in case the patient needs intensive care in more serious cases.

Stepping up

ISOLATION FOR SUSPECTED COVID-19 PATIENT TO BE COVERED UNDER THE SCHEME

NHA to cover the treatment cost under its viral infection packages

Additional packages for respiratory distress are being worked out in case the patient needs intensive care

“ We have sought urgent approval within two days. The packages should be in place within this week. It is essential as state health ministers of Maharashtra and Delhi have expressed opinions that there could be community transmission: NHA

ANIRBAN BORA

BCCL

The Pradhan Mantri Jan Aarogya Yojana (PM-JAY) or Ayushman Bharat provides free health coverage at the secondary and tertiary level to the poor. The PM-JAY is the world's largest and fully state-sponsored health insurance scheme. It aims to cover more than 10.74 crore poor and vulnerable families as per the socio-economic caste census 2011. It provides a cover of up to Rs 5 lakh per family per year under 1,400 pre-defined packages spread over 23 specialities.

The NHA has already run its proposal by the Niti Aayog. A senior official told ET that NHA needs approval of the

governing board for the packages to become operational all over India. "We have sought urgent approval within two days. The packages should be in place within this week. It is essential as state health ministers of Maharashtra and Delhi have expressed opinions that there could be community transmission. The health ministry has denied it but we need to be prepared on our end," said another top NHA official.

(The writer is Nidhi Sharma.)

[TOP](#)

Source

Medical insurance covers see 42% growth in February – The Times of India – 24th March 2020



Medical insurance premiums saw a spike in February, with the overall growth in health business rising sharply by 42% year-on-year (YoY) — highest in 13 months, compared to a YTD run-rate of 17%.

Retail health policies maintained strong momentum at 15% YoY growth in February, while group health business was up 19% YoY. State-owned insurers saw a sharp 67% growth in business, with United India (up 147% YoY) and Oriental (up 86% YoY) being the growth leaders. They gained market share from private players and specialised standalone players, wrote analysts with Kotak in a note.

Future Generali India Insurance COO Shreeraj Deshpande said, “On retail health premium underwritten, we have seen about 24% growth in February, which has gone up to 29% in March. On overall growth in health business, we have seen 38% growth as of March compared to the previous year.” He added that there was no panic buying attributable to the coronavirus crisis yet. However, enquiries have risen by 15-20%.

Ditto for ICICI Lombard. “We call it the JFM phenomenon (JFM is January, February and March — a period when policies are renewed for tax benefits). There is no other specific reason that I see for February growth rising,” said Sanjay Datta, chief (underwriting, claims and reinsurance) at ICICI Lombard General Insurance. He, however, added that there has been an increase in enquiries for medical policies in March. ICICI Lombard launched a separate policy for Covid-19 last week. “We are selling through digital channels and not through agency,” he added.

For Tata AIG General Insurance, sales of retail indemnity health policies have gone up by 85% in February on YoY basis. “Our portfolio was also not very big. However, we have seen a sharp rise in underwriting health premium, which was possible only through our agency network,” said Tata AIG General Insurance head & executive VP (consumer lines) Parag Ved. With the slowdown in business from their bancassurance partners, he said.

Irdai seeks grace period of 30 days

BENGALURU: Given the lockdown in many states, insurance regulator Irdai on Monday requested life and general insurance companies to extend a 30-day grace period to customers for renewal premiums.

(The writers are Rajesh Chandramouli & Mamtha Asokan.)

[TOP](#)

Source

Insurance, health tech companies announce policies to cover COVID-19 - The New Indian Express – 23rd March 2020



With the number of coronavirus (Covid-19) patients in India rising exponentially, several health, insurance and banking institutions are offering special policies that provide free medical cover to those who have been tested positive.

While the sector regulator Insurance Regulatory and Development Authority of India (IRDAI) has mandated the insurance companies to cover hospitalisation and quarantine for the Covid-19

patients, a majority of these policies entail that the diseases declared as pandemic by the World Health Organisation would be excluded, which leaves the customers in the lurch.

Under the IRDAI's sandbox initiative, many companies have either redesigned their health policies or introduced separate Covid-19 cover packages. Bajaj Allianz Life, for instance, introduced a first-of-its-kind Artificial Intelligence-enabled chatbot and live chat-integrated WhatsApp service for its customers who want to buy or stay updated about the policies from the service provider. Customers can simply message 'Hi' from their WhatsApp number to 8806727272 and avail more than 20 services on their policy.

ICICI Lombard, a non-life insurance company, announced a special package for its customers who test positive for Covid-19 at any government health facility. The company will pay 100 per cent of the sum insured irrespective of the hospitalisation expenses. The health cover is priced at a premium of RS 149 and provides a sum insured of Rs 25,000, including services such as health assistance, chat or virtual assistance, tele-consultation and ambulance assistance, as part of the offerings.

"Our Covid-19 protection policy will provide financial support to the coronavirus-infected cases. We will pay 100 per cent of the opted sum insured as a lump sum in the event of first diagnosis itself. With the additional benefits such as chat assistance and ambulance assistance, the cover will prove to be an important aid in such challenging times," said Sanjay Datta, chief (underwriting, claims and reinsurance), ICICI Lombard. Clinikk Healthcare, a health tech firm, said that it is offering a Covid-19 protection cover of up to Rs 1 lakh, including free online medical consultations to all those who buy its package of Rs 499.

The company said that it will also tie up with various corporate and businesses for special employee packages that cover Covid-19 cases. Start Health Insurance, a standalone health insurer, also announced its coronavirus policy available under two sum insured options: Rs 21,000 at premium of Rs459 plus GST and Rs 42,000 at premium of `918 plus GST. Anyone up to the age of 65 years can purchase the policy online at www.starhealth.in or through the company's vast network of insurance agents, and without having to undergo any pre-medical screening.

(The writer is Bismah Malik.)

[TOP](#)

Source

Good News! IRDAI eases burden on policyholders in times of Coronavirus; Check details - Financial Express – 23rd March 2020



To prevent the spread of highly-infectious Novel Coronavirus COVID-19, stringent measures have been taken to ensure that people maintain social distancing. Accordingly, several states have enforced lockdown in some areas, which may result in some disruption in the operations of insurance companies and other entities connected with the insurance industry.

To ensure that the services to policyholders and customers don't get interrupted, the Insurance Regulatory and Development Authority of India (IRDAI) has asked all the insurers to maintain

the continuity of business operations through possible alternate modes, including telephonic and digital contact, to overcome the barriers created by lockdowns.

IRDAI has also asked the insurance companies to display on their websites, the information on the functioning of their offices and alternate arrangements made for premium payments, renewal, settlement of claims and lodging of other service requests.

In its appeal to all insurers, insurance intermediaries and distribution channels, the insurance regulator has asked them to be sensitive to the needs of policyholders in these trying times and has also appealed to all the policyholders to cooperate.

IRDAI has permitted following relaxations, to ensure smooth operation of the affairs of insurance industry in this moment of crisis:

1. Life insurance companies have been asked to enhance the 30-day interest-free grace period for payment of renewal premiums by an additional 30 days if desired by the policyholders.
2. To ensure continuation of insurance cover during the 30-day grace period in payment of health insurance premium, health insurance companies are asked to condone delay, if any, in renewal up to 30 days without deeming such condonation as a break in policy. However, to ensure that policyholders don't discontinue their policies, the insurers are requested to contact the policyholders well in advance.
3. Giving relief to insurance companies, it has been allowed that Board meetings due till June 30, 2020 may now be held through unconventional means like – video conferencing or other audio-visual means in accordance with Rule 3 of the Companies (Meetings of Boards and its Powers) Rules, 2014 as amended on March 19, 2020.
4. Providing further relief, insurers and insurance intermediaries have been granted additional time of 15 days for submission of monthly returns for the month of March, 2020. Similarly, an additional period up to one month will be permitted for filing of quarterly returns.

(The writer is Amitava Chakrabarty.)

Source

[TOP](#)

Health Insurance: Know how a medical insurance claim is processed - Financial Express - 23rd March 2020



Most of the indemnity products, pay claim up to the treatment expenses after deducting non-medical charges and other deductions as per policy terms and conditions. The claim will be reimbursed by the insurer known as reimbursement claims or customer can opt for cashless facility at designated hospitals.

Procedure for cashless claims

In case the hospital admission is planned, customer should approach insurance desk of the hospital which guides them on cashless facility. The insurance desk forwards case with pre-authorisation application form to insurer. Basis the case details and policy T&C, insurer approves the cashless facility. Generally, this approval should be taken 4-7 days prior to the treatment. Insurer will inform you about the documents that may be required.

The customer needs to produce following documents at the network hospital in addition to the documents that are specified by the insurer:-

- i. Pre-Authorisation Letter
- ii. ID card issued by insurance company
- iii. Health Insurance Policy
- iv. Aadhar Card, Pan card / Form 60 (For KYC purpose)

After treatment, original bills and treatment evidence should be left with the hospital. The hospital shares these bills with insurer and payment is processed.

In case of any unplanned or emergency medical treatment, the policyholder can contact the insurer through its customer care centre or chatbot facilities to know about empaneled hospitals. At the hospital, the customer can request for cashless hospitalisation by producing the insurance card provided by the insurers along with the policy copy to the insurance desk.

Once the customer makes this request, hospital connects with the insurance company by filing the pre-authorisation request form and consequently the insurer issues an authorisation letter to the hospital. Insurer also shares details pertaining to the policy coverage of the customer. Once the treatment is over, the insurer will settle the payment of admissible claims.

Sometimes the insurer is unable to accept the liability basis the information provided at cashless stage, the customer is asked to put the case for reimbursement.

Reimbursement claims

The insured can download the claim forms from insurer's website or can be collected from any of the offices/intermediaries of the insurer.

The customer has to provide necessary documents and original medical bills to the insurer at the time of claim filing. These include a claim form, bank details, ID cards, hospital discharge summary, investigation and diagnosis reports and bills, original hospital and pharmacy bills along with paid receipts and prescriptions. For accident hospitalisation, copy of FIR also needs to be shared with the insurer. Insurer evaluates the claim basis the documents after confirming T&C under the policy. Post the evaluation, it makes the payment to beneficiary as per policy terms.

In case of claim repudiation, the insurer provides the grounds on which the claim is non payable.

(The writer is Bhaskar Nerurkar.)

[TOP](#)

Source

Did you know NRIs can save tax on health insurance bought in India? Check details inside – Times Now – 22nd March 2020



Most of us know that health insurance comes with dual benefit for the person buying the medical coverage for the policyholder and their family. Besides, it also has tax benefits. But, did you know that if you are a non-resident Indian (NRI) who has health insurance in India, you too, are eligible for a tax deduction?

NRIs buying health insurance in India

As an NRI, you are permitted to buy a health insurance policy in India to secure your health as well as that of your family members. Most health policies in India provide treatment only within the boundaries of India, i.e., it will cover expenses for hospitalisation that takes place within the territory of India.

Also, if you are seeking treatment overseas then, in that case, your treatment will not be covered by a health insurance policy bought in India.

NRIs are eligible to claim tax deductions

Along with providing the much-needed health coverage for your family, you will also be eligible to claim a deduction from your total taxable income. As per Section 80D of the Income-tax Act, 1961, a deduction can be claimed for health insurance premiums paid in India to insure the health of self and dependants including parents.

You may claim a deduction of up to Rs 25,000 for premiums paid for the health insurance of self, spouse, and dependent children, including the expenditure of up to Rs 5,000 on preventive health check-up.

An additional deduction of Rs 25,000 is available on the premium paid for the health insurance of parents aged up to 60 years. If the parents are above 60 years of age, then the additional deduction available is Rs 50,000 for the premium paid for their health insurance.

In a case scenario, where the taxpayer, as well as the dependent, is more than 60 years of age then the maximum deduction that you may avail under this section is Rs 1 lakh.


Source

[TOP](#)

As virus spreads rapidly, insurers launch affordable health policies-The Hindu Business Line – 21st March 2020

In the wake of the coronavirus outbreak, insurance companies are coming out with special cover against the deadly disease.

In the last few days, a number of such policies have been launched, which offer lumpsum payment to anyone who tests positive for coronavirus.

Most existing health insurance policies already provide cover, but these are separate risk policies for those who wish to avail it or do not have health insurance. The insurance cover are priced at a relatively low premium.

Standalone health insurer Star Health and Allied Insurance has launched 'Star Novel Coronavirus Insurance Policy', which is a benefit policy that covers all those who test positive and require hospitalisation.

Lump sum payment

It will provide a lump sum payment to any insured between the ages of 18 years and 65 years. It offers two sum insured options of Rs. 21,000 and Rs. 42,000 at premiums of Rs. 459 and Rs. 918, respectively, excluding GST. It does not have any international travel history-related exclusions.

Similarly, Clinikk Healthcare has also rolled out what it terms a comprehensive protection plan against Covid19. Under the scheme, it offers customers end-to-end treatment services, including consultation with qualified doctors, 24x7 doctor assistance, and Rs. 1 lakh insurance cover against any hospitalisation costs related to coronavirus.

"Designed to be affordable and accessible to everyone, the support plan begins at Rs. 499," it said in a release.

Private sector general insurer ICICI Lombard has also come out with such a policy focussed at 'COVID-19 Protection Cover'.

Launched as a group insurance policy, it will pay 100 per cent of the sum insured, irrespective of the hospitalisation expenses if the diagnosis of COVID-19 positive.

The health cover is priced at a premium of Rs. 149 and provides a sum insured of Rs. 25,000. It covers those between the ages of 18 and 75. The period of the policy is restricted to one year, and the scope of the coverage is limited to the geographical boundaries of India.

(The writer is Surabhi.)


Source

[TOP](#)

MOTOR INSURANCE

Transport sector body seeks lower fuel charges, insurance premium, tyre costs - The Hindu Business Line – 20th March 2020

Facing challenging times due to the economic slowdown and the issues surrounding the COVID-19, transporters have called for a set of measures that will lower truck owning and operating cost.

The measures include lowering the fuel cost, insurance premium, stopping the likely increase in toll charges that are linked to the Wholesale Price Index (WPI) and a breather from having to repay truck loan every month.

The demands become important in the backdrop of Prime Minister Narendra Modi announcing on Thursday evening an economic response task force to fight out the challenges that emerge from COVID-19.

"Road Transport sector is in deep crisis and facing the burden of economic slowdown. Now, added woes of COVID-19 have multiplied the pain," said transport sector tracking body Indian Foundation Transport Research Training's Senior Fellow S P Singh, in a letter to the Prime Minister, Finance Minister, and Road Transport Minister.

Singh listed a set of measures that will lower the cost. The diesel prices will be cut substantially in tune with steep drop in international benchmark, with immediate reduction of Rs 5-6 a litre as first tranche. The truck tyre prices needs immediate slashing by at least 15- 20 per cent as crude oil has dropped by 55 per cent in last three months and key raw material prices which go into manufacturing of tyres are crude oil based.

"The truckers' businesses are down and out for last two years and economic slowdown has broken their back. Therefore, they are in dire straits to repay load to banks and non banking finance companies (NBFCs). Hence, there should be moratorium on repayment of EMIs and these should be re-scheduled immediately," it said.

Since implementation of new Motor Vehicle Amendment Act , 2019 six months ago, road safety has improved and accidents have come down in many States. So, the third party insurance premium should be reduced over last year rather than hiking the premium as proposed in Draft Exposure Report on Third Party Premium of the insurance regulatory body Insurance Regulatory Development Authority, added IFTRT.

Given the poor state of health of road transport sector, toll charges on national and state highways should not be increased, said Singh.

The economy has witnessed a slowdown for the last two years.

TOP



Source

REINSURANCE

Lack of reinsurance cover magnifies non-life insurers' Covid-19 worries – Business Standard – 21st March 2020

For the non-life insurance companies, the scare of the coronavirus outbreak (COVID-19) has been magnified since almost none have found any reinsurance cover in the international markets.

The companies finalise their reinsurance treaties by March every year for the next financial year. The disease has surfaced as a major risk at the fag end of the season.

“We buy reinsurance based on large risks like fire for a factory or for an aircraft, and so on,” a source said. Each medical or motor vehicle insurance that is written carries no such large risk and, hence, is an attractive portfolio for insurance companies to build up.

Since an individual medical insurance cover is not only minuscule compared to the size of even a small insurance company, and since not all people fall sick at the same time, the losses are never massive. Claims for such business never exceed 65-70 per cent of the total premium secured by a company. Firms, therefore, buy a thin reinsurance cover.

COVID-19 could upend this logic. “Normally, we apply the principle of stop loss in motor and health and buy reinsurance for those accordingly,” the source added. So, an insurance company will top up its usual claim rate with an estimate of outstanding claims on its books to arrive at its maximum liability. This is also known as its stop loss limit. For instance, if the combined total is 130 per cent, the insurance company will buy reinsurance cover to pay (for health or motor business) claims when losses potentially reach say 200 per cent of the premium booked. “Such eventualities are most unlikely,” the source said.

However, as there are no mortality figures to rely on for the new disease, insurers have no data to negotiate the premium to pay for the risk. Reinsurers like Zurich, AIG, and Swiss Re are hamstrung as they have already seen how the disease is making inroads in the balance sheets of European insurance companies.

Indian firms, therefore, have to take on a very high commitment to shoulder the loss (stop loss) or else pay a high reinsurance premium. The result is the same. Yet they have to offer the cover after the Irda has instructed companies to cover COVID-19 as part of their insurance plans. Without reinsurance support, the business could become prohibitively expensive.

Also, as the words pandemics and catastrophic losses are out of the pale of reinsurance covers, the chances of buying the cover have further diminished. As the percentage of COVID-19 related hospitalisations increase in India, insurance companies are bracing for its impact on their bottom lines.

(The writer is Subhomoy Bhattacharjee.)

[TOP](#)

Source

SURVEY & REPORTS

Introduction of community transmission of Covid-19 likely in India: ICMR study – Mint – 24th March 2020



The Indian Council of Medical Research (ICMR) on Monday warned that introduction of a community transmission of Covid-19 cases may take anywhere from a minimum of 20 days to a few months to be visible. In a mathematical modelling study published on Monday in the Indian Journal of Medical Research, the ICMR has highlighted that the control of epidemic would be difficult in “pessimist” scenarios in metropolitan cities such as Delhi, Mumbai, Kolkata, Bengaluru, Chennai, Hyderabad and Kochi, if people who have a travel history to infected countries or

contact with the infect don’t isolate themselves.

The study results showed that symptomatic quarantine would identify and quarantine 50% of symptomatic individuals within three days of developing symptoms. In an optimistic scenario of the basic

reproduction number (R_0) being 1.5, and asymptomatic infections lacking any infectiousness, such measures would reduce the cumulative incidence by 62%, the study said. Reproduction number of an infection can be thought of as the expected number of cases directly generated by one case in a population where all individuals are susceptible to infection.

"In the pessimistic scenario of $R_0 = 4$, and asymptomatic infections being half as infectious as symptomatic, this projected impact falls to two per cent," the study warned adding that port-of-entry-based entry screening of travellers with suggestive clinical features and from Covid-19-affected countries, would achieve modest delays in the introduction of the virus into the community.

Acting alone, however, the study said such measures would be insufficient to delay the outbreak by weeks or longer. "Once the virus establishes transmission within the community, quarantine of symptomatics may have a meaningful impact on disease burden. As a public health measure, health system and community preparedness would be critical to control any impending spread of Covid-19 in the country," the study concluded.

The analysis was based on a simple Susceptible-Exposed-Infectious-Recovered (SEIR) model to capture the natural history of Covid-19 and its transmission dynamics. The study was jointly done by Translational Global Health Policy Research Cell (Department of Health Research), ICMR's Division of Epidemiology & Communicable Diseases, School of Public Health, National Institute of Epidemiology, Chennai and Department of Infectious Disease Epidemiology, School of Public Health, Imperial College, St Mary's Hospital, London.

The ICMR scientists have said that in order to have an appreciable effect on delaying the establishment of transmission of Covid-19 in India, airport arrival screening will need to have near-complete capture of incoming Covid-19 cases, including asymptomatic cases.

"Although not practically feasible using the currently available tools, our results provide a hypothetical illustration of the additional benefit of identifying asymptomatic cases: if they escape any containment effort, they would tend to negate the effects of that effort, by the onward transmission that they can cause," the study said.

Currently, there is no accurate, rapid test for Covid-19 to reach the required levels of detection among asymptomatic cases; the ICMR in the study said, the only way to reach 90% diagnosis among asymptomatic arrivals may be through isolation and quarantine of all arrivals from specified origin airports.

Resources may be better spent on the mitigation of infection in the community, the study pointed out. The scientists wanted to find out if it was possible to prevent, or delay, the local outbreaks of Covid-19 through restrictions on travel from abroad. As per a stochastic, worldwide, air transportation network dynamic model, India ranks 17th among the countries at the highest risk of importation of Covid-19 through air travel.

"The probability of an infected air traveller to come to India as the final destination was 0.209%, with the highest relative import risk in Delhi (0.064%) followed by Mumbai, Kolkata, Bengaluru, Chennai, Hyderabad and Kochi. This in the context of an epidemic that has already set in and travel from infected areas continues," the study said.

Various other studies across the world have established that travel screening would miss more than half of the infected travellers on account of being asymptomatic and being unaware of exposure, emphasizing the need for post-travel symptom tracking among them. "Our analysis shows that, even if symptomatic cases are comprehensively identified and quarantined, the delay in epidemic timing within India would be in days and not weeks," the study said.

"We also examined the potential impact of quarantine of symptomatics, in controlling transmission within India, with a focus on four major metropolitan areas. Our results suggest that it may be possible to interrupt the transmission of COVID-19 in India, but only in the most optimistic scenarios," it said.

Further, the ICMR in the study has said that the critical concerns are also the efficiency and timeliness of quarantine and isolation of patients. Further, the challenge is of detection of Covid-19 with symptoms similar to many other lower respiratory tract infections.

The study has projected that a continuous follow up of passengers returning from Covid-19-affected countries and their contact tracing for the emergence of suggestive symptoms would put a high strain on the healthcare system, more so in the eventuality of the introduction of community transmission.

"The increasing numbers would make it impractical to use laboratory testing to confirm each case, and therefore, use of symptomatic surveillance should become the primary public health strategy to detect and respond in the most effective and timely manner," the study said.

The study has also warned that with the evolving understanding of Covid-19 epidemiology, especially the proportion of asymptomatic infected cases, it is difficult to predict the number of beds required or ventilators necessary for COVID-19 cases at this stage.

"As per reports from other affected countries, we may expect eight to ten severe and 40-50 non-severe Covid-19 cases for every death. In a closed setting of similar nature as that on the cruise ship 'Diamond Princess,' we may expect 26% of the entire population to get infected and one in 450 infected individuals to die," the study said.

"We deduce that around five per cent of the infected patients will require intensive care and half of those admitted in the intensive care unit will require mechanical ventilation," the study said.

Considering the enormity of the evolving Covid-19 pandemic, the scientists have recommended that it is pertinent that frontline healthcare workers are identified and trained before the outbreak sets in. Health and life insurance should be announced for healthcare workers if they contract Covid-19.

(The writer is Neetu Chandra Sharma.)

[TOP](#)


Source

PENSION

Coronavirus relief package: Govt to pay employer, employee's PF contribution for 3 months - Financial Express - 27th March 2020

As part of the economic package to counter the Covid-19 distress, the government on Thursday announced that it will pay for the next three months the monthly contribution of both employees and employers under the Employees' Provident Fund (EPF) for workers earning below Rs 15,000 a month in establishments with up to 100 employees.

This means that 24% of the basic pay of these workers will be paid by the government – the cost to the exchequer is seen at Rs 5,000 crore. The move would benefit 80 lakh employees and 4 lakh establishments, finance minister Nirmala Sitharaman said. Additionally, the government also vowed to give workers a non-refundable advance of up to 75% of their EPF corpus or three months of wages, whichever is lower.

The regulations under the EPF will be amended to include "pandemic" as a reason to allow non-refundable advance of 75% of the accumulated amount or three months of the wages, whichever is lower, from their accounts. Families of four crore workers registered under EPF could use this facility. The EPFO has around six crore active subscribers and an accumulated corpus of around Rs 19 lakh crore.

[TOP](#)


Source

IRDAI CIRCULARS

IRDAI issued order regarding premium rates for motor third party liability insurance cover.

[TOP](#)


Source

IRDAI issued Covid-19 Global pandemic related instructions to Life Insurers.

[TOP](#)


Source

GLOBAL NEWS

South Korea: Regulator improves insurance operations – Asia Insurance Review



South Korea's chief financial regulator has announced a number of new policy measures and reforms, including a measure to prevent parents who are estranged from their children from receiving insurance benefits on their children's death.

The Financial Services Commission (FSC) has drawn up 18 improvements after ombudsman members reviewed improvement tasks focused on streamlining financial regulations, protecting consumer rights and enhancing convenience,

reported Korea Bizwire.

The system will be improved by making the nomination of beneficiaries mandatory so that the beneficiary of the insurance money can be explicitly designated in the insurance contract.

There have been a number of instances in which a policyholder died without designating a beneficiary.

In such cases, insurance payments were made to birth parents or mothers according to inheritance rules under civil law even though they might have been estranged from the insured for decades.

The new measure aims to prevent payments from landing in the wrong hands.

The FSC has decided to set out a requirement for the mandatory nomination of the beneficiary of insurance money, in the Financial Consumer Protection Act, which is scheduled to take effect in March of next year.

In addition, there will be a way to receive insurance contracts through short messaging service (SMS) or the Kakao Talk mobile messaging app.

Currently, it is possible to issue insurance contract data through electronic methods if the policyholder agrees to it, but it was unclear whether this was allowed too via SMS or Kakao. When asked to interpret the related statutes, the FSC replied that it is willing to accept the use of these messaging services.

[TOP](#)


Source

Pakistan: Regulator eases product registration process - Asia Insurance Review



The Securities and Exchange Commission of Pakistan (SECP) has simplified submission requirements for registration of a new life insurance product or registering any changes to an existing product. The goal behind the move is to promote ease of doing business.

Most new products submitted to the SECP by life insurance companies and family takaful operators have standardised features, terms and conditions, which are similar to those of existing products.

To facilitate the insurance sector, SECP issued an order [S.R.O. 234(I)/2020] to simplify the submission requirements for standardised products, reported the newspaper Dawn.

Per the order, a life insurance company that intends to issue a new product, which is likely to be a standard product, would be required to submit brief information on the product. The SECP has also reduced the turnaround time for registration of insurance products to seven days, shorter than the earlier duration of 30 days.

Source

[TOP](#)

Disclaimer:

'Newsletter' is for Private Circulation only intended to bring weekly updates of insurance related information published in various media like newspapers, magazines, e-journals etc. to the attention of Members of Insurance Institute of India registered for its various examinations.

Sources of all Cited Information (CI) are duly acknowledged and Members are advised to read, refer, research and quote content from the original source only, even if the actual content is reproduced. CI selection does not reflect quality judgment, prejudice or bias by 'III Library' or Insurance Institute of India. Selection is based on relevance of content to Members, readability/ brevity/ space constraints/ availability of CI solely in the opinion of 'III Library'.

'Newsletter' is a free email service from 'III Library' to III Members and does not contain any advertisement, promotional material or content having any specific commercial value.

In case of any complaint whatsoever relating 'Newsletter', please send an email to newsletter@iii.org.in.

To stop receiving this newsletter, please send email to newsletter@iii.org.in