



भारतीय बीमा संस्थान
INSURANCE INSTITUTE OF INDIA

INSUNEWS

Weekly e-Newsletter

24th – 30th September 2022

Issue No. 2022/39



QUOTE OF THE WEEK

“A creative man is motivated by the desire to achieve, not by the desire to beat others.”

Ayn Rand

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INSURANCE TERM FOR THE WEEK

Field underwriting

Field underwriting is when the advisor, agent, or producer takes on some of the frontline underwriting tasks. Good field underwriting results in a win for all parties involved.

The advisor, agent, or producer typically has a personal relationship with their client and therefore understands things about the client and risk that underwriters and those further removed from the client would not be able to know. Some examples of things pertinent to field underwriting include the client's personal and business reputation or how forthcoming they are with answers to underwriting questions like business activities or medical history. Basically, an agent who has that personal relationship can help underwriters assess the moral character of the applicant.

Besides increasing sales, field underwriting also serves as a way to prevent adverse selection. After gathering information on the potential client and establishing that the person can meet the underwriting requirements, the agent signs off on the insurance company's acceptance to provide insurance coverage to the insured party. The agent also gets an opportunity to explain to the potential client what they are to expect from the insurance company so that realistic goals are set.

Field underwriting begins with understanding your client. In a life or health insurance context, this might be to understand the client's purpose and intent for purchasing insurance, source of funds that will be used to pay premiums, and even medical history. It may also help the underwriting process if the agent could elaborate on their relationship to the underwriter. If the agent has known the advisor for a long time and they have a good relationship, the underwriting process will likely go smoother because the agent is vouching for the client.

The next step is to include this field underwriting information as part of the submission process. When an advisor submits a risk to an underwriter for evaluation, you would include the standard application form required of all applicants, but you can also include in an email or as an attachment some additional comments. These comments would outline the information the agent gained through conversations with the client and other field underwriting activities. For example, you might mention to an underwriter that this is a long-time client of the brokerage with many policies or any expectations that the client has around premiums. This information helps the underwriter understand the risk better and allows them to work with the agent to win the business (ie. by adjusting premiums to beat competing quotes or to match client expectations as much as possible).

As the agent, you represent the client but also the insurer in equal parts. As the one "in the field", the agent is the literal "eyes and ears" of the insurer providing them with valuable information that helps all parties involved from the client, to the agent, to the insurer.

INSURANCE INDUSTRY

Insurers may get to invest in non-dividend paying firms - The Economic Times - 27th September 2022

The insurance regulator may allow equity investment even in non-dividend paying companies to be included in the approved investment category subject to some conditions. This would increase the eligible universe of companies they can invest in, boosting allocation to stocks. Under the existing norms, only investment in listed companies that have paid a minimum 10 percent dividend for at least two consecutive years immediately preceding can be included in the approved category. A committee set up by the regulator last year had recommended allowing insurers to invest in equity sans the dividend criterion.

"Industry in various interactions with the regulator has sought further liberalised investment norms," said an official aware of the developments. "It is being looked at whether to scrap it (dividend rule) or lower the limit, but any relaxation will be provided with prudent regulations to protect policyholders." The Insurance Regulatory Development Authority of India (IRDAI) had relaxed the dividend norm following the pandemic for the year April 1, 2020 to March 31, 2021 when many companies were forced to skip dividends. In August, it notified that the relaxation will continue beyond September 2022.

(The writer is Dheeraj Tiwari.)

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INSURANCE REGULATION

Insurance penetration gains momentum in India - The Economic Times - 29th September 2022



The Indian Venture & Alternate Capital Association (IVCA) organized a forum to discuss, 'Investing into India's burgeoning Insurance Ecosystem', in Bengaluru on Thursday. The forum saw the participation of many Private Equity, Venture Capital funds and Family Offices participate along with the chairman of Insurance Regulatory and Development Authority (IRDAI) Debasish Panda.

"The rapid economic expansion, supported by digital infrastructure and innovation will play a defining role to make the insurance market in India as one of the largest across the globe. The market size is estimated to reach \$200 billion by 2027, at the present growth rate however

we have aspirational plans, and we expect the market to grow by leaps and bounds, and the contribution of venture capital, private equity and family offices in nation building is a step in the right direction. With the support of the ecosystem, the burgeoning Indian insurance sector gains additional capital source as well as help foster new products and solutions to overcome present challenges of affordability and accessibility," stated Panda.

Insurance penetration in India experienced an increase in momentum in recent years moving to 4.2% in 2021 from 3.76% in FY20. Multiple reasons are cited for this development, specifically, ease of doing business, deployment of digital solutions by insurers, change in the attitude of consumers and their realization of financial security, evolution of products, including new regulatory framework regarding product approval and distribution by IRDAI.

"With India today ranking 10th in the global life insurance market and ahead of China (at 2.4%) and UK (at 3%), we are suitably positioned to cater to the rising demand of younger and digital-first consumers emerging from smaller and newer geographies and across life and non-life. Customer experience, cost of distribution and product innovation are the top three areas of disruption for insurance companies. Thereby, the sector transformation has resulted in the introduction of innovative and tech-first products which solve issues of accessibility, cost-efficiency while elevating customer experience, prompting an unprecedented scale of behavioral change," stated Karthik Reddy, Chairperson, IVCA and Co-founder and Managing Partner, Blume Ventures.

(The writer is Shariq Khan.)

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Indian insurance market can be world leader: IRDA chief – NB T – 29th September 2022

Debashish Panda, Chairman, Insurance Regulatory and Development Authority of India (IRDA) believes that rapid economic growth, digital infrastructure and innovation will play a role in making the Indian insurance market the largest in the world.

Panda said this while addressing a discussion organized by the Indian Venture and Alternate Capital Association (IVCA), the apex industry body for alternative assets, on Thursday.

"The size of the insurance market is estimated to reach \$200 billion by FY 2026-27. However, we have ambitious plans. We expect the market to grow rapidly and the contribution of venture capital, private equity and family offices to nation building is a step in the right direction."

According to a release, the insurance penetration in India increased to 4.2 percent in the financial year 2020-21. It was 3.76 percent in the financial year 2019-20.

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IRDAI chief gives tips to make Indian insurance market largest – The Economic Times – 29th September 2022



He was speaking at a sector exclusive forum to discuss 'Investing into India's burgeoning Insurance Ecosystem', here organised by the Indian Venture & Alternate Capital Association (IVCA), the apex industry body for alternative assets.

"The market (insurance) size is estimated to reach USD200 bn by FY '27 at the present growth rate. However, we have aspirational plans and we expect the market to grow by leaps and bounds and the contribution of venture capital, private equity and family offices in nation building is a step in the right direction," Panda said.

"With the support of the ecosystem, the burgeoning Indian insurance sector gains additional capital source as well as help foster new products and solutions to overcome present challenges of affordability and accessibility," he was quoted as saying by IVCA in a release. According to the release, insurance penetration in India experienced an increase in momentum in recent years moving to 4.2 per cent in FY21 from 3.76 per cent in FY20.

Multiple reasons are cited for this development, specifically, ease of doing business, deployment of digital solutions by insurers, change in the attitude of consumers and their realisation of financial security, evolution of products, including new regulatory framework regarding product approval and distribution by IRDA, it said.

"With India today ranking 10th in the global life insurance market and ahead of China (at 2.4%) and UK (at 3%), we are suitably positioned to cater to the rising demand of younger and digital-first consumers emerging from smaller and newer geographies and across life and non-life," said Karthik Reddy, chairperson, IVCA & co-founder and managing partner, Blume Ventures.

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Irdai mulling longer-tenure general insurance products, forms working group – Business Standard – 28th September 2022

The Insurance Regulatory and Development Authority of India (Irdai) is said to be exploring general insurance products with longer tenures and has written to the general insurance companies in this regard and formed a working group as well with representatives from the industry. "The insurance

regulator is looking at whether the insurers can increase the tenure of the general insurance products such as motor, health, or property so that the customer benefits," said a senior private sector insurance executive aware of the development. General insurance policies pay for the losses that may occur during the policy period and typically such insurance products are renewed every year. But the regulator is exploring various tenures such as 2 years, 3 years, 5 years, and in certain products such as home insurance a tenure of 20 years is also being explored, the person quoted above said. The regulator has formed a working group which will study this aspect and come out with its recommendations. The working group has representation from the industry but the names of the members could not be ascertained.

From the insurance companies' perspective, if the product tenures increase, the distribution cost becomes less and to that extent the product prices will come down. This works positively on the distribution cost. "We are comfortable if it works from a distribution and a risk perspective," the person quoted above said. "If you ask me to make a 20-year health indemnity product, I will not be comfortable because health inflation for that long a tenure cannot be factored while designing the product. But for home insurance, we can take a punt and look at a 20-year tenure," he added. After over 20 percent growth in Q1FY23, the non-life insurance industry registered a growth of 16 percent and 11.9 percent in July and August, respectively. In the year-to-date period, the industry has grown 18.6 percent, compared to 17.4 percent in the same period last year. This growth is driven by health (especially the group segment), motor, and crop insurance.

(The writer is Subrata Panda.)

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'IRDA must act strictly against insurance firms' - The Times of India - 28th September 2022

The consumer court here has suggested that the Insurance Regulatory and Development Authority (IRDA) act strictly against the companies that reject Covid-19 insurance claims on wrong grounds.

A consumer forum in Vadodara observed this while adjudicating a complaint of a city resident whose claim was rejected by The Oriental Insurance Company Ltd citing civic body guidelines on hospital bills.

Pal had contracted pneumonia with Covid last year and was admitted to a hospital for three weeks. She filed a claim of Rs 4.63 lakh towards the treatment but the company accepted only a part claim on the grounds that she isn't eligible to get Rs 1.04 lakh as per the policy rules.

The insurer's advocate argued in the court that they rejected the part claim citing the Vadodara Municipal Corporation (VMC) notification on the treatment package charges. Pal then filed a case in the court of Vadodara District Consumer Disputes Redressal Commission (additional) on February 2, 2022.

"The firm didn't mention the policy clause under which it rejected the part claim. They just mentioned the VMC notification. If the hospital charges more money than the fixed ceiling rate, then it is an issue between the civic body and the hospital. It doesn't concern the insured person," said Pal's advocate Zeeshan Sheikh.

"If the insurance firm thinks that the hospital has gone against the civic body norms and charges more fees than it can recover that money from the hospital. Also, action should be taken against the concerned hospital," Sheikh said.

The court observed that the insurance firms shouldn't accept wrong complaints. "Also, IRDA has issued guidelines for Corona Kavach policy in 2020 that can't be flouted by the insurer," the court observed and stated: "IRDA's senior officials should take note of it and act strictly against the insurance firms flouting the guidelines.' The court has ordered the company to pay Rs 1.04 lakh with 9% interest to Pal.

(The writer is Tushar Tere.)

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A rejig to make insurance simple - The Economic Times - 27th September 2022

The Insurance Regulatory and Development Authority of India (IRDAI) has formed a committee to overhaul the sector's rules with the aim to reduce redundancies and make it easier for companies to do business, said people familiar with the matter. Streamlining of rules will make it easier for companies to push for universal insurance by the independence centenary year 2047, they said.

"The committee was formed earlier this month and has been given six to eight weeks for a comprehensive review of the 70 or so regulations governing the industry to ensure principal bases regulations," said a person aware of the details. "The ultimate aim is to ensure ease of doing business for all stakeholders in the industry."

Among the 18 members of the committee are ICICI Prudential Life Insurance CEO NS Kannan, Tata AIA Life Insurance CEO Naveen Tahilyani, Bajaj Allianz General Insurance CEO Tapan Singhel, ICICI Lombard General Insurance Co CEO Bhargav Dasgupta, and Aditya Birla Health Insurance Co CEO Mayank Bathwal. It also includes a convenor who is from the IRDAI as its 19th member. ET could not verify the names of all the members.

"The committee's remit is streamlining regulations to weed out duplicates and simplify rules. Besides CEOs it also includes chief risk officers, compliance officers and actuaries of insurance companies who will bring different perspectives," one of the people cited earlier said. The person was pointing to the draft notification in August which set a 20% commission cap for general insurance companies, down from the 30-35% earlier, and allowed life insurers whose expenses are under 70% of the allowable limit to set their own commission rates across product segments.

The committee also includes representatives from intermediaries, like brokers and third-party administrators; officials from the IRDAI; and some large government insurance companies like Life Insurance Corp of India (LIC), The New India Assurance and GIC. "The committee will look at all aspects and give suggestions after taking inputs from industry and it WILL also engage knowledge partners from global consultancies to figure out the best practices," one of the people cited earlier said.

The IRDAI chairman has been vocal about relooking at regulations, capital requirements and introducing new products with the aim to widen insurance penetration. Within a month of taking over as chairman of the regulator, Debasish Panda had announced the formation of working groups to examine regulations with the aim to lighten them and give more flexibility to companies to launch new products.

"Broadly, we will have principle-based regulations rather than rule-based regulations. We will fix the broad framework and then give companies the flexibility to work within that," Panda had said in March. "The whole aim is to have lighter regulations, and if there are over a 100 regulations, we can bring them down to 10 to 15. The insurance industry has matured now and it understands the rules of the game and the market."

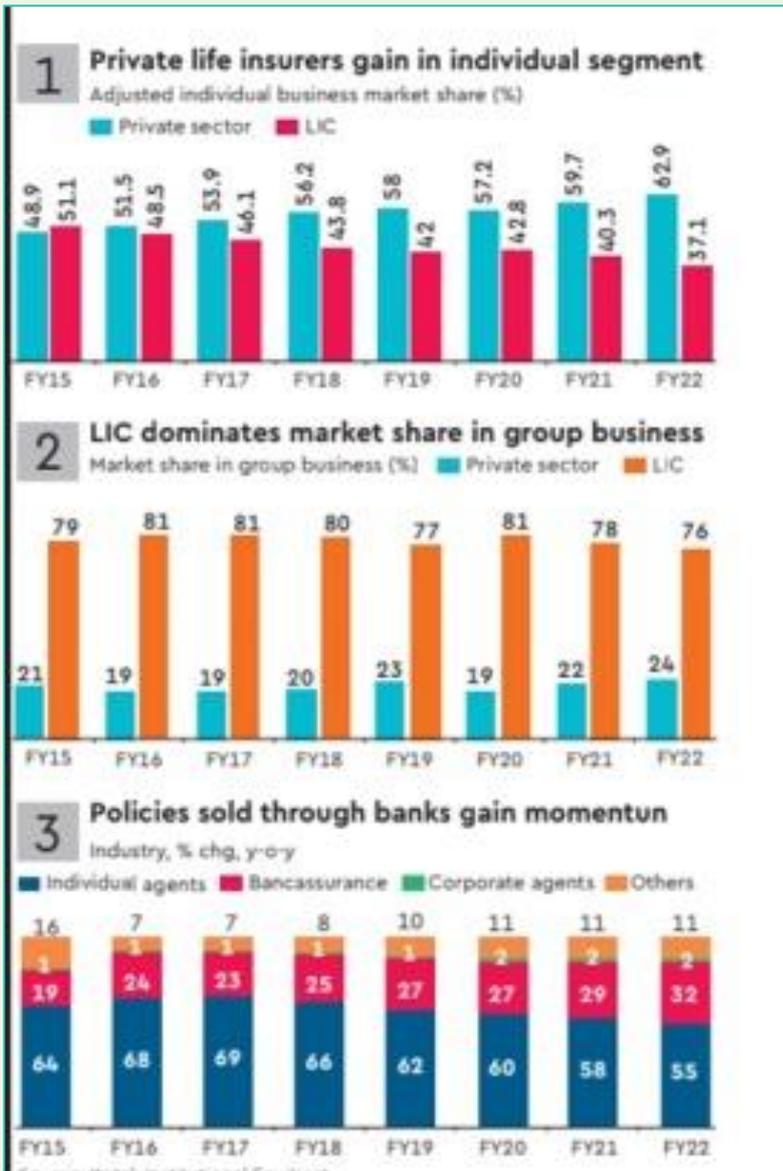
(The writer is Joel Rebello.)

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LIFE INSURANCE

Private insurers gain ground - Financial Express - 28th September 2022

Private life insurance companies have gained significant market-share in the individual-policy-buyer business. From 36.5% in FY12, their share has grown to 62.9% in FY22. In contrast, the state-owned insurance behemoth, Life Insurance Corporation of India, lost share in the individual business (from 63.5% to 37.1%). However, private insurers' market-share in the group business has hovered between 20% and 24% as LIC accounts for 76% of the market.



Private insurers have a high share of bancassurance in their channel-wise collection of individual premiums.

(The writer is Saikat Neogi.)

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Zero-cost term insurance plans: What is the actual 'cost' of these policies? - The Economic Times - 28th September 2022

Did you know that there is a new variant of the term life insurance cover which can be zero-cost for you? Read on to find out what these plans are and if they really are zero-cost policies. Read on to find out what these plans are and if they really are zero-cost policies.

Regular term plan vs zero-cost term plan

Under a regular term plan, if the policy holder dies during the policy tenure, his or her nominee will get the sum assured. No maturity amount is paid if he or she survives the policy term. There is another variant which is a return of premium term plan where the policy holder gets back all the premiums he has paid if he survives the policy term and if he has paid all the premiums regularly.

In a zero-cost term insurance plan the policy holder has the option to exit the plan at a certain age and get all the premiums that he has paid minus GST. "Under this plan, if the policy holder feels that all liabilities are taken care of around retirement age and is no longer wanting the term insurance, he or she will get back the premium that they have paid excluding the GST," explained Sajja Praveen Chowdary, Head, Term Life Insurance, Policybazaar.com.

Zero-cost term plans allow exit before the full term is over

"In return of premium term plans, the policy holder has to pay the premium till the end of the term and then gets a return. In zero-cost term policies, the policy holder can exit the plan when they do not have any liabilities at a certain age," explained Chowdary.

Long-term continuity must before the exit is allowed

Zero-cost term insurance plans usually have a long policy term of 35 to 40 years. In Max Life Insurance's Smart Secure Plus Plan, the exit option is available if the policy term is 40 years or above. If the policy term is between 40 years and 44 years, the policyholder will have an option to exit in the 25th policy year or at the age of 65, whichever is earlier, according to the policy document? For policy terms of 45 years and above, the policy holder can exit in the 30th policy year or at the age of 65, whichever is earlier.

In Bajaj Allianz Life eTouch Term plan's variants 'Life Shield' and 'Life Shield Plus', the early exit option is available during the three policy years just after the policy holder attains the age of 60. However, this will be allowed only when the policy term is 35 years or more and the policy should have been bought at the age of 50 years or below. If the policy holder's age at maturity would be 68 years or less, there will not be any exit option, according to the policy document.

It is evident that the exit option is medium to long-term and is available only if the policyholder continues the plan for a long period. It must be noted that the exit conditions differ from one policy to another.

Extra amount that you pay for zero-cost term insurance

The return of premium plans may typically cost twice that of the regular term plans. The zero-cost term plans are comparatively cheaper than the return of premium plans. However, they are generally 25-35 per cent costlier than the traditional term insurance plans.

Zero-cost term plans are targeted at those who buy insurance only with a return

The zero-cost term policies are aimed at the segment of customers who fear that if nothing unfortunate happens, they would be wasting the premiums paid for regular term insurance, say industry experts. If the policy holder chooses the exit option in these plans, they become zero-cost plans for them.

"A zero-cost term insurance plan is for individuals who have built enough assets and met all their life goals while still in their fifties, and he or she may not need life insurance anymore," Satishwar Balakrishnan, Managing Director & Chief Executive Officer, Aegon Life Insurance.

This policy is specifically targeted to encourage people who do not buy term insurance because there is no return on surviving the policy term," he added.

"Zero-cost plans are preferred by the customers who are more conscious about 'losing' the amount paid for term cover on survival of the policy term and are more cost-conscious," added Casparus Kromhout, MD & CEO, Shriram Life Insurance.

Zero-cost or a gimmick?

Firstly, one should keep in mind that there is no concept of 'zero-cost' insurance. All insurance comes at a cost, whether it is a pure term plan, a return of premium, or any other type of policy.

"The customers should know that though they would be receiving the premiums back, they would be losing out on any interest they might have earned on the additional premium over the 20-25 years of the plan, and this is the 'cost' associated with this type of plan," said Karthik Raman, Chief Marketing Officer, and Head - Products, Ageas Federal Life Insurance.

A traditional term policy for a 30-year-old that covers him for Rs 1 crore for a tenure of 30 years can usually cost around Rs 12,000 per annum. On the other hand, zero-cost term insurance of the same tenure can typically cost around Rs 15,500 per annum. So, if he buys a zero-cost term insurance plan, he is likely to spend around Rs 3,500 extra every year for 30 to 40 years.

A regular term plan can generally cost him Rs 3,60,000 if he continues it till the age of 60. If he goes for a zero-cost term plan and exits after 30 years, the insurer is likely to pay back around Rs 4,65,000 (Rs 15,500 x 30) — GST amount when he exits the plan. However, rather than buying a zero-cost plan, if he buys a traditional term cover and invests the additional premium of Rs 3,500 (zero-cost insurance premium — term insurance premium) in an equity mutual fund Systematic Investment Plan (SIP) every year which gives 10 per cent interest per annum, he can typically get around Rs 5.75 lakh after 30 years.

So, if he invests the additional premium, he can generate a corpus that will be the same or more than the amount he gets as a return of premium at the exit. Many industry experts are in favour of pure term plans than its variants. Explaining the advantages of traditional term plans, Raman added, “In a pure term plan, no premiums are returned on maturity but the premium one needs to pay for the same sum assured is quite less. In the case of death, the treatment is the same for both – payout of the cover sum assured.”

In a nutshell, buying a pure term plan is always a good idea for financial protection. It is better to invest your surplus money than looking for getting it back after paying an extra premium for a long period.

(The writer is Anulekha Ray.)

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Term Insurance: Now homemakers can get their life cover independently – Financial Express – 26th September 2022



The motive of taking a life insurance policy is to cover the risk of loss of income due to premature death of the earning member of a family. Hence, the maximum limit of a life insurance cover – especially of a term life insurance – depends on the Human Life Value of a proposer, which is calculated on the basis of the earning potential of the person.

So, higher the present income and longer the earning life (before retirement) of a person, higher will be the eligibility limit of taking a life cover.

As homemakers don't earn officially, they were not allowed to apply for a separate term life insurance earlier

and the spouse of a homemaker was allowed to propose for the homemaker if the maximum eligible limit of the proposer wasn't exhausted.

For instance, the spouse has an annual income of Rs 5 lakh and the income multiplier is 15 times the annual income. He will be eligible for a total cover of Rs 75 lakh, out of which assuming he takes a cover of Rs 50 Lakh, the wife will be eligible for only half the cover amount i.e. Rs 25 lakh. And in the same case, if the husband ended up taking Rs 75 lakh cover, the wife is no longer eligible to take any term cover basis the rules.

However, an earning member would have more time to devote to enhance his/her earning capacity, only if he/she doesn't have to allocate time to do household work. So, a homemaker also has a role in enhancing the household income, which is now recognised by the insurers, resulting in introduction of the independent term insurance for the homemakers.

An independent term insurance plan is basically a term plan that can now be independently bought by homemakers. While there were policies available to cover housewives earlier too, the condition was that it should be bought by their earning spouse. Also, they would only be covered for 50 per cent of the sum assured where the income multiplier would be dependent on their husband's annual income. The recent launch of independent term plans for homemakers has widened the scope of coverage for homemakers with the help of which they can buy term plans irrespective of their spouse's policy or income status.

"With the launch of term plans for housewives, the earlier strict conditions are no longer applicable. Currently, insurers such as Max Life, TATA AIA, Bajaj Allianz, and Bharti AXA are offering independent term plans to housewives where husbands' existing life cover is also not required. To make it more accessible, there is only one condition to fulfil i.e, if the household has an annual income of over Rs 5 lakh, the housewife in the age group of 18-50 years can buy the independent cover of Rs 50 lakh," said Sajja Praveen Chowdary, Business Head – Term Life Insurance, Policybazaar.com.

(The writer is Amitava Chakrabarty.)

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Life insurance rule: Minimum sum assured an investor need — explained - Live Mint - 24th September 2022

Life insurance rule: After the outbreak of Covid-19 pandemic, investors have realised the importance of life insurance in one's financial planning. According to investment and financial planners, a good number of people are buying life insurance who failed to buy life insurance in early phase of one's career. However, they said that while buying a life insurance people look at the minimum sum assured but there is need to understand whether this would be enough for their family or not. They said that one would buy a life insurance keeping one's annual expense in mind. One should opt for a life insurance policy that offers minimum sum assured to the tune of 12 to 15 times of one's annual expenses.

Speaking on the life insurance rule that one should implement while buying a life insurance policy, Vinit Khandare, CEO & Founder at MyFundBazaar said, "As a matter of standard practice, the sum assured should be at least 12-15 times of one's annual expenses or 8-10 times their annual income when it comes to purchasing a life insurance policy. While the minimum sum assured on a life insurance policy won't be less than 10 times the annual premium for individuals below 45 years of age, for individuals above 45 years, the minimum sum assured is 7 times the annual premium."

MyFundBazaar expert went on to add that while opting for life insurance, knowing one's needs is essential. While the renewable term insurance is known to be sufficient for most people, the individual needs to analyse their scenario - calculating their childrens' education, retirement fund etc. As with investing, perpetually educating oneself is imperative to making a well-informed choice, one should be sure to do a thorough analysis to ensure that they opt for the best life insurance possible.

How to calculate minimum sum assured one needs

Explaining life insurance rule in regard to minimum sum assured calculation, Rahul Agarwal, a certified financial planner said, "To know how much minimum sum assured one require from a life insurance policy, one needs to first calculate one's annual income and present value of one's long-term and medium term goals. Apart from this, one needs to deduct one's current liabilities from the minimum sum assured by the life insurance policy one is looking at. If the addition of present value of one long and medium term goals and present annual expense is equal to the final outcome of sum assured offered by the life insurance policy and current liabilities of the investor, then only the investor is advised to opt the insurance policy."

(The writer is Asit Manohar.)

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GENERAL INSURANCE

Why does aviation insurance require special risk management? – Financial Express – 26th September 2022



The insurance industry has come a long way in supporting the growing demands of the aviation industry in India, including Airlines, Airports, Aerospace Manufacturing, Space and other supporting segments. Currently, India is the 3rd largest domestic civil aviation market in the world, and passengers now have multiple choices to select from. Passengers also have the choice to select insurance protection for their air travels, as all air carriers now offer this option with claim benefits of varying degrees. Technology is playing a big role in offering the convenience of buying such insurance, and there is an upward trend of passengers opting for such insurance cover at a nominal premium. On the regulatory

front, the government has enacted various regulations which give relief and benefits to passengers when flights are delayed beyond certain hours or cancelled.

However, all the airlines, as well as the industry as a whole, face a distinct set of business risks and challenges that continue to be shaped by changing economic conditions and evolving consumer preferences. Many other unpredictable and malicious threats persist that could potentially inflict damage on the airline industry, such as cyber-attacks, data breaches, and supply chain disruption. So, spotting strategies for risk management in the aviation industry is essential and unavoidable.

How aviation insurance started and the current industry scenario

Since the liberalisation of the insurance industry in 2000, Indian insurers, especially GIC Re and four PSU Insurers (the Oriental Insurance Company Limited, National Insurance Company Limited, The New India Assurance Company Limited and United India Insurance Company Limited), have consistently grown their capacity to underwrite aviation insurance. They have supported not only Indian clients but also served aviation clients around the world. Selected large private players joined hands subsequently. However, as we complete two decades of liberalisation, there are only a handful of private insurers who are active in the aviation insurance space. Some exited this space following unpleasant experiences of large claims. International reinsurance markets, especially London and Europe, have played a major role in adding to the capacities of Indian insurance that supported building the domestic capacities.

Why does aviation insurance require special risk management

Aviation insurance being a catastrophic class of insurance, distribution of risks is the key to a stable and consistent flow of insurance capacity for any part of the world. Insurance intermediaries in India are playing an important role in risk distribution apart from providing all the required support in day-to-day servicing requirements. Whilst PSU insurers have been leading the efforts to support the aviation industry, it has not been without challenges that follow the growth trajectory. The Indian Aviation Insurance industry is not isolated from the effects of global events such as the Financial Crisis of 2008, the 9/11 WTC claims and now the Russia-Ukraine war and its potential impact due to large-scale perceived losses within the aircraft leasing and financing industry.

We have also seen the US and Chinese governments' interventions internationally in providing insurance solutions for terrorism and related risks to airlines when commercial insurance carriers found it unviable and challenging to cover aviation risks. Whilst in India, we have not seen such a scenario yet. However, the possibility in future cannot be ruled out if something of catastrophic nature happens.

It is not only Indian Air Carriers that are creating enhanced demand for large insurance limits and complex insurance coverages, but also leading the pack are aerospace manufacturing units spread across various parts of the country. With the Government's focus on domestic manufacturing, large international companies, including aircraft, engine, and other critical component manufacturers, are either setting up shops on their own or tying up with Indian businesses to scale up their domestic presence.

One of the critical aspects of the aviation industry is that it attracts risk, which can be catastrophic in nature. Every company, irrespective of its size and complexity of operations, needs to adopt carefully evaluated risk management and insurance purchasing strategies to mitigate the risks that can threaten the very existence of the enterprise.

Equally, insurance companies providing coverage for aviation need to carefully evaluate their underwriting considerations and the associated financial risks to their balance sheets when offering aviation insurance products. Insurance carriers need to invest in building capabilities and skilled underwriters who can understand the nuances of the growing complexities of airline and aerospace enterprises and build a healthy and sustainable portfolio that will not only maintain the steady flow of insurance capacity at a competitive price but will also generate healthy returns on capital deployed in covering such risks.

To conclude, as India is aiming to achieve its rightful place in the international aviation arena, it is expected that demand for aviation insurance will grow substantially. Indian insurance market and the supporting ecosystem – be it insurance intermediaries, loss adjusters, legal, or other technical advisors associated with servicing insurance placements and handling insurance claims need to gear up for the next level of growth.

(The writer is Anant Pawar.)

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Decoding IRDAI's exposure draft for insurance companies – The Hindu Business Line – 25th September 2022

Even 20 years after liberalisation, non-life insurance penetration in the country is at lower levels vis-à-vis potential, growing from 0.50 per cent of GDP in 2002 to 1 per cent in 2021. Some say the lower penetration is due to a bigger denominator, while others say insurance is not growing as much as the other sectors. In contrast, global non-life insurance penetration is currently over 4.1 per cent.

India holds enormous opportunities to grow its under penetrated non-life insurance market at par with global levels. So, larger investment is required in distribution infrastructure, products, technology, services innovation, and other such initiatives to popularise insurance in the country. Since liberalisation, insurance sector has been under strict governance of investment and expenses. In fact, it was a necessity at that time as the industry was being opened to the private sector. The protection of capital and maintaining minimum solvency levels have been paramount.

The industry has long been looking forward to relative decontrol of expense limits and choice of investment to gratify its growth appetite. One such long standing petition is the 'single expense limit' for insurers.

Regulatory control over expenses of an insurer before the present exposure draft (on Expenses of Management of Insurers Transacting General or Health Insurance Business Regulations, 2022) has been at a microlevel. There have been limits on remuneration, commission, and rewards to insurance intermediaries at product and category levels, besides an overall limit of expenses for the insurers. Such limits of expenses have fairly prevented the insurers from the choice of making larger investments in distribution, either in the form of commission and rewards to intermediaries or innovation in the service offerings.

'Disciplining the disciplined'

The exposure draft released by IRDAI in early August addresses most of the challenges. It contemplates a single enterprise level limit of expenses other than the commission and remuneration. However, IRDAI has subsequently released another exposure draft on commission and remuneration to intermediaries and other insurance distributors, removing all sub-limit from the structure. It is understood that the commission and remuneration sub-limit in the overall Expenses of Management is arising out of a statutory imposition than a regulatory Act.

Few areas in the exposure draft requires deliberations. Calculation methodology of limit allowability, basis average Expenses of Management (EoM) of preceding three years as proposed in the exposure draft, might create a scenario of 'disciplining the disciplined only' by fixing lower limit for the insurers, who manage their business with lower expenses. Besides, the concept of Expense Rate might constrain growth of business, as it would require insurers to ensure growth only with the average expenses of preceding three years.

Government welfare insurance schemes are normally with lower expenses because of the large denominator effect. Insurers having larger exposure in such schemes do traditionally have lower EoM, as such schemes bring down the enterprise level EoM considerably.

Under the proposed structure of expenses management, insurers would have lower 'insurance rate' without any certainty that they would be able to participate in government schemes every year at the same level. In any year, if any such insurer fails to avail a government bid to participate in the schemes, they might be subjected to a expense restriction continuously for years after.

Such restriction not only tightens their business operations, but also hinders them from growth at least for three successive years. The concept would be similar to commercial lines portfolios. This apprehension among insurers might discourage them from participating in large insurance portfolios, such as government schemes or large commercials business, with not much certainty of renewal. As far as allowances are concerned, among the sectors earmarked for allowances, one that deserves it more than others is the retail health segment. Even though Covid has increased health insurance awareness, the country has a long way to go before it demonstrates a respectable health insurance penetration.

Despite all such uncertainties, the IRDAI's attempt to liberate the industry from constraints of multi-layered expense limits would certainly trigger a cyclic force to grow the insurance market of the country. As the market grows, the impact of expenses would automatically come down.

(The writer is Sharad Mathur.)

[TOP](#)

Pet Insurance product becoming popular - The Hindu Business Line - 25th September 2022



The surge in adoption of pets, particularly dogs, since the Covid-19 outbreak and the rising costs of personal care, grooming and medical expenses involving them seem to be encouraging insurance companies to design a cover for them. For example, Future Generali India Insurance Company Ltd sold close to 25,000 pet insurance policies in the last three months.

Insurance companies offering pet insurance have been witnessing traction in demand with an increasingly large number of pet owners warming up to the product. While there are a few private and public sector insurance companies currently offering pet insurance, more are likely to join the fray soon.

Insurance companies in India have been offering cattle and livestock insurance for many years. There are an estimated 28-29 million pets in India and dogs usually make up a bulk of this number. Given that the annual routine expenses for animals have been on the rise, any medical emergency could cost a pet parent a big sum of money. For instance, vaccination, tick treatments and grooming could typically cost anywhere from ₹10,000 to ₹54,000 annually. So, a pet insurance policy comes in handy when one needs medical or legal assistance.

Most comprehensive policies usually provide protection against unforeseen illnesses, accidents suffered by domesticated pet dogs and also related coverages against surgery, hospitalization, mortality, terminal diseases, OPD admissions and third-party liability claims and theft or lost or straying. The starting premium is as low as ₹300 and usually depends on the age, breed, and gender of the dog.

Sustainable trend

“Post-Covid, there has been a surge in pet adoption and this could be a sustainable trend moving forward,” Anup Rau, MD & CEO, Future Generali India told BusinessLine. Bajaj Allianz General Insurance, which launched its pet dog insurance product in 2020, had the “most success” in some of India’s larger cities, both metro and Tier I, said TA Ramalingam, Chief Technical Officer.

“Since the start of the pandemic, there has been a sharp increase in the number of pets adopted. When it comes to household pets, dogs continue to dominate. The demand for our product, pet dog insurance, has increased significantly over the course of the preceding fiscal year (after the initial outbreak of the pandemic) resulting in substantial growth. A big reason for this is that pet owners are learning about the product and beginning to experience its benefits,” Ramalingam said.

According to Sanjay Datta, Chief, Underwriting, Reinsurance, Claims and Actuarial, ICICI Lombard GIC, the insurer is working on developing a product to cater to this segment. “The demand for products in this category (pet insurance) is likely to grow further moving forward. We are looking to develop a product for this segment,” he said.

(The writer is Shobha Roy.)

[TOP](#)

Non-life insurers see 12% rise in gross direct premium income in Aug: Irdai - Business Standard - 24th September 2022

Non-life insurers registered a 12 per cent yearly growth in their gross direct premium income during August this fiscal at Rs 24,471.95 crore, data from insurance sector regulator Irdai showed. In the same month a year ago, all the 31 non-life insurance companies in the domestic market had garnered a gross premium income of Rs 21,867.93 crore.

According to the data provided by the Insurance Regulatory and Development Authority of India (Irdai), a total of 24 general insurers witnessed a 9.3 per cent growth in their collective gross direct premium income in August at Rs 17,101.75 crore as against Rs 15,648.63 crore in the year-ago period. The five standalone health insurance providers reported a jump of 28 per cent in their gross direct premium income during the month at Rs 2,059.38 crore. The figure stood at Rs 1,609.75 crore in August 2021.

The rest two specialised public sector insurers in the non-life space witnessed a 15.2 per cent rise in their combined premium income in August 2022 at Rs 5,310.82 crore as against Rs 4,609.55 crore a year ago. On a cumulative basis, all the 31 players' gross direct premium income in April-August period of 2022-23 rose by 18.57 per cent to Rs 1,02,357.29 crore. It was Rs 86,329.09 crore in same period of 2021-22.

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HEALTH INSURANCE

Importance of health insurance for a sound heart health – Financial Express – 29th September 2022



Every year on September 29, the World Heart Federation (WHF) observes World Heart Day to raise awareness and educate the masses about preventing cardiovascular diseases.

In today's fast-paced life, irrespective of how hectic our schedules are, we should take the time to focus on our lifestyle choices that ultimately affect our health, especially heart health. Small but consistent changes in our daily routine, like eating meals at appropriate hours, fitting in an exercise regimen, etc. can make a colossal difference. Coupled with these changes, if we can quit or avoid vices like, smoking, excessive alcohol consumption, it will help us in improving our heart health.

We have all heard the saying “it is important to listen to your heart.” Yet, we tend to pay attention to our heart or other health issues only once we see the signs or experience an episode that pushes us to consult a doctor. This World Heart Day, we must therefore recognise the importance of taking proactive steps towards maintaining a healthy lifestyle. We should also be vigilant of cardiovascular diseases for our loved ones and ourselves.

Heart and fiscal health

Despite taking numerous steps to improve your heart health, uncertainties may still arise. Cardiovascular disease and the prognosis often take a toll on our savings. As a result, it is critical to have a robust insurance plan in place. This will equip you to take care of high hospital expenses with adequate sums insured (indemnity policy) to take care of the expenses.

Choosing the right policy

However, sometimes a regular medical indemnity plans may not be adequate considering the high cost of treatment and hospitalisation for heart diseases. It is important to be cognizant about the fact that critical illnesses require continued treatment even post hospitalization, which may include expenses of medications and travel costs, if you are opting for treatment in another city. It might even affect the person's ability to work and lead to loss of income. Being adequately insured ensures that in the event of a medical emergency, you will have access to high-quality health care treatments.

In this scenario, it is vital to opt for a critical illness policy in addition to the existing health policy as it safeguards from any unexpected medical emergency and does not drain you financially. A critical illness policy provides a lump sum benefit on the first diagnosis of a critical illness. You can choose from either a standalone policy or a rider to the health insurance. It is also important to check for the cover it offers under the rider along with options like an individual plan or as a family floater, depending on your family members' financial requirements and medical history.

Here are a few factors that you should remember while selecting a critical illness cover:

Benefits provided: A thorough research must be done for a well-trusted insurance company that provides the best-in-class insurance. At the same time, you should look for the benefits and ailments covered if you wish to add on a critical illness rider. This will help you to choose a plan that is suitable for your healthcare needs. **Insured amount:** The history of family ailments must be monitored. Evaluating family health history can give you the insight you need while purchasing a critical illness cover with adequate coverage of the specific illness that runs in your family. Look at the illness covered in the policy so that you are certain to be secured.

Number of illnesses covered: As different companies have a different set of illnesses that they cover under their policy, make sure to look for the number of critical conditions covered under the policy. Individual plan or Family floater: A choice between individual plan and family floater can be made according to the requirements of the members of your family. While making your decision, you must remember that a rider cannot be ported to other insurers, which is possible with a standalone critical illness policy.

Taking care of your health and safeguarding it should not be an afterthought. A sudden critical illness, especially cardiovascular diseases, can leave you financially vulnerable.

One must opt for a comprehensive health insurance policy along with a dedicated critical illness policy to mitigate financial risks. Before purchasing the policy, spend time and conduct adequate research on the factors mentioned above. This World Heart Day let us listen to our hearts and choose a healthy lifestyle and fiscal prudence for securing the future of our loved ones and ourselves!

(The writer is Shreeraj Deshpande.)

[TOP](#)

Healthy finances are at the heart of a bright future – Financial Express – 28th September 2022



When did you last review your financial situation? Perhaps when a payment notification popped up or you had to claim an expense or to analyse your annual budget? Did you think about getting your finances in order but the thought itself induced stress?

Even before COVID, people were saddled with debt. And today also, many of us struggle with managing finances. Financial stress is a common factor that lead to heart diseases, other than high cholesterol, blood pressure, and uncontrolled blood sugar. Be it struggling to manage your children’s college fees or a down payment on your house, financial overthinking may lead to chronic anxiety. Nobody wants a situation like that, isn’t

it? Here is how to manage finances for a healthy heart on this World Heart Day.

Planning: The Heart of Your Financial Focus

As rightly said, “A healthy diet and exercise should be regarded as a tribute to the heart”. For a healthy lifestyle, exercise regularly and ensure that your diet is balanced and nutrient rich. Invest in consumption of fruits and vegetables, whole grains, seeds, legumes, nuts as well as other sources of healthy fats and also pick up a sport or form of workout like football, table tennis, squash, aerobics, karate, etc. A rich diet and training or membership fees for sports might seem like a frivolous expense to some but the cost of treatment that may be needed in case you are diagnosed with any type of heart disease; is bound to be higher.

Just like the way you get your physical health check-ups regularly done, in a similar manner, you should do a regular check-up of your financial progress. Not only does this give you a chance to take preventative measures to ward off potential problems, but it also gives you a chance to think and introspect about the major life changes that could have an impact on your financial approach going forward. Your yearly plan review gives you the chance to make any required changes to fit new goals while also assisting you in staying on course.

Retirement Plan: The Heart of Your Golden Old Days

According to a study from the Harvard School of Public Health, retired folks have a 40 per cent higher risk of having a heart attack or stroke than people who are still employed. The rise peaked in the first

year following retirement and then levelled out. Retirement may be a relief for those who had an unfulfilling job, but it is tough for people who had a strong sense of self-identification with it.

The journey of making the transition from working to retirement can exacerbate heart diseases, from chronic high blood pressure to heart attacks. Saving for future medical costs should be a part of your retirement plan, but so should preventing heart diseases too. A good retirement is when you are not only active but also free from financial stress. Just like you put aside some money from every paycheck for retirement, you should take steps now to ensure good health in the future. After all, who doesn't like a stress-free retirement?

Insurance: The Heart of Your Family

In this era, any heart disease could create a hole in your pocket for hospitalization, medicine, and doctor's advice, hence it is always better for your heart to be financially sure. One should invest in a comprehensive insurance plan to protect oneself from medical exigencies or in insurance plans offering coverage against cardiovascular conditions. The insurance payout will help you secure your family's future, meet your expenses, and attain peace of mind. They say, "family is the heart of your life", thus, taking care of your heart means taking care of your family.

Just like your physical health, your financial health needs regular attention too. This is due to the close connection between your physical, mental, spiritual, and financial health. Each one contributes to your overall sense of well-being; therefore, a change in one can affect the others, either favorably or unfavorably. So, let's all promise to strive for a healthy, wealthy, and wise heart on this World Heart Day.

(The writer is Vinit Kapahi.)

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Buy an adequate OPD cover to take care of mental health treatment - Business Standard - 28th September 2022

A recent survey by Deloitte found that poor mental health among employees costs Indian employers around \$14 billion (Rs 1.1 trillion) a year on account of absenteeism, lower productivity, and attrition. While workplace-related stresses were already contributing to a high incidence of mental ailments, the pandemic exacerbated the problem by restricting social interactions and creating financial challenges (loss of job, business, etc). "With increasing awareness, however, the social stigma surrounding mental health issues has reduced since the pandemic, and people have become more open to seeking professional help," says Mayank Bathwal, chief executive officer, Aditya Birla Health Insurance. The Mental Healthcare Act was passed in 2017. "Following the passing of the Act, the Insurance Regulatory and Development Authority of India (IRDAI) also mandated insurers not to discriminate between mental and physical ailments and to cover the former just as they cover the latter," says Bhabatosh Mishra, director-underwriting, products and claims, Niva Bupa Health Insurance.

(The writer is Sanjay Kumar Singh.)

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World Heart Day: Take charge of your heart health - Financial Express - 27th September 2022

India has witnessed an alarming rise in the occurrence of heart disease and stroke over the years. Therefore, it is extremely important to increase awareness about a heart-healthy lifestyle for everyone, and not just for people with existing health problems to reduce the risk of heart disease and improve quality of wellbeing.

Did you know cardiovascular diseases are the leading cause of death globally? Hypertension, diabetes, family history, advanced age, stress and people's sedentary lifestyles are the key reasons for heart-related ailments across age groups. Heart disease is a major threat to health. It may be present without symptoms. Although the risk of heart disease increases with age, there are things you can do to lower or reverse your risk of heart disease. As part of treatment for heart disease, you may need to make changes

to your lifestyle and dietary habits. That's why regular check-ups, a healthy lifestyle, and healthy diet are so important.

On World Heart Day, let us explore a few things one should take into account to take care of our hearts and to help prevent cardiovascular diseases.

Regular exercise is a must

In order to keep the heart pumping smoothly, it is important that you exercise each day without fail. An exercise routine or even walking for 45-60 minutes daily is one of the easiest ways to get the exercise you



need to stay heart healthy. Walking can also help you earn more reward points. For instance, there are health insurance plans in the market that not just provide hospitalisation benefits but also come with other robust wellness programmes. As part of this wellness program under the health insurance plan, you can earn up to 20 per cent discount on your base renewal premium simply by walking every day.

Getting annual health check-up is important

Annual health check-ups help detect or prevent serious diseases and medical problems before they can become major. Annual check-ups, immunisations, as well as certain tests and screenings, are a few

examples of routine preventive care. So, make sure, your health insurance plan offers annual health check-ups, from 1st year onwards for all the adults insured to take the utmost care of heart and all areas of your health, not just in illness but in wellness too.

Use Teleconsultations to access care from just about anywhere

Research has found that for patients, talking to a doctor via teleconsultation is associated with improved outcomes, ease of use, better communication, and a reduction in the need to travel. There are several other benefits of teleconsultations for example, no waiting rooms, people can book an appointment and even consult a doctor online via video or audio call, and no matter where the person is located, he/she can easily seek medical care without having to travel for hours to reach a clinic. So, if you have a health insurance plan or are looking out for an ideal health plan, then you should opt for a plan that offers 24X7 unlimited tele consultations in major Indian languages with doctors, including specialists to help take better care of heart health and to ensure complete all-round protection.

Get relief from medical expenses With Cashless OPD cover

In India, approximately 65 per cent of the total health care expenditures are out of pocket expenses, including dental, vision, physical doctor consultation fees, prescribed medicines and so on. Therefore, it is vital to get a health insurance plan with Cashless Out-Patient Department (OPD) cover. Cashless cover is especially beneficial to people with higher out of pocket expenses or parents with infants or young children prone to ailments that require over-the-counter medicines or get tests done quite frequently. Also, people who require regular OPD consultations for heart ailments can benefit greatly from a health insurance plan which helps cover their OPD expenditures on a cashless basis, so their healthcare expenses are fully covered both inside and outside of the hospital.

Opt for higher sum insured Health Insurance plan

Given the degree of unpredictability and the high cost of healthcare, one needs a contingency plan in case they develop life-threatening conditions like cardiovascular diseases. However, unlike routine hospitalization, these acute illnesses often need numerous invasive procedures, exorbitant diagnostic tests, a longer course of treatment, etc. If this is the case, a person will not only have to deal with emotional stress but also need to shell out a significant amount of money for the treatment. So, how does one handle this situation? This is where a wisely chosen health insurance plan can come to their rescue. So, one should always opt for a higher sum insured health insurance plan to cover the rising medical costs and avail lifetime access to quality healthcare.

The bottom line

A comprehensive health insurance plan is like a beacon of light one can turn to when you need urgent help. Thus, it is crucial to have a health insurance plan covering primary care and recuperative treatment in addition to hospitalization. Also, it's never too late to start living a healthy lifestyle, getting your heart disease risks in check and taking the appropriate actions to manage overall heart health.

(The writer is Priya Gilbile.)

[TOP](#)

Save on your annual health insurance premiums with a multi-year policy - Outlook - 26th September 2022



With healthcare costs on the rise, it is kind of necessary to have a health insurance cover. Most health insurance policies need to be renewed every year. However, renewing the policy every year can be cumbersome.

To make this process hassle-free and reduce the burden of yearly renewals, many health insurance companies now offer multi-year health insurance policies.

What are multi-year health insurance policies?

A long-term health insurance policy is basically one that offers coverage for a period of more than one year. Such policies may offer continuous coverage for two-three years.

Let us look at some of the advantages of a long-term health insurance policy.

No need for yearly renewals: One of the most important financial tasks one has to do every year is to renew their health insurance policies. In case the premium is not paid on time, the policy will be discontinued. Thus, one has to set aside some money for yearly renewal to keep the policy running.

For a long-term health insurance policy, one can pay a one-time premium to keep the policy active for two-three years.

Discount on premiums: Long-term health insurance policies help you save money as well, as there is a discount offered because multiple years of premiums are paid together. Thus, they are cheaper than annual policies.

Also, under long-term health insurance plans, your premium gets locked for two-three years, and they are not revised. Since health insurance policy premiums tend to be revised every year, long-term health insurance policies are becoming increasingly popular these days.

“Our products provide a 7.5-12.5 per cent discount on two-year premiums, and a 15 per cent discount on three-year premiums in multi-year policies. Additional savings accrue to customers, as any change in premium of the product applies to the existing policies only at the point of renewal,” says Bhabatosh Mishra, director underwriting, products and claims, Niva Bupa Health Insurance.

Tax matters: The tax benefits accrue proportionately in case of multi-year policies.

Says Bhaskar Nerurkar, head, health administration team, Bajaj Allianz General Insurance: “Where the premium for health insurance for multiple years has been paid in one year, the deduction under Section 80D of Income-tax Act, 1961 shall be allowed proportionately over the years for which the benefit of health insurance is available.

So, for instance if a premium of Rs. 90,000 is paid on a three-year policy taken for your family and parents aged below 60 years, the premiums must be proportionately divided over three years. The

deduction will be available each year, subject to the limits under section 80D (as tabulated above). In the given case, you will be eligible to claim a deduction of Rs 30,000 each year under Section 80D.

Says Archit Gupta, founder and CEO, Cleartax, a tax portal, "You may not have to do these calculations, as the insurers usually issue an 80D certificate mentioning the amount you can claim each year as a deduction under Section 80D."

(The writer is Meghna Maiti.)

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Covid-19 related health claims plummet to less than 1% as other ailments surge - The Times of India - 26th September 2022

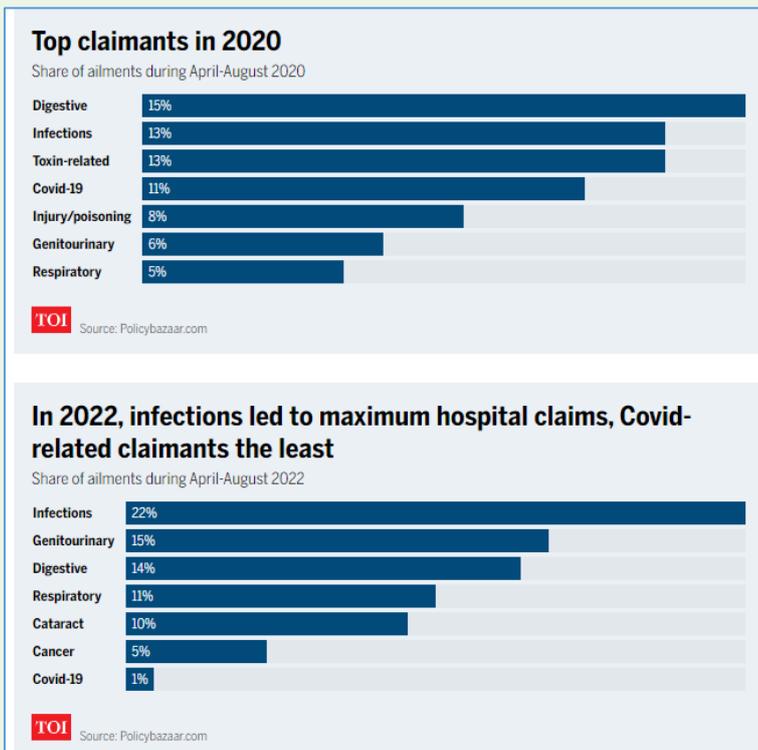
The number of Covid-19 health claims have plummeted in the first five months of the current fiscal as the number of hospitalisation cases due to virus has dropped significantly. Instead, there has now been a surge of hospital admissions for surgeries that had been put on hold earlier due to the pandemic, shows data analysed by insurance marketplace policybazaar.com.

"For Covid-19, the share of claims has dropped by over 90 percent for the period between April to August 2022 as compared to 11 percent in 2020. Across all types of hospitalisations, there is a surge seen in claims for infections, genitourinary, minor surgeries and other common ailments during this period," said Amit Chhabra, Business Head - Health Insurance, Policybazaar.com.

The average claim size of Covid-19 is Rs 80,000 against average non-COVID-19 claims of Rs 77,500 in this period (Minimum claim amount is Rs. 1000, excluding health check-ups & OPD claims).

It appears that the average claim size for COVID-19 related claims is higher. "This could be because most individuals needing hospitalisation were older with a potential risk of co-morbidities that generally increase complications and requires a longer stay in the hospital. Thus, leading to a higher claim amount," said Chhabra.

Below are the charts for the top seven ailments contributing to the highest portion of health claims in the above-specified period.



A policybazaar survey also revealed a growing level of propensity to buy insurance in tier-2 and 3 cities of India post the pandemic. At 89%, the highest number of respondents willing to renew their health cover belong to tier-2 cities, as compared to 77% from tier-1. Similar trends were observed in term insurance, where 59% of respondents who want to increase their coverage belong to tier-3 cities, as compared to 26% from tier-1 cities.

Policybazaar surveyed 5,000 consumers to closely understand the behavioral shift in insurance buying trends.

Out of the respondents who had contracted Covid, 25% were hospitalized, and 18% of them ended up spending over Rs 15 lakh and 22% were not adequately covered by their existing policy.

Moreover, 13% of those who got Covid did not have health insurance in place.

The study also found that 62 per cent of the total respondents had an active policy and didn't depend just on, say, corporate cover.

At least 50 per cent of these policies were bought after Covid's first wave and 41 per cent after the Delta wave. In addition, 80 per cent of these policies were family floater plans, revealing a higher inclination towards ensuring sufficient coverage for the entire family.

"Owing to the pandemic, there is increased awareness of health insurance products and their financial benefits. However, a base product in health insurance usually does not cover all your healthcare needs. One must carefully examine their family's medical needs. Depending on the medical history, age, and income of the insured, different levels of coverage may be required. You may also need to buy top-up or add-on plans as per different age groups and existing health conditions," said Chhabra.

(The writer is Sunainaa Chadha.)

[TOP](#)

Ayushman Bharat: Patients prefer private hospitals for govt schemes – Business Standard – 25th September 2022

Government hospitals constitute 54 percent of 28,311 empanelled under the Ayushman Bharat Pradhan Mantri Jan Arogya Yojana (AB-PMJAY), but a Business Standard analysis found that hospitalisations in private hospitals exceed their government peers. Despite accounting for 46 percent of hospital empanelments, private hospitals accounted for 54 percent of 38 million hospital admissions under AB-PMJAY.

The average claim size, according to the ministry's annual report of the scheme, was 51 percent higher in private hospitals at Rs 13,730 per person, compared to Rs 9,045 in public hospitals. Four years since it was launched, the scheme has issued 190 million cards. It is operational across 33 states and Union Territories. Delhi, Odisha, and West Bengal are yet to resume the scheme. The scheme aims to provide cashless and paperless health care benefits. It provides a health cover of Rs 5 lakh per family per year of post-hospitalisation expenses.

Further analysis shows that some of the poorer states have not been able to take advantage of the scheme and the benefits have accrued to wealthier states and those with better health infrastructure. Kerala, for instance, had the highest bed availability per 1,000 people in empanelled hospitals under AB-PMJAY among larger states at 5.3. Bihar and Rajasthan had the worst ratios at 0.8 and 0.4. Surprisingly, Bihar had the highest claims ratio among the larger states as the state paid 89.3 percent of the claims. Rajasthan was still a laggard with 2.5 percent claims paid.

Older people and females have also not been able to utilise the benefits efficiently. Males accounted for 52 percent of hospital admissions. The ratio of people hospitalised in the 30-44 age group at 24 percent was higher than the 22 percent hospitalisation in the 60 plus age group. The hospitalisation share of the 15-29 age group was 21 percent.

Fund utilisation under the scheme has also lagged. Of the Rs 19,200 crore budgeted for the scheme between 2019-20 and 2021-22, just 46 percent or Rs 8,832.5 crore was utilised or released. The government's performance as regards Ayushman Bharat Digital Mission (ABDM) has been laudable. "The mission crosses the landmark of 10 million digitally linked health records with over 27 lakh records linked in a day," Union Minister Union Health Minister Mansukh Mandaviya tweeted on Sunday. ABDM took 620 days to link the first 1.5 million health records and is now linking more than 15 lakh health records every day, the ministry reported.

(The writers are Sohini Das & Ishaan Gera.)

[TOP](#)

MOTOR INSURANCE

Pay less premium on your car insurance when you drive less, drive safe – Outlook India – 29th September 2022



You may have driven your car less in the past one year, because of the restrictions imposed by the Covid pandemic. Even though the rules did ease up gradually, you might be wondering if you could reduce your insurance premiums now, as you don't drive that often. Obviously, it would help you save some money.

Apparently, many people are not using their vehicles that much, and so would be less inclined to pay the full premium on the vehicle. This is precisely why usage-based insurance is gaining momentum, and it is increasingly being adopted by insurers.

The Insurance Regulatory and Development Authority of India (IRDAI) has permitted general insurance companies in India to launch telematics-based motor insurance covers, such as pay as you drive (PAYD) and pay how you drive (PHYD), allowing vehicle owners to decide how much to pay on their car insurance.

Having said that, it is important to understand the concept of usage-based car insurance.

What Is Usage-Based Car Insurance (UBI)?

Usage-based insurance calculates your insurance premium depending on your driving rather than charge you a fixed amount as in a conventional car insurance policy. Distance travelled as well as your driving behaviour are the two important factors that decide your car insurance premium.

“The insurer uses data, such as driving speed, acceleration rate, braking pattern, and whether you use the phone while driving, to calculate insurance premium. Such insurance rewards good driving behaviour and lets you save on premiums if you don't drive your car often,” according to a recent report by HDFC Ergo, a general insurance company.

Usage-based car insurance made a debut more than a decade ago in Europe and North America. Driving information is accessed online or on apps, which allows customers to monitor their driving patterns and improve their driving habits to earn discounts on insurance premium. Insurance companies offer mileage-based, as well as driving habits-related discounts.

Usage-based **insurance** is alternatively called pay as you drive (PAYD) and pay how you drive (PHYD). All the data that telematics will transmit to the insurance company will power greater data analytics and offer the driver and/or owner insurance options, such as manage how you drive (MHYD).

How Does UBI Work?

UBI uses a telematics device, installed in the car, to track how the car is driven. Telematics uses telecommunication and informatics to track and share driving data. It uses advanced analytics to record driving information, such as speed, braking, acceleration, and frequency of usage. The insurance company uses this information to analyse driving behaviour to determine the risk profile of the driver, which helps in calculating the premium. A safe driver pays a lower premium compared to a rash driver.

The car insurance company tracks the driving pattern, including driving data, to prepare reports to determine the car driver and/or owner's profile using one of the following ways: telematics device; on-board diagnostics sensors; plug-in device, GPS device; and mobile app.

Says Sanjay Datta, chief - underwriting, claims and reinsurance, ICICI Lombard: "For capturing driving behavior, an on-board-diagnostic (OBD) device, also referred to as telematics device, is fitted to the car. Currently several of the recently launched models come with "connected-car" feature which can also be used to capture driving behavior. Certain other factors like kilometers clocked can be derived from the OBD device or also from the odometer reading available in the car."

Types of UBI

There are mainly three types of UBI: namely, pay as you drive, pay how you drive, and pay as you go (PAYG). The third type is the combination of the above two types.

Pay As You Drive (PAYD)

According to Ashwini Dubey, head- motor insurance, Policybazaar.com, the pay as you drive motor insurance is an optional policy that charges a premium based on the distance or duration the vehicle has driven. "This will help in reducing premiums for most of the customers, especially if a customer has more than one car, or if they are not driving regularly amid work-from-home culture," he says. According to a recent report by ICICI Lombard, a general insurance company, PAYD aims at using technology and/or telematics devices to monitor how often the car is used depending on the total number of kilometres or distance driven. Some of the features of PAYD are:

- The policy tenure for usage-based car insurance is for one year
- Affordable as compared to a regular motor insurance policy
- Third-party premium can be charged under the same policy
- Own-damage premium is tied to the distance or duration the vehicle has covered
- One can opt for add-ons like zero depreciation cover, engine protection cover, and return to invoice cover to this policy.

Pay How You Drive (PHYD)

The premium for pay how you drive cover is calculated based on how you drive your car while on the road. The better and safer you drive, the lesser you pay. The telematics device uses GPS technology to calculate your driving scores, vehicle health, and other metrics to collect facts about your driving. The information collected is then used to calculate a driver score that is unique to you.

If it's good, you could reduce your insurance premium at the time of renewal, and get a thumbs up for safe driving. While there are no penalties yet for low driving scores, the premium discounts these drivers can avail of, are also very low. Drivers can also use these scores to improve their driving and build better habits.

Benefits of UBI

Rewards for safe driving: If you have a good driving record, then you can get rewarded for your driving behaviour, and can even get a customised premium rate.

Encourages better driving habits: The data recorded while driving gives important insights into your driving behaviour, and it can help you improve your driving skills and work on your mistakes.

Investigation of an accident: The telematics data can help in finding out the reason behind an accident and can help reduce accidents in the future.

Stolen vehicle recovery: It can help in the recovery of a stolen vehicle with help of location tracking.

Reduces claims fraud: It will help insurers trace fraudulent claims through the use of telematics data.

Improves customer loyalty: Customised premium rates and discounts will translate into greater customer loyalty.

Easier claims management: It will make it easier for insurance companies to manage claims, as inspection and verification will become a lot easier with tracking and recorded driving data.

(The writer is Meghna Maiti.)

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SURVEY & REPORTS

Retirement planning not topmost priority for urban India: Report – The Times of India – 29th September 2022

Retirement planning is not the topmost priority for urban India but they worry that savings will not be enough to cover for old age life, with only one in three actively working to meet retirement goals, according to a study. Max Life Insurance in partnership with marketing data firm Kantar conducted a survey to assess the urban salaried class' readiness for content and financially independent retired life.

About 90 percent of people above the age of 50 years in the survey regretted not starting early enough in life to save for retired life. In its second edition, the survey finds the India Retirement Index Study (IRIS) remaining at 44, pointing there is a lag in preparedness over the last one year among the urban salaried class for retired life planning.

Conducted through a self-administered digital manner, the survey involved 3,220 male as well as female respondents across 28 cities, of which 6 were metro cities and 12 tier I and 12 tier II cities. Life expectancy is consistently rising over the years.

"The objective here is to create a barometer or mirror through which we can keep observing how we are making progress. I think there are several questions when you start to consider about retirement. There are few realities that everybody talks about that India is a very young country but India is also ageing," Prashant Tripathy, Managing Director and CEO, Max Life Insurance said here while briefing reporters. Over the next 8-9 years, the number of people whose age will be 60 will grow by 41 per cent.

"The second reality is, as humanity evolves and prospers, you will find that life expectancy will continue to grow. Right now the life expectancy is close to 70 years but it is expected that in a few years it will touch about 80 years. So, people will live longer," Tripathy said. Health and financial preparedness index stood at 41 and 49, respectively. Emotional preparedness witnessed a fall from 62 to 59, indicating increasing dependency on family, friends, and social support during retirement.

Tripathy said Indians must start early to plan for their retirement so that they have enough to live a healthy and financially independent life. "We urge India to realize the importance of timely retirement planning and encourage them to work towards securing their future," the official added. Soumya Mohanty, Managing Director and CCO, Insights Division, South Asia, Kantar said the survey gives a compelling perspective on how urban Indians view and plan for retirement.

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38% people at moderate-to-high risk of heart ailments, reveals survey – Pharma Biz – 29th September 2022



About six per cent people are in the range of high-risk to heart health and around 32 per cent fall in the moderate risk range, revealed a survey by SBI General Insurance Company on the occasion of World Heart Day.

The company launched 'Know your Heart Health' initiative in association with Apollo 24|7. This survey helped the respondents to know and understand the impact of their lifestyle choices on their heart health through a series of related questions, which was summarized as a 'heart health score', in the end. About six per cent of the respondents are in the range of high-risk to heart health and around 32 per cent fall in the moderate risk range. The high-risk range has

maximum respondents in the age group of 36 to 45 years which comprises 32 per cent of the total respondents in this range. While the low to no risk range of heart health majorly comprises respondents in the age group of 26 to 35 years which stands at 33 per cent, stated the survey.

Around 67 per cent respondents with the co-morbidity, diabetes fall under the risk range of high to moderate risk to their heart health. This includes a considerable number of people in the age group of 25 to 45 years. 55 per cent of respondents with the comorbidity, high blood pressure fall in the high-risk category of heart health, largely belonging to the age group of 36 to 45 years. Around 60 per cent of respondents with no or very little exercise (less than 30 minutes a week) have shown high or moderate risk to their heart health, it added.

The World Heart Federation (WHF) celebrates World Heart Day annually on September 29 to instill awareness about the life-threatening effects of cardiovascular ailments. It also aims to educate people on ways to prevent cardiovascular diseases. Cardiac ailments have been on the rise in India and several factors such as obesity, diabetes, high blood pressure, genetics and even choices such as smoking and a diet high in saturated fat increase risk of heart diseases.

Commenting on the initiative around World Heart Day, Anand Pejavar, Deputy Managing Director, SBI General Insurance said, "With the increasing instances of heart diseases, especially amongst younger people, it is important for us to take proactive steps and maintain a healthy lifestyle. One should also opt for a comprehensive health insurance policy with critical illness benefit (Riders) that covers and safeguards you and your loved ones from any unexpected heart related medical exigencies. It ensures that such unforeseen circumstances don't drain you financially. Through our various efforts and initiatives in this direction, we aim to raise awareness and encourage people to make smarter health and financial choices."

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India is now the 10th largest life insurance market in terms of penetration - Café Mutual - 27th September 2022

At 3.2 % penetration, India ranks 10th in the global life insurance market and ahead of China (at 2.4%) and UK (at 3%), shows a research report published by Benori Knowledge, a research and analytics company. The report shows that the life insurance penetration rate in India has grown from 2.8% in December 2019 to 3.2% in December 2021, almost at par with the global average of 3.3%.

The penetration is expected to increase in the coming years as people are realizing importance of financial security. Also, the ease of IRDAI regulations on product approval and distribution and adoption of digitalization will further boost the penetration, says the report.

During 2017-22, the life insurance industry has grown at a CAGR of 11% in total premium and 17% in new business premium. It is estimated to grow at a CAGR of 9% until 2027.

Other key highlights of the report:

Overall, the life insurance industry has grown at a CAGR of 11% from 2017-2022 and is estimated to grow at a CAGR of 9% in the next 5 years

Private sector market share grew significantly from 28% in 2017 to 38% in 2022

Bancassurance is the most popular distribution channel, making up 55% of the distribution mix

Life insurance agents contributed 23% of the total business between 2017-2022

A few key trends in life insurance business - Term and ULIPs to gain more traction, industry to increase focus on digital engagement to enhance customer experience, insurers to increase spending in data science and analytics to understand the risk better, pocket size insurance to gain some ground and insurtech to emerge

(The writer is Nishant Patnaik.)

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Slowdown biggest risk for India Inc, 83% of businesses expect cost of insurance risks to increase: survey – The Times of India – 26th September 2022



Economic slowdown, business interruption and cash flow/liquidity risks are the biggest risks for Indian companies in the coming years, a new report said on Thursday. While 50 percent of Indian businesses cited slow recovery as one of the top risks that incurred losses, at least 83.3 percent of corporate India expects the total cost of insurance risks to increase while companies are least prepared for reputation risks, showed the results of a survey conducted by Aon India, a global professional services firm. The 2021 edition surveyed more than 2,300 respondents in 60 countries/territories across 16 industries at both public and private companies. The past two years have proved to be incredibly volatile, with the

global COVID-19 pandemic having a ripple effect across other types of risk, such as heightened awareness of reputation and cyber, as long-tail risks have become increasingly important to manage, noted the survey.

With more emphasis and reliance on technology, cyber risk topped the list as the number one current and predicted future risk globally, its highest rank since the inception of the survey. In India, Economic Slowdown and Accelerated Change in Rate of Market Factors topped the list of risks in 2021, while Business Interruption and Liquidity risks were cited as two of the projected top five risks for 2024. The Top 10 Risks for India in 2022:

1. Economic Slowdown/Slow Recovery
2. Accelerated Rates of Change in Market Factors
3. Pandemic Risk/Health Crises
4. Business Interruption
5. Damage to Reputation/Brand
6. Cash Flow/Liquidity Risk
7. Cyber Attacks/Data Breach
8. Increasing Competition
9. Failure to Attract or Retain Top Talent
10. Commodity Price Risk/Scarcity of Materials

"Indian businesses are maturing to the need for periodic insurance assessment and proactively planning to mitigate insurable risks," said Jonathan Pipe, chief executive officer, India at Aon.

"We have seen a significant increase in the use of captives to transfer risks as well as greater support of external experts in assessing all possible business risks. Companies are committing additional budgets to manage and mitigate their potential risks, particularly accelerated rates of change in market factors, economic slowdown, and business interruption. With better planning and expert advice, most of the risks can be managed efficiently," added Pipe.

The Top Five Future Risks for India

1. Business Interruption
2. Cash Flow/Liquidity Risk
3. Economic Slowdown/Slow Recovery
4. Capital Availability
5. Artificial Intelligence (AI)

The top 10 risks in India strongly reflect the current landscape, namely the COVID-19 pandemic and its impact on organisations amidst a backdrop of challenging market conditions: global slowdown, supply chain disruptions, delayed infrastructure projects, and inflation. "This is testing firms' ability to manage

volatility and make better decisions. Organisations are shifting their focus from event-based to impact-based risk assessments: for example, the business interruption was once seen as a linear risk, but COVID-19 and geopolitical risks have demonstrated how it can affect multiple industries and companies simultaneously and globally," said the survey.

India Inc is most prepared for Accelerated Rates of Change in Market Factors risks with 50 percent of businesses surveyed having a risk management plan, followed by Increasing Competition with 28.6 percent. Businesses, however, were least prepared for Reputation Risks with none of those surveyed having risk management or continuity plan for it despite it being amongst the top five risks, revealed the survey.

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PENSION

Fixed investment tenor of 10 years under guaranteed return scheme: PFRDA - Business Standard - 26th September 2022

Subscribers to the much-awaited Minimum Assured Return Scheme (MARS) under the new pension system (NPS) will have to stay invested for 10 years to claim the guaranteed return. "Also, a scheme would run for 10 years only. This means that 10 years shall be minimum, as well as maximum, tenor of investments under the scheme," Supratim Bandyopadhyay, chairman, Pension Fund Regulatory and Development Authority (PFRDA), told *Business Standard*.

Only those investors who remain invested for 10 years will get a guaranteed return and if the actual return falls below the assured amount, pension fund managers shall bridge the gap. This will be the only product that shall be launched under MARS, for now, Bandyopadhyay said. The PFRDA was to come out with the scheme by the end of this month. But there has been a delay because the minimum net-worth/capital requirement for pension fund managers and the guaranteed rate of return on the scheme are yet to be decided.

Under the current schemes, sponsors -- individually or jointly -- must have a net-worth of at least Rs 50 crore on the last day of each of the preceding five financial years, before they make applications to the PFRDA. Of that, at least Rs 25 crore should be the capital. MARS shall be launched for the private sector. For government employees, approval from the Centre and states is needed to include it among the options of investments, Bandyopadhyay said. EY Actuarial Services, consultants to the PFRDA on MARS, gave six structures to the pension regulator. The regulator and pension fund managers chose only one of them.

"This one is the simplest of all. We (PFRDA) and pension fund managers agreed that there should be a fixed guarantee for a fixed number of years. The fixed rate of guarantee will now be decided. The requirement of minimum net-worth/capital will depend on the rate of guarantee," Bandyopadhyay said. The product was discussed at the recently concluded meeting of the pension advisory committee of the PFRDA. "The committee agreed to it. Once the product is internally ready with a guaranteed level, we will take it to the board for approval," the PFRDA chairman said.

The rate of guaranteed return is being worked out by EY Actuarial Services. Bandyopadhyay did not rule out coming out with more MARS products later. "Yes, in the future, more than one product may be launched, depending on how customers are accepting this product. But at present, it will be one scheme with one rate and fixed tenure, and it will be sold by all pension fund managers," he said. MARS assumes importance since a few state governments, such as Rajasthan, Chhattisgarh and Jharkhand, have opted out of the NPS and embraced the old pension system (OPS); Punjab is considering the same.

The Centre had introduced the NPS mandatorily for its new employees from January 1, 2004, and subsequently, all the states except West Bengal, had adopted the NPS for their employees. The pensioner gets assured benefits under the OPS, usually 50 per cent of his last-drawn basic salary and dearness

relief, which is adjusted every six months in line with inflation. There are no assured benefits but defined contributions in the NPS, at present. MARS tries to fill this gap in the NPS to an extent. The PFRDA Act talks of putting in place MARS products, but they have not been launched yet. The Act talked about having these products by the end of 2013-14.

(The writer is Indivjal Dhasmana.)

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IRDAI CIRCULARS

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GLOBAL NEWS

Indonesia: Concern rises over growing credit insurance claims – Asia Insurance Review

Credit insurance claims reached IDR5.68 (\$374m), equivalent to 27.38% of the value of total claims the general insurance sector, as of 31 July, according to industry data.

At the same time, credit insurance is the class of business with the largest increase in claims, which exceeded 80% on an annual basis. The situation has led to concerns being aired about the risk to insurers and the threat to their solvency, reported the news agency Antara.

The regulator, Financial Services Authority (OJK), is considering a number of options for the credit insurance line whose performance has been under pressure. It invited several top executives from the insurance sector to a meeting to discuss developments in the credit branch.

A director of technical operations at Reasuransi Indonesia Utama (or Indonesia Re), Delil Khairat said he was part of the Indonesian General Insurance Association (AAUI) team invited by the OJK to provide views. He said that industry players suggested two main options to curb rising claims in the credit insurance business.

The first option is to stop general insurers from offering credit risk plans so that such business would be handled by specialised agencies. The second option is risk sharing to limit the exposure of general insurers to credit business so that they bear a proportion of the risk instead of 100% of it. This means that lenders have to share in bearing the credit risk.

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Australia: Life insurers urged to improve Code of Practice breach reporting - Asia Insurance Review

The independent body that monitors and enforces compliance with the Life Insurance Code of Practice says in its annual report that insurers need to improve compliance monitoring and reporting ahead of a revised Code with new sanctions.

The chair of the Life Code Compliance Committee, Ms Jan McClelland, raised concerns about underreporting significant breaches of the Code. “We are seeing an increase in breaches reported by

consumers and our own studies, yet we continue to see some subscribers report low numbers of significant breaches,” she said.

“This is a trend that has persisted over the last three years and suggests that not all subscribers have adequate breach detection processes. While some insurers are working very well with us and actively looking to enhance performance, others need to improve their monitoring and reporting processes and systems.”



“This will be particularly important as more than 50 changes to further protect customers are implemented when the new Life Insurance Code of Practice comes into effect in July 2023.” Ms McClelland said that in less than a year the industry would transition to a new Code – one that introduces more consumer protections and enables the Committee to determine significant breaches and sanction non-compliant subscribers.

“We strongly encourage all subscribers to review their compliance monitoring frameworks to ensure they are capturing all significant breaches and have clear and strong processes for transitioning to the new Code.”

The number of allegations of breaches received or identified by the Committee from consumers and other sources rose to 191 in the period from 1 July 2021 to 30 June 2022 (2021-22), up from 149 the previous year. For the fifth consecutive year, most of these concerned claims. For alleged breaches of the Code’s complaints and disputes obligations, there was a noticeable improvement – down 58% from the previous year to be at the lowest since the Code was adopted in 2017.

Subscribers reported 22 significant breaches of the Code in 2021-22, down from 33 the previous year – most related to claims handling and policy changes and cancellation. Half of the 22 reported significant breaches were identified through the Committee’s ‘Own Motion Inquiries’. Across the year, the Committee investigated 216 breach allegations and reviewed 37 significant breaches, many of which had remained open from previous years – bringing the Committee closer to its aim of being able to close all investigations no later than six months after receiving an allegation.

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China: Insurance asset management association outlines scale of business in the sector - Asia Insurance Review

The value of products registered by the Insurance Asset Management Association of China, an organisation for the country’s insurance asset management industry, totaled CNY684.84bn (\$97.42bn) in the first eight months of the year. Of the 340 plans registered during the period, 316 were registered for debt investment plans and 14 for equity investment plans, with the fund size reaching CNY575.14bn and CNY43.49bn respectively, reported Xinhua News Agency quoting the association.

Ten private equity insurance funds were established during the period, with the fund size reaching CNY66.21bn. By the end of August, the association handled the registration of 2,693 products with a fund size totaling CNY5.97tn, said the association. As of end-June 2022, China’s insurance companies managed assets value at CNY24.7tn. 89% of these assets belonged to life insurers.

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Indonesia: Property and fire fuel 20% jump in 1H general insurance premiums - Asia Insurance Review

The general insurance sector generated premium income totalling IDR46.04tn (\$3.05bn) in the first half of this year, representing an increase of 20% compared to the corresponding period in 2021, according to data from the General Insurance Association of Indonesia (AAUI).

The data, compiled from 70 general insurers and six reinsurers, show that property and motor insurance dominated the non-life market with a combined market share of 51.5% in 1H2022. Credit insurance, contributing 13.9%, was the next biggest segment.

Property insurance recorded premium growth of 36.4% to IDR14.96tn in 1H2022. One factor supporting this trend was the increase in residential property sales in the primary market.

Meanwhile, motor insurance premiums grew by 18.3% to IDR8.76tn in 1H2022 largely due to increased motor vehicle sales, especially of four-wheeled vehicles.

Credit insurance premiums increased year on year by 8.9% to IDR6.3tn in 1H2022. Factors supporting this growth were the government's commitment to new lending.

The data also show that the top 10 general insurers in the country accounted for 46.51% of the industry's total gross premium income of IDR45.8tn.

The top three non-life insurers in 1H2022 were Asuransi Sinar Mas, Asuransi Astra Buana and Asuransi Tugu Pratama Indonesia.

The inflation rate in Indonesia stood at 4.35% in June, the biggest year-on-year climb since June 2017, and is expected to rise further.

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