



भारतीय बीमा संस्थान
INSURANCE INSTITUTE OF INDIA

INSUNEWS

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QUOTE OF THE WEEK

“Everyone should have health insurance? I say everyone should have health care. I'm not selling insurance.”

Dennis John Kucinich

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INSURANCE TERM FOR THE WEEK

What is the difference between a pandemic and an epidemic?

An epidemic is an outbreak of disease that spreads quickly and affects many individuals at the same time. A pandemic is a kind of epidemic; one which has spread across a wider geographic range than an epidemic, and which has affected a significant portion of the population.

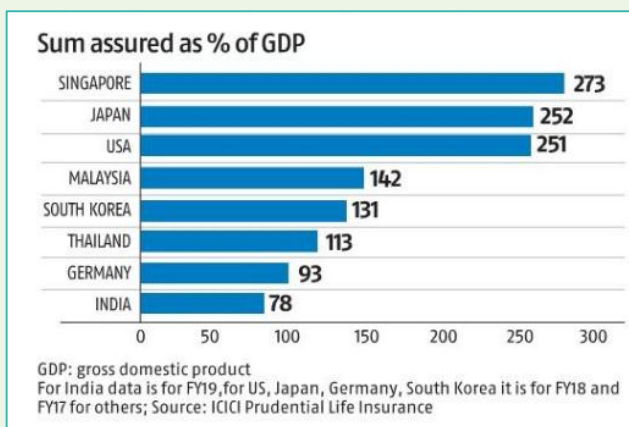
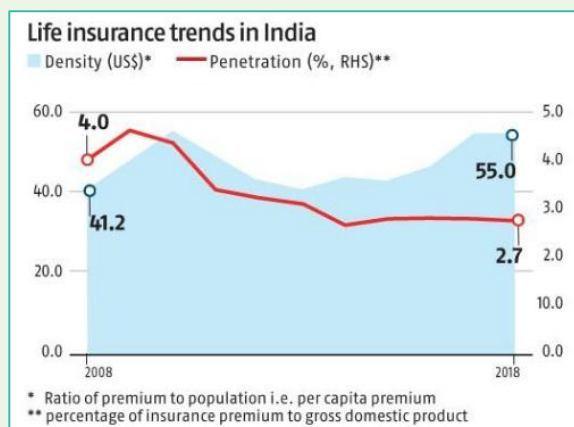
Source

INSURANCE INDUSTRY

A snapshot: Insurance sector has undergone a sea change, but issues remain - Business Standard - 19th March 2020

The insurance industry is in its 20th year after the sector was opened to private players. While it has undergone a sea change in terms of growth and new products, many old issues remain. During the first decade of the insurance sector liberalisation, the sector has reported consistent increase in insurance penetration from 2.71 percent in 2001 to 4.6 percent in 2009.

Since then the level of penetration was declining. As of 2018, India's insurance penetration stands at 2.74 percent. India's sum assured, as a percentage of gross domestic product, ranks one of the lowest among major countries. While Singapore's sum assured as percentage of GDP is 273 percent, for India it is merely 78 percent. The life insurance industry saw a robust growth of 31.8 percent in its first year premiums during April-February 2019, while the growth in general insurance was slower.



New premium collections of life insurers				Gross direct premium income of general insurers			
April to February				April to February			
(₹cr)	FY19	FY20	Chg (%)	(₹cr)	FY19	FY20	Chg (%)
LIC	1,17,415	1,60,910	37.0	General Insurers	1,34,459	1,50,682	12.1
Private total	59,799	72,577	21.4	Standalone health	9,633	12,561	30.4
Total	1,77,214	2,33,487	31.8	Specialised PSU	8,005	10,022	25.2
				Total	1,52,097	1,73,265	13.9

Source: IRDAI

Source

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Is COVID-19 covered under Health Insurance ? – Domain-b – 17th March 2020

In the last two weeks, the public at large from all over India has been seeking advice on Health Insurance and Term Insurance. Even Indians already in foreign countries who have an Overseas Travel Policy have asked whether it covers treatment for COVID-19 abroad, if required.

Let us take up these questions one by one.

Health Insurance

In India, till recently, there was no Insurance Policy, specific to Covid. The reason is that health insurance covers treatments for most diseases with some exclusions for a specific period. This may also exclude some pre-existing diseases. Therefore, it means that COVID-19 is covered, provided hospitalisation takes place for over 24 hours.

However, now you can cushion yourself against Coronavirus disease (Covid-19) with a COVID-specific cover from godigit.com. This policy provides policyholders 100% of the Sum Assured if the patient is tested positive for COVID-19 from any of the authorised centres of ICMR-National Institute of Virology, Pune. There is no need to wait for the completion of the treatment and the claim process is indeed very simple. In case the insured is quarantined in a government or military hospital for at least 14 consecutive days, the company will pay 50% lump sum of the Sum Assured. This is applicable even if COVID-19 test is later found negative as it covers the screening and treatment costs. For exclusions, policyholders are advised to read the precise policy wordings. Religare Health has come out with a good Group policy, which can be taken by the employer for all its employees.

At present, government-run hospitals are treating COVID-19 patients without charging anything for this. In fact, a lot of effort is being made in locating potential patients and bringing them to hospitals. For treatment in a private hospital while one has a health policy, then the terms and conditions of the existing policy are valid. Those who have a policy with no room rent capping will be better off as the insured can stay in isolation in a single room. Those with room rent capping may have to use wards or shared-room facilities. The insurance company will pay all expenses towards doctors and medicines.

Our advice to those who want to buy a normal health insurance now is that a 30-day cooling-off period applies and new policyholders are not covered for illness due to COVID-19 during the first 30 days. Therefore, policyholders who now catch COVID-19 after 15 days of the policy being issued will not be covered under the policy. That means the patient will have to either be treated in a government hospital or pay out for treatment in a private hospital.

In a proactive manner, the Insurance Regulatory and Development Authority of India has instructed all the Health Insurance companies to include medical cover for COVID-19. Where hospitalisation is covered in a product, insurers are required to ensure that the cases related to COVID-19) is handled expeditiously. The costs of admissible medical expenses during the course of treatment including the treatment during quarantine period will be settled in accordance with the applicable terms and conditions of the policy contract and the extant regulatory framework. Further, all the claims reported under COVID-19 will be reviewed thoroughly by the claims review committee before repudiating the claims. We welcome this initiative of the Regulator.

Overseas Travel Policy

An Overseas Travel Policy covers medical treatment in a foreign country if the insured falls ill while travelling. As an NGO, our advice to those who are already in a foreign country is to travel with confidence in the foreign country while taking precautions, which even we are taking in India. Those who will be travelling in the coming weeks must travel with this policy for suitable sum. Senior Citizens (especially those above 70 years) will be in a disadvantageous position as most of the insurance companies issue policies with a sum assured of \$50,000. It is advisable to take a policy with a higher sum after understanding the implications like sub-limits. The highest sum available is \$5 Lakhs. Those who have symptoms of COVID-19 should not go out of India at all as India has better facilities to handle this disease.

Term Insurance

A large number of policyholders or those intending to take a Term Insurance have been asking whether death due to COVID-19 is covered in this policy. Term insurance covers death due to any illness so COVID-19 is fully covered. Life insurance companies issue a term insurance policy and, in most cases, they get the forms filled up, call for medical examination and do judicious underwriting. The Policy is issued when the insurance company is fully satisfied that proposer is healthy and, of course, is not suffering from COVID-19.

People are advised to buy a Term Insurance plan to protect their families in the event of death due to Covid-19 or any other disease / accident. This is especially true in the light of the fact that those above the age of 60 years face a higher risk from COVID-19. Many insurance companies issue term insurance policies up to 69 years (below 70 years). Indications are that from 1 April 2020, the premium rates may increase by 15 per cent. Therefore, the right time to buy this policy is before 1 April.

Loss of Profit Policy

Another policy that business owners buy is the Loss of Profit Policy. Many Business owners are showing interest in buying this insurance policy to cover losses due to loss of business due to restrictions being imposed in running multiplexes, gyms, swimming pools, theatres, banquet halls, organising conferences for certain period.

Even when not closed there is big downfall of customers in hotels, restaurants, airlines, toll plazas, shops, malls, parking lots due to precautions being taken by people by staying indoors. This existing policy will not cover business reduction or losses in profit. This policy claim is valid when a loss has occurred due to a fire or some accident and claims have been lodged for it.

Therefore Loss of Profit Policy will not permit you to lodge a claim due to COVID-19. If a business owner is interested in buying this policy then he should buy but not with understanding that claim will be lodged for COVID-19. The Confederation of All India Traders has come out with demand for suitable Insurance policy for reduced level of business. We feel coming out with such policy in a short time may not be possible as global pandemic is on and no insurance or reinsurance company will like to enter with a product at this time.

COVID-19, with its epicentre in Wuhan in China, has spread to over 147 countries in under two months. Across the globe, there are 1,48,306 confirmed cases, 5,550 reported deaths, with India reporting over 130 confirmed cases, underlining the urgent need for Health Insurance. Insurers across the world are scrambling to develop a COVID-19 specific product, but it could take some time. In the absence of a COVID-19 specific insurance product, industry experts have underlined the need to get oneself covered by the above four insurance policies.

(The writer is S. K. Sethi.)

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Source

Covid-19 pandemic / The impact of the virus on India's GDPc - Moneycontrol – 17th March 2020

The March 14 ICMR declaration, of India being in stage 2 of the coronavirus outbreak and a 30-day window to halt the beginning to community transmission, has led to an increase in economic anxiety all over the country. With the number of Covid-19 cases in India growing, people representing economic and business diaspora are number crunching to know the potential share of economic fallout from the contagion effects that has rippled all over the globe. The insurance sector has taken a hit as well — with 30-40 percent increasing inquiries on general health insurance and reduction in business travel insurance.

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Source

5 personal finance tips to tide over Coronavirus crisis – Financial Express – 17th March 2020



1. Take Insurance Cover

Although government authorities are trying their best to provide facilities at government hospitals to affected people, but to avoid the rush, you need to take health insurance cover so that you may go for hospitalisation at any of the expensive private hospitals without getting worried about your finances.

In fact, the Insurance Regulatory and Development Authority of India (Irdai) has already asked insurers to expeditiously attend to claims for treatment of Coronavirus.

Taking life insurance cover is also necessary to avoid financial distress in case of unfortunate casualties due to outbreak of Novel Coronavirus COVID-19. “If the life insurance policy of our customers covers death as an insured event, we will be honoring the death claims irrespective of the cause of death being Coronavirus.

The basic purpose of life insurance is to provide financial support in times of unfortunate events to help families meet their life goals without any financial roadblock,” said Kayzad Hiranmanek, EVP-Customer Service & Operations, Bajaj Allianz Life Insurance.

2. Take Broadband / Internet Package with High Data Limit

As provision of work from home is getting implemented, to stay connected without any speed issue, it's better to subscribe to high-speed Broadband and/or Internet Packages with more than sufficient data limit. As you need to spend more time at home without much socialisation, more data would be needed to avail some online entertainment at home as well as for online study of kids, with schools and colleges shut due to the Coronavirus outbreak.

3. Transact Online

To avoid going out in public, use net banking facility or transact using debit/credit cards for buying things online. If necessary, book a cab online, instead of using public transport. Use demat account for redemption and for making fresh investments to avail the opportunity created by market crashes as Coronavirus affects the economies adversely.

4. Subscribe to Entertainment Channels, Study Packages

To ensure that you don't get bored at home, subscribe to entertainment channels like Netflix, Hotstar, Amazon Prime etc. As your child/children need to study at home for sometime with the schools and colleges shut for the time being due to the Coronavirus threat, subscribe to some online study site(s) according to their requirements.

5. Invest in Health Items

To keep Coronavirus at bay, buy personal hygiene products like quality handwash, sanitiser, masks etc. To keep immunity strong, avoid eating out and rely on traditional home-cooked food. If unavoidable, you may order home delivery of food, but better to buy fresh vegetables, dairy products etc and cook nutritious foods at home. As going to the gym may be risky at this time, better to buy some sports goods and go to some nearby park with kids to have some physical activities and entertainment as well.

(The writer is Amitava Chakrabarty.)

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Source

INSURANCE REGULATION

IRDAI sets up panel on governance at insurers - The Economic Times – 20th March 2020



The country's insurance regulator has set up a 16-member committee to find ways to improve corporate governance systems of insurers, primarily on making key functions such as risk management and internal audits independent of each other.

The Insurance Regulation and Development Authority (IRDAI) said on Thursday that a peer review of its current guidelines on corporate governance "indicated that there is need to further strengthen the guidelines".

The committee will be headed by Pravin Kutumbe, member-finance and investment at IRDAI and has six other members from the insurance regulator besides members from the Reserve Bank of India and the Securities and Exchange Board of India along with other industry participants. It has been asked to submit the report to IRDAI in three months.

Source

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LIFE INSURANCE

What's stopping millennials from buying term insurance: 4 Habits that are blocking the way - The Economic Times – 20th March 2020



As per a leading survey, only one out of five life insurance holders have term insurance in urban India. Considering it is a generation that stands by the maxim of living life to the fullest, term insurance can be a hard subject to sell. Millennials, after all, have a vast array of interests and like to make the most of their disposable incomes, often leaving them oblivious to the uncertainties of life. Added to this, they are also habitual procrastinators who know that they need to protect themselves with an agile insurance plan but are too laid back to make the move of buying it. This squarely is one of the biggest reasons why insurance planning has been pushed to the backburner even by people earning sizable paychecks. Considering millennials make up

for 46% of India's workforce, and contribute a whopping 70% to the country's household income, unhealthy insurance habits among this demographic is concerning. This is why to bolster their long-term financial health, millennials need to reevaluate the way they are handling money and dip their toes into the slew of insurance instruments that are available in the market.

RStatistical evidence suggests that nearly half of the millennial population in India are economically optimistic and have always wanted to buy insurance policies but discarded the plans because of a slew of reasons like the initial cost of buying them, convoluted paperwork, the lack of time, and unawareness among others. A survey conducted by a leading insurance company states that only 45% of the millennial respondents aged between 25 to 35 have heard of term plans and barely 17% have bought such policies. This clearly indicates that a fixed roadmap is what this generation needs to make the best of their money and invest in risk-management instruments that can help them against uncertainties in the future and

help their loved ones lead a stress-free life. So, why does term insurance lack uptake in urban India despite being the most fundamental and cheapest form of financial protection? Data by the Insurance Regulatory and Development Authority of India (IRDAI) states that only 25% of the Indian population has life insurance cover and this is a staggering reveal. If we are to go by the trends, misconceptions and flawed lifestyle habits seem to be the answer. Let's take a look at four crucial factors that are obstructing the insurance journey among millennials, shedding which can help them get off the sidelines and become wholistically independent.

Habit 1: The assumption that insurance is expensive

One common insurance misconception that most millennials have is that it is expensive. This is mostly because they do not have a clear understanding of the available policies in the market and assume the cover amount without seeking help from a financial advisor. In fact, a study conducted by Economic Times with a top Indian insurance company revealed that 57% of people that own term insurance don't have any awareness of the sum assured on their policy. One simple thumb rule is that the sum assured must be at least 10 to 12 times your annual salary. Truth is that term insurance is one of the least expensive ways to purchase death benefit or accidental insurance. If term insurance is bought earlier in life, the premium that one has to pay is also significantly lower. This is because the younger you are, the higher your life expectancy is. As one approaches other life milestones like marriage and parenthood, these covers are instruments of safety and economical coverage for dependent family members as well. Further, they also allow buyers to save tax under Section 80C of the Indian Income Tax Act. Most of these policies come at very economical premium rates, with insurers offering term insurance coverage with a return-of-premium option. This means that the policy also allows subscribers to benefit in the shape of premiums paid towards the policy, after the maturity of the policy term. At the end of the day, a term insurance policy, apart from providing you with all-round financial security, offers far more on the sum insured than the amount of investment you must have made.

Habit 2: A tendency to be risk-averse

The millennial approach to money is in many ways risk-averse because they have high expectations from life and like to spend money on good things, making them retain a large part of their income for recreation. This also means that they are hesitant about investing in an instrument where there is no immediate return. The lack of long term planning is, therefore, one of the biggest deterrent for millennials on the road to insurance. In case of an unfortunate event, term insurance can go a long way in bringing about financial stability by giving out claims as lump sums and/or monthly payouts.

The fact that people are aware of life insurance but don't know about term insurance, this becomes a hurdle. A term insurance plan is actually a life insurance plan but for a fixed period of time (term). Once a person takes out a term insurance plan, she/he is insured for the term of that plan. In the event of the person's demise within the term of the plan, the main corpus (sum assured) is paid by the insurer to the person's nominee. The amount provided as death benefit in term insurance plan is much higher than the maturity benefit offered by life insurance policies. This means that a term insurance is also more economical than a normal life insurance plan. But research states that 65% of urban Indians have purchased a life insurance policy but only one out of five people have bought term insurance. This can mostly be attributed to the lack of awareness in people about term plans offered by insurers that also include a critical illness cover as a rider or as an inbuilt feature in the base plan. On diagnosis of covered critical illness, all future premiums are waived off and the policy continues and in case of demise from a critical illness, your family gets the respective sum assured as per the policy agreement.

Habit 3: Keeping insurance at the bottom of the priority pyramid

The millennial generation likes to go with the flow and are not big-time planners. This explains why their financial journey is also equally sporadic! Most of them do not see insurance as a necessity because they think they are leading a healthy and active life. A recent survey reveals that for 45% of Indian millennials, health is a top-most priority. Unfortunately, they haven't been able to connect the dots between health and term insurance. The benefits of a term insurance policy starts reflecting only in the long run and it is easy to assume that it is not paying off- but it is! The ideal approach is to choose the specific term insurance policy according to the life stage one is at. For example, if you are an unmarried millennial, it is

important to buy the right policy to ensure that your parents do not face any financial constraints if you are not around. Similarly, if you are married and/or are a young parent, it is important to buy an all-round cover that can take care of financial obligations even in your absence.

Buyer	Male non-smoker	Pay for 10 years ₹25,267 PER YEAR	Pay for 15 years ₹20,009 PER YEAR
Age	35 years		
Cover	₹1 crore		
Term	30 years	Pay for 20 years ₹16,665 PER YEAR	Pay for 30 years ₹13,511 PER YEAR
Policy	HDFC Life Click 2 Protect 3D Plus Life		

Habit 4: Making only goal-oriented investments

A recent survey by ET concluded that about 60% of millennials are of the opinion that investing in any financial instrument should have an ultimate goal-like buying a car, a house, or planning for retirement. While a goal-led investment approach is important, it is pivotal to invest in instruments that can help millennials prepare for the

unexpected. Many millennials are unaware that buying term insurance does not necessarily have to be delayed until they reach the major milestones of their life- like marriage or parenthood. In fact, the earlier one purchases term insurance, the lower is the premium that has to be paid. Currently, the India Protection Quotient (IPQ)- the degree to which a person feels secure from life's uncertainties, stands at 35 on a scale of 1 to 100, giving us a clear picture that all is not well when it comes to feeling protected against life's uncertainties. This is why to make term insurance buying easier among millennials, HDFC Life Click 2 Protect 3D Plus offers a comprehensive online term insurance plan that offers security at the most affordable price. HDFC has launched this plan keeping in mind the 3 Ds that stand for the three uncertainties that we face at some point in time- Death, Disability and Disease. To help millennials protect themselves and their families at an affordable cost, the plan lets buyers customize their plan with a choice of 9 plan options. Blending the best of term insurance benefits, all future premiums are also waived on Accidental Total Permanent Disability (available under all options) and on diagnosis of Critical Illness (available with 3D Life and 3D Life Long Protection options).

Most financial experts are of the opinion that term insurance should be bought the day you start earning. And why not if it helps you plan your financial journey with better clarity and insight. If you, like most millennials, are looking to brush up on your term insurance knowledge and take the leap towards a protected future, it's time to embark on the journey with HDFC Life Click 2 Protect 3D Plus.

(The writer is Samin Sayeda.)

[TOP](#)

Source

Are deaths due to coronavirus covered by life insurance policies? - The Economic Times - 20th March 2020

The World Health Organization (WHO) has declared the COVID-19 or coronavirus as a pandemic. The virus has spread to all corners of the world, infecting almost 2 lakh people and killing close to 8,500. In India (at the time of publishing this story), 195 people have been tested positive for coronavirus and four people have died, according to the Ministry of Health and Family Welfare.

So, now the question rises, will a life insurance policy cover the death of a policyholder due to coronavirus? Also, will you be able to get a life insurance policy after contracting the virus?

Read on to find out.

Existing life insurance policyholders

If the individual who passes away due to the coronavirus had a life insurance policy, the nominee of the policy will get the sum assured as the death benefit.

"If the deceased person had a life insurance policy, then the nominee or the beneficiary nominee must know that the death caused by health-related issues are generally covered under a life insurance policy including term insurance," says Santosh Agarwal, Chief Business Officer, Life Insurance, Policybazaar.com. This means that when the insured person dies, the death benefit is paid to the nominee or the beneficiary nominee after a valid life insurance claim is filed.

Death benefit is the agreed amount of money (sum assured) payable by the insurer upon the death of the insured person to the nominee or the beneficiary. At the time of buying the policy, the policyholder lists out the name/s of those nominee/s who will receive the death benefit in case the insured person dies. Nominees can check the sum assured in the policy document.

Agarwal said, "Existing life insurance policyholders are covered. While some life insurance policies have exclusions for a specific cause of death, coronavirus will be covered if you already have an existing life insurance policy." She added, "In the rare event, if you die from a pandemic illness, your beneficiary will receive the death benefit."

If you get a policy now, will it cover COVID-19?

If you are planning on buying a life insurance policy at this point in time, then you should keep in mind that insurers determine the premiums of a policy on the basis of your health and medical history. Hence, it's reasonable to assume that a global health crisis like the coronavirus would have some impact on your policy acceptance and premiums, if you are currently in the application process stage.

Agarwal said, "If your life insurance policy application is in process, the insurer may hold or even reject the policy if you have already contracted the coronavirus infection." She added, "As long as the policyholder has disclosed all details correctly at the time of buying the life insurance policy, wherein the person was not infected with coronavirus, the death benefit claim would be payable even if it arises due to death from coronavirus infection afterwards."

However, every policyholder should scrutinise the exclusions of their life insurance policy carefully to know of the various situations where they will not be covered.

What if life insurers consider COVID-19 under critical illnesses?

Adhil Shetty, CEO, BankBazaar.com said, "Normally, life insurance policies don't explicitly deny payment of benefit for deaths caused by any illness. However, you need to consider the conditions of the life insurance policy add-ons, whose benefits will be paid out only if those conditions are adhered to. For instance, for life insurance policies with critical illness benefits, claims may not be entertained in an instance where medical advice was not adhered to/by the policyholder."

Further, he said that assuming COVID-19 is covered as a critical illness in a policy's rider, then its benefits will be paid out (or not paid out) as per the rider's terms and conditions. "For example, one term plan says it will not pay the critical illness benefit where the critical illness is caused directly or indirectly by any of the listed critical illness conditions where death occurs within 30 days of the diagnosis. This, however, should not interfere with the payment of the basic sum assured on the term insurance policy," he said.

(The writer is Navneet Dubey.)

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Source

Insurance industry plans to sell more term products under new tax structure - Business Standard - 19th March 2020

Insurance has historically been a "push product" and despite the best efforts of the regulator and the various life insurance companies, it has failed to see pull from customers. One of the biggest incentives for buying insurance has been the tax exemption under section 80C of the Income Tax Act. In the Union Budget 2020, the Finance Minister introduced an alternative lower taxation regime wherein a taxpayer

RIISING SHARE OF PROTECTION PRODUCTS				
Figures in %	FY17	FY18	FY19	FY20**
HDFC Life Insurance	26.0	35.0	44.0	43.0
SBI Life Insurance	4.8	5.5	11.9	11.3
ICICI Prudential Life *	3.9	5.7	9.3	14.1
Max Financial Services *	7.0	8.0	10.0	13.0

Protection product as a percentage of overall business
 * based on annual premium equivalent, for others it is new business premium based
 **for April–December 2019

Source: Companies

can choose a lower tax rate but will have to forgo most of the deductions they enjoy under the existing tax regime. This has sparked a debate in the life insurance industry. One side believes that removal of exemptions will not have a detrimental impact on the insurance business in general as the customer has evolved over the years and understands that life insurance is mainly meant for protection and not as a tax-saving option.

The other side puts forth the argument that incentives in the form of tax exemptions have worked in driving up the penetration levels and the removal of it will have an impact on consumers. This is because the attractiveness of

a life insurance policy will somewhat be diluted and the policy holders will have to be educated to make them aware of the importance of protection. In the past couple of years, life insurers, mainly private players, have been pushing protection products to improve margins as these term plans enjoy a higher margin.

For instance, some listed players – ICICI Prudential Life Insurance and Max Financial Services (holding company of Max Life) – reported over 500 basis points year-on-year expansion in protection mix or share of protection products in the overall business during April–December 2019.

(The writers are Subrata Panda & Shreepad S Aute.)

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Source

Our Money- Life's backup plan: Buying life insurance policy – Financial Express – 18th March 2020



We are all creatures of habit and it is good to see how diligently people take backups of their work, pictures and contacts on phones among other things. But what about life's backup plans? A friend told me that his wife's successful boutique store was his financial cushion. I wonder why we sometimes miss out on the obvious by ignoring life insurance as a way to ensure that our dependents have a real backup plan to address their future financial needs.

Our society is changing—small and nuclear family is a reality and there is a marked change in the aspirations among working youngsters. The 'save now, spend later' mantra is losing out to 'spend now and pay later', with easy borrowing options. Today, there is a loan for salary advance, marriage, car, home and the latest gizmo that comes out.

The smart and logical step is to opt for a term insurance plan which provides with the necessary backup to realise the family's financial goals. In its most basic form, a term insurance plan is a form of life insurance cover which provides coverage for a defined period of time, and if the insured dies during the term of the policy then a sum assured is payable to nominee.

Managing costs

There could also be situations in life which impact one's ability to earn, such as a disability arising from an accident. While one could manage the treatment cost, the disability may impact future earning

capability. Likewise, there are health conditions such as cancer or heart ailments which could rob many of their future earnings potential. Given the increase in incidence, a financial backup becomes a necessity to consider.

Term plans offered today are a culmination of insights gathered over the years, hence allow policyholders to tailor it to suit their needs. The numerous combinations possible today include flexibility to include critical illness cover, child education cover, increasing life cover, return of premium option, whole life cover and cover for spouse among others.

With the scope to increase the insurance cover each passing year, term insurance automatically addresses the increasing needs at every stage in life. The short-term premium payment with whole life insurance cover till one turns 99 is a feature that provides policyholders with peace of mind and a backup for life. This feature helps people to build a financial cushion for their lifetime.

Return of premium

And for people who view term insurance as an expense, there is a return of premium feature available at maturity of policy in a few term plans today, in case no claim has been made in the policy. Another feature is the child education cover. Given our aspiration to provide the best education for our children, this is an additional cover that can be included with the policy, which makes it an essential backup if you have children.

The premiums of term plans today are very affordable too, some even start at `13 a day for `1 crore cover bought online, depending on one's age, amount of cover, etc. Some of us who diligently backup data, know how little it costs and how convenient it is to store information that's important to fall back on when needed. While you can take chances with data on your phone or computer; you cannot afford to do the same when it comes to your family and children.

(The writer is Dheeraj Sehgal.)

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Source

New Tax Regime: Section 80C tax benefit will not be available even on existing policies - Financial Express - 14th March 2020



Income Tax Exemptions and Deductions: With the New Tax Regime set to become an optional exercise for personal income tax purpose, taxpayers will soon be facing conflicting situations. Even if someone opts to switch to the New Tax Regime in the financial year 2020-21 by foregoing income tax exemptions and deductions, they may remain in a quandary whether to continue with investments that have a regular commitment.

The regular premium paid towards life insurance policies is one such investment that comes with tax benefit under the Section 80C and requires the policyholder to keep

paying the premium until the end of the term of the policy.

In the New Tax Regime, no such benefit will be available on the premium paid and this will be true for both the existing and new policies. So, with the Section 80C tax benefit not available even on the existing policies, what should policyholders do in the New Tax Regime?

Here are a few things policyholders may consider before deciding:

Other than public provident fund (PPF), no other popular investment option offers tax benefit. Life insurance still continues to offer tax-free corpus and a life cover for the desired term.

Existing policyholders may also have to look at the surrender charges if they wish to discontinue their policies. The surrender value will depend on the premium paid for the number of years. As life insurance policies are front-loaded with costs, an early surrender will cost heavily.

The other option could be to make the policy paid-up, with a reduced life cover. In doing so, one will not have to pay future premiums but will get the maturity value only at the end of the original term. In the case of Ulips, one has to pay a premium for a minimum period of 5 years. Any surrender immediately after the end of the lock-in period may not be fruitful as costs in Ulips are also front-loaded.

Also, the switch from old to new tax regime and back to the old regime is allowed for salaried individuals. In future, if you opt to switch back to the old regime, any discontinuance of life insurance policies could be equally damaging.

In the case of both traditional life insurance policies (endowment, money-back plans) and unit-linked insurance plans (Ulips), the maturity proceeds remain tax-free as per the current tax laws. To enjoy Section 10(10D) tax benefit i.e. tax-free maturity, the sum assured (life cover) needs to be at least ten times of the premium.

A term insurance policy that comes with high-cover at a lower cost (premium) remains the best way to insure oneself. For those conservative individuals who want to keep saving and insurance combined, albeit, for a lower return may continue to opt for traditional plans. And, those who wish to combine savings and insurance and are comfortable with market-linked investments (equity, debt) may choose Ulips of life insurance companies.

So, should a policyholder continue paying premium after opting for NTR? For someone who has bought a life insurance policy purely for saving tax, the answer could be simple. But, remember, the tax benefit is only incidental to any tax saving investment including life insurance plans. For anyone with financial dependents, a life cover is a must which acts as an income replacement tool for the family.

(The writer is Sunil Dhawan.)

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GENERAL INSURANCE

Embedded Value: Covid-19 not covered by accident insurance – Financial Express – 20th March 2020



Life and non-life insurers offer accident benefit cover to the policyholders. In case of life insurance, the accident insurance cover is a rider on a core endowment, whole life or term policy but non-life insurance companies offer stand-alone personal accident policy to individuals and group insurance beneficiaries.

In case of death of the policyholder by accident, the life insurer pays to the nominee a sum equal to the basic sum assured as the accident benefit amount subject to maximum limit as per policy conditions. Under the personal accident policy issued by non-life insurers,

the sum assured is payable only on death due to the accident or on permanent disability. Nothing is payable during the term or maturity or lapsation of the policy.

Accident benefit

The accident benefit is payable under the accident benefit rider or cover when it is established by the claimant on the basis of medical and police report that the life assured had sustained bodily injury and that injury was the direct cause of death of the policyholder.

In a judgement on a case between the National Insurance Company and the legal heirs of an Indian manager of a tea factory in Mozambique who died of “multi organ failure” due to encephalitis caused by mosquito bite, the district consumer forum and state consumer forum, which heard the plea by the claimants, upheld the plea and ordered NIC to pay accident benefit claim to the heirs.

Again when the matter was taken to the National Forum by the NIC, the chairperson observed that “it would be rather silly to say that it was a natural death” and “it would be difficult to accept NIC’s contention that malaria due to mosquito bite is a disease and not an accident”. Not being satisfied with the verdict of the National Forum, the NIC filed an appeal with the Supreme Court. The Supreme Court of India allowed the appeal filed by the NIC and observed that:

A) In a policy of insurance which covers death due to accident, the peril insured against is an accident: an untoward happening or occurrence which is unforeseen and unexpected in the normal course of human event.

B) Being bitten by a mosquito is not an unforeseen eventuality in Mozambique... therefore the death of the manager should not be regarded as an accident. Mosquito bite cannot be considered as an accident as it was neither unexpected nor unforeseen.

C) Supreme Court clarified that where a disease is caused or transmitted in the natural course of events it would not be covered by the definition of an accident.

It is therefore clear that a disease contracted in the natural course of living cannot be termed as accident and therefore the insurers are not liable to admit claim for accident benefit under a life insurance policy or under a personal accident policy.

Coronavirus pandemic

Today, the whole world is reeling under the threat of the dreaded coronavirus. There is a sense of emergency at the level of the governments as well as the individuals. Globally, many people have died due to the pandemic.

In this situation some people may have a feeling that the accident insurance cover taken by them either from life or non-life insurance companies will provide financial support to their families in case of coronavirus-related death. But I think policyholders or the claimants should not harbour such thoughts and expect their insurers to rescue the affected individuals or their family members. However, I would like to clarify that I have attempted to explain the issue from the insurers’ point of view, the final decision is the prerogative of the consumer fora and the judiciary.

So far as the life insurance policyholders are concerned, there is no doubt about the admissibility of claim to the extent of basic sum assured in case the policyholder dies due to infection by the corona virus. Insurers should come forward to provide immediate relief to the dependents of such deceased policyholders by settling the claim immediately without invoking the requirement for investigation even in early claim cases. This is a global crisis, hence all concerned must act promptly and empathetically.

(The writer is Mr. Kamalji Sahay, former MD & CEO, SUD Life.)

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Source

General insurance firms are unable to provide cover for business disruption ... - The Hindu Business Line – 18th March 2020

Indian general insurers are unable to provide sophisticated cover for business disruptions, including loss of revenue, due to the coronavirus pandemic playing out in the country. However, they are in a position to provide cover on the health side, both out-patient and hospitalisation, besides expenses related to

diagnostics tests, doctor consultations, pre- and post-hospitalisation expenses and ambulance expenses, say industry players that BusinessLine spoke to.

Difficult to offer cover

General insurers said it is difficult to offer cover for loss of income to traders on account of coronavirus, although it is now declared as a pandemic by WHO and India has invoked both Epidemic Act and National Disaster Management Act (NDMA).

Even companies in India that had suffered from supply chain disruptions arising from overseas markets cannot get compensation in India.

"In India, there is no sophisticated cover for non-damage business disruptions. You don't get cover for business interruptions unless you show loss of property," Sanjay Datta, Chief Underwriting, Claims and Reinsurance, ICICI Lombard, told BusinessLine.

Also, as such, there are no specific insurance products that cover economic downturns. There are no products/ covers available in India for 'loss of income' situations linked to shutdown arising from global events such as the coronavirus outbreak in China and the developed world, they added.

New product

Meanwhile, ICICI Lombard General Insurance, a private general insurer, plans to launch a coronavirus product that will provide small benefit coverage on the health side, said a top official. This will be little more than a sachet product and will provide a limited amount of compensation to a person who is diagnosed with coronavirus, said Datta.

"We are looking to provide a specific product for coronavirus. It will be only one product and we will take IRDAI approval. It will only be for the health part and not provide cover for loss of income as some traders are looking for," he said.

Datta highlighted that ICICI Lombard's health insurance products already cover hospitalisation related to coronavirus attack.

One of the interesting features of ICICI Lombard General Insurance's proposed product is that the company will provide compensation no matter whichever infected area the insured had been to, according to Datta.

This would be interesting as one of the coronavirus-specific products available in the market now stipulates that cover will not be applicable if the insured person were to travel to specified countries during the policy period or after December 1, 2019. The countries specified are: China, Japan, Singapore, South Korea, Thailand, Malaysia, Hong Kong, Macau, Taiwan, Italy, Iran, Kuwait and Bahrain.

Digit Insurance recently provided a fixed benefit cover under the sandbox product approval of 'need-based insurance' under the IRDAI Regulatory Sandbox Regulations 2019.

(The writer is KR Srivats.)

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Source

Coronavirus pandemic / Here's why your travel insurance may no longer cover cancellations, delays – Moneycontrol – 17th March 2020

Satish Pandit, a 40-year-old banker, who travelled to Germany from India for a wedding in the first week of March is now in a fix. His return flight is delayed and he has been informed that his insurer will no longer be covering trip cancellations due to the novel coronavirus, or COVID-19, outbreak.

"I rescheduled my trip and tried to buy a travel policy. But now coronavirus is specifically excluded, so I will lose a lot of money in hotel stay and airfare," Pandit told Moneycontrol.

Individuals looking to buy travel insurance products for overseas travel, now need to check whether COVID-19 delays are covered or excluded. With non-essential travel being discouraged by the Indian government, insurance companies have also begun placing restrictions on certain countries.



Travel insurance covers come as cheap as Rs 450 for a five-day one with a sum assured of 50,000 euro. With a Schengen Visa, a travel insurance plan of a minimum 30,000 euro is mandatory.

Without travel insurance, almost Rs 2 lakh to 3 lakh can be lost due to flight cancellations as well, considering expenses like extended hotel stay and daily meals.

Why the restrictions?

The COVID-19 outbreak across the world has led to a spate of cancellations by airline companies in the wake of travel restrictions placed on individuals. Travel insurance covers, which would have otherwise covered postponement or cancellation of flights or hotel stay, could exclude coronavirus-related delays.

When it comes to India, the government has 'strongly advised' Indian nationals to refrain from travelling to China, Italy, Iran, Republic of Korea, Japan, France, Spain and Germany from March 13. Incoming Indian travellers from these locations would be quarantined at arrival for a minimum of 14 days.

This means that any connecting flight from the point of arrival to any other location in India can be taken only after the mandatory two-week quarantine. Trip cancellations/delays due to this could be a standard exclusion.

What will my travel insurance cover?

If you have already bought a travel insurance cover, the policy terms and conditions will be followed. But if you are looking to buy a new cover for travel to countries mentioned above, it could be excluded from coverage.

Domestic travel and trip delays within India as well as baggage loss claims will continue to be covered under the standard travel policies. Same goes for emergency medical expenses during travel. Any unforeseen health expenses incurred due to coronavirus or other health ailments will be covered.

"Since the government has advised against international travel, Indians still risking travel to COVID-19 nations in Asia, Europe and US will have to bear additional costs. Travel insurance may not be able to come to their rescue," said the head of distribution at a mid-size private general insurer.

Globally as well, insurers have either stopped offering travel insurance for the time-being or have specifically stated that disruptions due to COVID-19 will not be covered.

AXA UK said on its website that If you purchase a new policy now, it will not cover any trip cancellation or disruption in relation to coronavirus.

The insurer said that if you already have an annual multi-trip policy and you book a new trip now, you may not be covered in case of cancellation of that trip, or for any disruption you experience. The coronavirus exclusion only applies to cancellation or disruption claims.

However, medical costs due to emergency expenses will continue. AXA UK said it will continue to cover medical costs if customers become ill in a country or region that individuals haven't been advised against visiting.

How to check what is covered?

Travelling internationally, especially during the coronavirus outbreak, necessitates buying travel insurance. First, the prospective customer needs to check the list of exclusions in the policy terms and

conditions. If COVID-19 is mentioned in the exclusion list, there is no use of buying a travel cover since all your delay-related claims will then be rejected.

Insurers may not always mention the words 'coronavirus' or 'COVID-19'. Even words like infectious disease, pandemic or epidemic in the list of exclusions would mean that trip delays or cancellations due to this virus outbreak won't be covered.

Before the outbreak, most insurers did cover delays due to infectious disease.

There could also be cases where the insurer would have taken a decision to exclude certain countries from coverage, but have not updated the terms and conditions yet on its website. The best way would be to call up the customer services and get clarity on the updated exclusions list before buying a policy.

An advisory by a government in a particular country is as good as a mandate or ban during a pandemic outbreak like COVID-19. Even if you are not being banned from travel and make a leisure trip to an affected country, the cover could be automatically declared 'void' since you violated official instructions.

This is because insurance works on the concept of probability of risk. When there is certainty that an individual is exposing themselves to a potential risk by travel, he/she will not be offered insurance coverage.

While the best option right now would be to avoid any international travel, those individuals who cannot avoid travelling need to ensure that coronavirus is not excluded. Else, buying a travel cover makes no financial sense.

(The writer is M Saraswathy.)

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Source

Get up to Rs 6 lakh insurance with gas cylinders for free - Amar Ujala - 16th March 2020

In today's time, cooking is done on LPG in most of the houses in India. But you know that free insurance is provided with LPG connection. If there is an accident in your house from a gas cylinder, then you can claim for insurance with the oil company.

For your information, let us know that this insurance cover starts with the connection. Oil companies provide up to Rs 6 lakh cover on their behalf. If a gas accident occurs in your home, you will need to inform your LPG distributor. Then he will inform the insurance company in this regard and get the further process completed.

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Source

Overseas Travel Policies a Losing Biz for PSU Insurers - Financial Chronicle - 16th March 2020

Public general insurers, especially United India Insurance, recorded high loss ratio in overseas travel policies in 2018-19 against their private counterparts. The aggregate incurred claims ratio of public sector insurers in overseas travel was 122 percent in the last fiscal, while the private general insurers recorded 53 percent claims ratio and standalone health insurance companies 36 percent.

Claims ratio is the percentage of claims costs incurred in relation to premium earned. Among public insurers, United Indian Insurance registered the highest claims ratio of 314 percent for a net earned premium of Rs 6,75 lakh, the company made claims valued Rs 21.19 crore. This pertains only to its individual business as it did not do any business in group insurance scheme. Among other PSU insurers, New India recorded a loss ration of 66 percent, National 51 percent and Oriental Insurance 48 percent.

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Source

Keep your insurance policies well serviced – The Hindu – 15th March 2020

It is your duty to renew policies on time, keep documents safe, assign nominees

In this column, over the past year, we saw how to buy various types of insurance policies including health insurance, life insurance, annuities, motor insurance and some property insurances.

One way of looking at insurance is that the policy you buy is not the product. The claim is. The implication is also that when you buy the policy your job is not over. You have to maintain the policy and administer it in such a way that you get your claim paid.

What does this involve?

Firstly, it means keeping your policy current and valid. Most people think it is the insurance company's or agent's duty to remind them about renewal and chase up the renewal premium. Maybe it makes business sense for them to do so, but it is really our duty to keep our policies valid by paying renewal premiums on time and ensuring we receive the policy documents and checking if they are in order.

Renewal in the case of non-life policies are more mission-critical because the typical policy is annual and actually expires in one year unless renewed.

So, if your policy expired yesterday, any claim that arises today will just not be payable. The policy itself can be renewed after a gap, but you can lose out on benefits during the waiting period for pre-existing conditions, or will have to fulfil some additional formalities like medical examination, or inspection in the case of a motor policy.

Considering this hassle, it's not that difficult to put a reminder on your smartphone or your wall calendar/diary and renew your policy well ahead of time!

Renewal time is also an opportunity to review your requirements, enhance coverage, add family members to policies and so on. If you want to port your policy to a different insurance company, you need to keep the renewal date in mind as the formalities for this start about six to eight weeks ahead of the renewal date.

Keep your insurance company updated with your personal information whether it is your new mobile number or a change of address. This will help the insurer serve you better for renewals and, in case of a claim, you will be saved additional formalities at a time of distress.

The most important thing you have to do to maintain your policy is to ensure your nominations are in place. This applies to any policy that involves mortality.

Any type of life policy including annuities, hospitalisation policies and personal accident policies should have a clear nomination and you should file an acknowledged copy of it along with your policy for your records, or rather, that of your family members.

Another key duty is to keep your policy documents safe and in a handy place. Of course, we live in a digital age, but you have been issued a policy which is a signed, stamped bond and you should safeguard it and retrieve it at the time of need. Keep policies under lock and key.

Higher value policies of longer term that need to be negotiated after you pass may even be kept in your bank locker which your heirs should be briefed about and should have access to.

Ensure your documentation is absolutely perfect to support your insurance claim. Address proof, identity proof, age proof, ownership proof in case of property insurances like motor and home insurance, your PAN card, bank details — since most claims are paid only through electronic channels — all these will help you sleep in peace, once insured. And when there is a claim, you and / or your family will find the process painless — exactly the kind of support needed during trying times.

(The writer is K. Nitya Kalyani.)

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Source

HEALTH INSURANCE

Good news for health policyholders: Key medical necessities proposed to be fully payable – Moneycontrol – 20th March 2020



Relief could soon be on the way for health insurance policyholders with policies that come with hospital room rent sub-limits.

The Insurance Regulatory and Development Authority of India (IRDAI) has proposed the exclusion of costs related to medicines, diagnostics and implants from the list of associated medical expenses when insurers compute proportion deductions from hospital bills. This could potentially mean that the claim amount settled could be higher.

“Health Insurance, with so many limits and exclusions, is one of the most complex personal insurance products in the market. This draft is another attempt in the series of steps IRDAI has been taking towards standardising health insurance. It will reduce dissonance, grievances when customers make claims,” says Mahavir Chopra, an independent health insurance advisor.

The genesis of this proposal lies in the way hospital charges vary according to the rooms chosen by the patients. Let’s say you were to check into a hotel and opt for the most expensive room category, say, an executive suite and someone else were to choose a less expensive ‘deluxe’ room. Now, if the two customers were to order the same dish, the price will be the same for both. “But that is not how it works with hospitals. They have this concept where all associated charges – nursing charges, doctor’s fees and so on – will be linked to the room category you have chosen,” explains Nikhil Apte, Chief Product Officer, Product Factory (Health Insurance), Royal Sundaram. So, not only will your base room rent be higher, all other charges will be proportionately higher too.

“Patients may choose pricier rooms without understanding the implications on the overall hospital bill and the claim paid by the insurance company,” explains Apte.

Understanding proportion deduction

Health insurance plans to offer several variants for you to choose from. Depending on your affordability, you can either choose a policy that comes with no room rent sub-limits or one where the eligible room rent is restricted to, say, 1 per cent of the sum insured. So, if you have a cover of Rs 5 lakh, under the ‘with-sub-limits’ variant, the room rent will be restricted to Rs 5,000 per day. However, that does not mean that you will have to bear an additional cost of only Rs 2,000 per day out of your pocket if you were to select a room with a rent of Rs 7,000 per day. Since the room rent in this example is 40 per cent higher, the insurer will proportionately reduce the claim payable. For example, if your total bill is Rs 50,000, you will be entitled to receive a claim of Rs 30,000.

The proposal

If the IRDAI’s proposal goes through, insurers will have to clearly define the associated medical expenses. Also, they will not be able to make such proportionate deductions straightaway. They will have to pay for charges related to pharmacy, implants, medical devices and diagnostics in full – that is, the actual expenses mentioned in the bill. “We will share our feedback with the regulator after analysing our claims data. But, overall, this move will ensure simplicity and reduce disputes at the time of claim settlement,” says Apte.

The draft note has made it clear that insurers cannot apply the proportionate deduction clause in the case of hospitals that do not follow the differential billing practice based on the room category. “Insurers are also not permitted to apply proportionate deduction for ‘ICU charges’ as different categories of intensive

care unit (ICU) are not there,” the note says. It has invited comments from all stakeholders till April 2. “This proposal will give clarity on devising clauses for standard health product (which all health insurers are mandated to offer from April 1),” says Apte. This product – to be called Aarogya Sanjeevani followed by the health insurer’s name – comes with a room-rent sub-limit of 2 per cent of the sum assured or Rs 5,000, whichever is lower.

Despite greater clarity that could come through if this proposal is implemented, Chopra recommends buying policies without room sub-limits. “Given the rise in room rents, such caps will only shrink the capability of your policy. You must move out of policies that have room rent caps and port into health insurance policies with either room eligibility caps or no room rent limitations,” he says.

(The writer is Preeti Kulkarni.)

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Source

Labour code on safety & health: PMO wants free health check-up plan dropped - Financial Express - 20th March 2020



The Prime Minister’s Office (PMO) is learnt to have asked the labour ministry to drop a plan to make employers offer free-of-cost health check-up for employees on an annual basis. This provision is, therefore, likely to be dropped from the labour code on occupational safety, health and working conditions (OSHC), the draft of which will soon be discussed in the Cabinet and introduced in Parliament.

Initially introduced in the Lok Sabha on July 23, 2019, the OSHWC code was referred to the standing committee on labour. The committee submitted its report with certain

recommendations to the House on February 11, 2020.

Labour and employment minister Santosh Kumar Gangwar had earlier told FE that the Code would be reintroduced in Parliament for passage in the ongoing session, soon after the Cabinet approval.

Widening the coverage manifold, the OSHWC code was proposed to be made mandatory for every employer having 10 or more employees to provide “such annual health examination or test free of costs to such employees of such age or such class of employees or establishments or such class of establishments, as may be prescribed by the appropriate government”. The aim was to ensure enhanced coverage and increased productivity.

Sources said the PMO is of the view that the mandatory health check-up of all the employees might make it an expensive proposition for employers, and thus not desirable – perhaps keeping in mind the present employment scenario. Instead, healthcare facilities available with the Employees’ State Insurance Corporations (ESIC) could be tapped for the same.

An employer is already paying 3.25% of an employee’s monthly wage into ESIC; while an employee contributes 0.75% of her wages for availing of a range of benefits including reasonable medical care and cash benefits in times of need such as employment injury, sickness, death, etc. The ESI Act applies to premises where 10 or more persons are employed. Employees drawing wages up to Rs 21,000 a month are entitled to the health insurance cover and other benefits under the ESI Act.

The proposed OSHWC code will also make it a must for every employer to ensure that workplace is free from hazards which cause or are likely to cause injury or occupational disease to employees. It also makes them comply with the occupational safety and health standards made under the code. Under the

code, an employer has to issue a letter of appointment to every employee on his/her appointment in the establishment.

The code that proposes to allow women to work in the night shift, seeks to amalgamate extant 13 enactments relating to factories, building and construction workers, contract labour and working journalists, among others.

At present, different applicability thresholds exist in different Acts for welfare provisions like creche, canteen, first-aid, etc. The proposed code has envisaged a uniform threshold for welfare provisions for all establishments as far as feasible. For canteen, the existing provision is to have 100-250 employees. It will be revised to 100 employees in the proposed OSH code. A 50-employee organisation should have a creche facility.

In its report, the standing committee had pointed out that concerns were raised from many quarters for not bringing offices of the central and state governments under the purview of the code. As the committee sought clarifications, the ministry of labour justified the move, saying, "The OSH Code cannot be applied on central/state government as their hours of work, leave, welfare facilities, duties of employer, etc are governed by appropriate government rules."

However, contract workers engaged in the government offices would be covered under the Code. The standing committee has asked the labour ministry to clarify the definition of 'contract labour' under the Code and improve it further so as to cover all types of contract workers.

(The writer is Surya Sarathi Ray.)

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Source

Another big challenge for corporates—helping employees get medical help - Mint - 19th March 2020



Indian corporates who recently introduced measures such as work-from-home after the outbreak of the Covid-19 pandemic now face another big challenge—the fear of the disease and how to help employees who show symptoms.

With the number of infections jumping to 151 from six in a couple of weeks, workers worry about getting help from their employers with regard to testing and treatment.

"As far as individuals are concerned what's important to realise is that first an assessment must be made of the five conditions that could indicate the presence of the virus, including high fever, severe cough, breathlessness, difficulty in breathing, persistent pain, and pressure in the chest," says Suneeta Reddy, managing director of Apollo Hospitals Enterprise Ltd.

It must also be determined whether the suspected patient had travelled to places with known Covid-19 cases or met with infected people before proceeding for tests, she said.

"Corporates can play an active role in disseminating information to their employees, ensuring a healthy work environment, and putting in place the best practices that are required for social distancing," she said.

Experts said there is no need to panic as India has 72 state-owned laboratories for testing and the Indian Council of Medical Research plans to add another 49 by the end of the week, which should be sufficient for the number of patients that are there at present.

However, the challenge for corporates lies in the dissemination of information so that there is no panic.

The most common cause of cold and cough is influenza and thus to allay fears the company decided to give all their employees vaccine shots, said S. Prakash, managing director of Star Health and Allied Insurance.

The company has also established a telehealth facility to ensure employees have the correct information. In case someone does test positive for Covid-19, the company will offer paid leave as well as support in getting treatment at the nearest hospital, Prakash said.

Other companies are also following a similar protocol. "If somebody is showing symptoms, we get the person checked and the human resource person has the facility to take them to government medical authorities," said Sushant Balsekar, a spokesman at automobiles company FCA India.

People in non-critical jobs have been asked to work from home, while workers required on the shop floor are being asked to work in two batches that take turns every alternate week, he said.

A senior executive in a leading passenger vehicle component company, who did not want to be identified said that they have taken measures such as reducing the number of chairs in places like canteens to maintain social distancing and are also fumigating office spaces at regular intervals.

Ride-hailing app Uber said that they would give financial assistance to their drivers and delivery partners for up to 14 days if they are diagnosed with Covid-19 and thus placed under quarantine. The quantum would be pegged to their daily earnings. "The uncertainty caused by the coronavirus is being felt across the world. But we know its especially concerning for anyone who relies on our platform to make a living," Andrew MacDonald, senior vice president at Uber, said in a blog. Rival company Ola said that its employees and their families can get essential support through a special Covid-19 service through a doctor-on-call app in partnership with mfine.

"They can also reach out to a 24*7 Ola helpdesk for any queries," the person said, adding that it had established a chain of command that can take timely action in case of an emergency.

(The writers are Srishti Choudhary, Swaraj Singh Dhanjal and Malyaban Ghosh.)

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Source

Soon, pay less and get better health cover: IRDAI hints at new changes - Business Standard - 19th March 2020



Health insurers cannot include the cost of pharmacy, implants, medical devices and diagnostics as part of the associated medical expenses, said the Insurance Regulatory and Development Authority.

In cases where a policyholder opts for a room that has a higher rent than what is covered in their policy, the hospital bill is not fully reimbursed, said the regulator and asked for a uniform approach while applying for proportionate deductions in claims.

In such cases, the insurer can subject the claim of the policyholder to proportionate deductions of associated medical expenses, the regulator said. This would mean

insurers would partially reimburse the policyholder's claim.

The move is aimed at helping policyholders as the insured would pay less while getting better coverage. But, some of the charges which were earlier a part of the associated medical expense have now been removed.

“Insurers shall not recover any expenses towards proportionate deductions other than the defined ‘associate medical expenses’ while processing claims,” the regulator said. “Insurers are also not permitted to apply proportionate deduction for ‘ICU charges’ as different categories of ICU are not there.”

Also, insurers have to ensure that proportionate deductions are not applied in respect of the hospitals which do not follow differential billing based on the room category.

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

(The writer is Subrata Panda.)

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Source

How to make a health insurance claim - Financial Express – 19th March 2020



The main aim of a health insurance policy is to provide/settle the claim for the policyholder during hospitalization. Policyholders can make insurance claims either through the cashless mode or reimbursement mode. While some hospitals offer the cashless facility to policyholders (networking hospitals), other hospitals do not offer the cashless hospitalization facility. In such cases, the policyholder needs to pay the dues to the hospital and get the expenses reimbursed by submitting a claim to the insurer.

Here is how to do it:

Inform your insurer – If you are planning for a planned hospitalization, as a policyholder you need to inform the insurer about the forthcoming claim. However, in the case of emergency hospitalization, the insurer or third-party administrator (TPA) should be informed about the upcoming claim within 24 hours.

Documents needed – If it is a not networking hospital, wherein you pay the bills from your own pocket and the insurance company reimburses it later; you need to collect all the documents needed for reimbursement from the hospital. Do so before leaving the hospital, collect all important documents such as the discharge summary, bills, prescriptions, copy of investigation reports, and pharmacy receipts.

Form – To file a claim, the policyholder needs to fill up the prescribed reimbursement claim forms. Note that, some sections of the reimbursement forms also need to be filled by the hospital and signed by the doctor who treated the patient. Hence, get them ready before filing the claim. The claim form can be downloaded from the TPA/insurance company’s website.

Claim Submission – While submitting the claim form, additional documents such as discharge summary, medical bills, a copy of the policy, and investigation reports need to be submitted to the insurer. Note that, the claim must be submitted right after the discharge of the policyholder.

Provide bank details – While submitting the claim form, it is mandatory for the policyholders to submit the policyholder’s bank account details, along with IFSC code. Additionally, a canceled cheque may be required to be submitted by the policyholder so smoother reimbursement of the claim.

Process – On receipt of papers and documents and while scrutiny, the insurance company/TPA might call for additional documents for processing the claim. The policyholder needs to submit those documents to avoid rejection of the claim.

Keep in mind to retain old health insurance papers, as at times copies of old insurance papers might also be required when making reimbursement claims.

(The writer is Priyadarshini Maji.)

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Source

Ayushman Bharat gets ready for coronavirus cover as cases rise in India – Business Standard – 18th March 2020



The National Health Authority is on a war footing to ready a COVID-19 special package under the government's flagship Ayushman Bharat-PMJAY scheme as the number of coronavirus cases continue to rise and many states go for a lockdown. NHA chief executive Indu Bhushan told Business Standard that this is among the steps being taken by the Authority just in case there's a need.

Specific coronavirus-related plans for isolation wards are being finetuned, after which it would be reviewed by the Indian Council of Medical Research (ICMR) in terms of protocol. It will have to be approved by the NHA's governing board after that. Officials pointed out

that such a package would be needed if coronavirus spreads to the community level.

Currently, the Ayushman-PMJAY scheme, which does not deal with preventive healthcare cover, offers hospitalisation packages for intensive care units, high-dependency units and normal wards. There's no provision for isolation wards under the universal health assurance scheme, which caters to underprivileged citizens with an annual cover of Rs 5 lakh per family. Since isolation wards, a necessity for patients infected with the virus, will be like private wards, the cost, to be borne by PMJAY, will be significantly higher.

NHA is also keeping a close watch on its live data as well as on the call centre details that the Ayushman scheme sits on to detect any unusual pattern. The measure is expected to help in minimising the impact of coronavirus in India, Bhushan said.

Officials monitoring the data at Ayushman are looking for unusual spikes in influenza like illness (ILI) and severe acute respiratory infections (SARI). If there's any abnormal increase, this has to be reported to ICMR to ensure there's no outbreak. Officials said that this data would not be shared without proper vetting.

Similarly, PMJAY officials are sifting through the data from call centres carefully. If the number of calls for any district goes up extraordinarily, the trend would be captured for further analysis of whether this has any relation to COVID-19. According to an official, a spike was found recently in flu cases in southern Tripura, bordering Bangladesh. "The data is being closely watched," he said.

"We are preparing ourselves in case there's a spread. That includes ensuring private sector facility to support treatment of COVID-19 cases," Bhushan pointed out. The NHA is assessing the capacity and readiness of private hospitals on this.

In addition, NHA and ICMR are in talks to allow testing for coronavirus by authorised Ayushman centres, while trying to ensure that the disease does not spread any further in the country.

Even as Ayushman Bharat had not played a proactive role in the corona warfare so far, things may change depending on how long the virus lasts.

(The writer is Nivedita Mookerji.)

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Cashless Health Insurance: Why and when your claim could be denied - Financial Express - 18th March 2020



Cashless health insurance is one of the main attractions of health insurance policies. Policyholders pay premiums and in case of hospitalization, the insurance company bears the costs up to the limit of the policy's sum insured amount.

Hence, as part of the contract, the insurer is liable to pay the claim to the hospital on behalf of the insured. However, there can be times where the insurance company does not settle the policyholder's claim. (Both at network or non-network hospitals).

Cashless Claims: In a cashless claim, the policyholder does not pay the hospital bills in case of hospitalization and the insurer pays for the same. This happens with networking hospitals. The hospitals that offer cashless claims for every hospitalization to the policyholder, enter into an agreement with insurers and are part of the list of network hospitals of that insurance company.

Reimbursement Claims: In case of a reimbursement claim, the policyholder has to pay the hospital bills, which then is reimbursed by the insurer. Those that are not on such a list of the insurance company are called non-network hospitals and claims are processed on a reimbursement basis.

When a cashless claim can be denied:

As a policyholder, know that even a cashless facility can be denied in a network hospital. This can happen if the information sent by the hospital where the policyholder is admitted, is insufficient. It could also happen if the illness is not covered under the policy or if the request for pre-authorization is not sent in time. The hospital needs to give all the details required for the insurer to arrive at a decision, in a cashless situation. When such pieces of information are not given properly, a claim is rejected.

However, even if the cashless facility is denied at one hospital, a policyholder gets the treatment from the hospital by paying out of his/her own pocket and can subsequently, submit the claim for reimbursement, on discharge from the hospital.

This could also work when in case of a medical emergency, a policyholder gets oneself or a family member admitted to a hospital which might not be a network hospital with the insurance policy. In that case, the cashless claim will be denied, but the policyholder can get the expenses reimbursed from the insurer.

(The writer is Priyadarshini Maji.)

Source

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COVID-19 outbreak provides test-bed for Need-based Insurance in India – The Economic Times – 18th March 2020

The emergence of Coronavirus since late 2019 has led to disruptions in almost every sphere of the world's economy; crashing markets and leading supply crunches as the virus spreads and peaks throughout. However – the infectious disease declared as a Pandemic by the World Health Organisation (WHO) has set a testing ground in India to introduce the offerings of need-based insurance policies.

The Insurance Regulatory and Development Authority of India (IRDAI) issued a circular in the first-week of March asking insurance companies to design policies in a manner which covers treatment for Coronavirus. The regulatory authority had earlier indicated its openness to experiment by issuing its Sandbox Regulations – which allows insurers to experiment with products not covered in existing frameworks, albeit for a limited tenure.

Bengaluru based Digit Insurance launched its cover against Coronavirus (Covid-19) in the first week of March as the virus was still in its nascent stages in the country. A product launched under the Sandbox Regulations of the IRDAI, the cover includes a 100% payout in case of positive cases and a 50% payout for those in Quarantine in a Government or Army Hospital – even if one later tests negative. Certain exclusions such as for those with travel history to hotbeds of the virus, or those above the age of 60 apply. Vivek Chaturvedi, Head of Marketing and Direct (Online) Sales at the Insurtech Start-up said the need-based cover was launched sensing the specific benefit that people were in need of, as most Health Insurance covers do not cover Pandemics. The insurer which has a customer base of 65 lakh customers and a market share of 1.15% in India aims to slot the cover as a complementary product added to one's health coverage.

Digit since the launch of the Covid-19 has sold more than 2000 policies, and incidentally has also seen a 25% growth in sales of Digit's comprehensive Health Insurance. Chaturvedi further sees the launch of more need-based insurance covers based on tropical outbreaks in the near future, such as one based on Dengue which typically spikes in the months of July and August.

India has thus far announced 110 cases of Coronavirus - with the highest cases being in Maharashtra. Authorities have taken numerous measures in order to counter the outbreak, closing Schools, Universities, Malls and Cinema Theatres in numerous states in order to reduce contact amongst individuals. Prime Minister Narendra Modi on Sunday proposed the South Asian Association of Regional Co-operation (SAARC) nations to setup an emergency fund, in which India will contribute \$10 million to fight the virus.

(The writer is Syed Fasiuddin.)

Source

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Coronavirus in India: Here's how insurance can be claimed for confirmed COVID-19 – CNBC – 17TH March 2020



The coronavirus outbreak has created panic among people about their insurance coverage. But don't fret. According to experts, the existing insurance policies generally cover all such cases unless specifically excluded. In order to file a claim for coronavirus infection, a policy holder needs to follow the same process that they follow during regular hospitalisation.

Here's all you need to understand about your insurance policy's coverage in case of coronavirus: Health insurance policies cover all kinds of respiratory disease, which means they cover coronavirus, provided

the affected person does not have COVID-19 at the time of the purchasing the policy, say experts. One can choose to go with cashless claim facility or reimbursement facility depending upon the policy terms.

"For cashless claim, a policyholder may choose to get admitted in a network hospital and take the necessary treatment by informing the third party administrator (TPA) within the hospital," said Amit Chhabra, head - health insurance, Policybazaar. In cashless claim, the policyholder does not pay any incurred expenses for the treatment of illness.

"While in reimbursement process, the policyholder may take treatment at any choice of hospital after informing the insurer and pay the incurred bills. All these bills are later reimbursed to the policyholder up to the sum insured after proper verification from the insurer," Chhabra explained. In any form of insurance, there are terms and conditions, exclusions, or waiting periods as per which claims are settled or rejected.

For life insurance, assuming all terms and conditions are fulfilled, death benefit claims are entertained by insurance providers. "As long as the policy holder has disclosed all details correctly at the policy purchase stage, the death benefit claim is payable even if it arises out of coronavirus," said Adhil Shetty, CEO, BankBazaar.

In case of life policies with add-on benefits such as critical illness or terminal illness riders, the policyholder will have to satisfy the terms and conditions of the add-on to receive its benefits.

Another important thing to know is the adequate sum-insured. While there is yet to be a consensus on the treatment cost, Chhabra said that estimated sum insured of Rs 10 lakh per person is recommended.

(The writer is Anshul.)

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Source

Virus outbreak: Government gives more time for ESI contribution - The Economic Times - 17th March 2020

The government has given employees and employers more time to submit their monthly insurance contribution by relaxing provisions of the Employees' State Insurance Act in view of the Covid-19 outbreak.

It has given 45 days, instead of 15 days as mandated under the Act, for submission of insurance contribution for February and March. The average monthly contribution to ESI Corporation (ESIC) by its subscribers is Rs 1,300 crore. "Keeping in view the pandemic in the form of Coronavirus (Covid-19) in the country, the director general has relaxed the provisions as entered in regulation 26 and 31 of the Employees' State Insurance (General) Regulations, 1950," ESIC said in a notification on Monday.

The ESI contribution for the month of February 2020 and March 2020 can be filed and paid up to April 15, 2020 and May 15, 2020 instead of March 15, 2020 and April 15, 2020 respectively," it said. The ESIC is a social security organisation which provides comprehensive social security benefits like reasonable medical care and a range of cash benefits in times of need such as employment injury, sickness and death.

The ESI Act applies to premises or precincts where 10 or more persons are employed. Employees drawing wages up to ₹21,000 a month are entitled to health insurance cover and other benefits under this law.

The Act applies to more than 1.21 million factories and establishments across the country, benefiting about 34.9 million family units of workers, with total beneficiaries of the ESI scheme numbering more than 135.6 million.

(The writer is Yogima Sharma.)

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Source

Proportionate deductions in health policies to get standardised – Mint – 17th March 2020



In a bid to further standardise and simplify health insurance, the Insurance Regulatory and Development Authority of India (Irdai) has put out a draft exposure that aims to stipulate recovery of proportionate deductions in respect of various associated medical expenses in health insurance policies.

The regulator said if there is a sub-limit on rooms and the policyholder occupies a room with a tariff that's more than what he is eligible for, the proportionate deduction on 'associated medical expenses' cannot include cost of pharmacy, cost of implants and medical devices, and cost of diagnostics. Proportionate deduction comes into force

when you pick a room with tariff which is above the allowed room rent cap in your policy. It means that the insurer will cover you for the associated medical expenses in proportion of rent sub limit to actual rent paid.

"Pharmacy cannot be an associated expense because it's based on maximum selling price. Hospitals cannot charge medicines differentially for two different categories of rooms. Diagnostics which includes scans and doctor's fees is where there's always been differential pricing. Irdai is now saying that diagnostics cannot have differential pricing and must not qualify as an 'associated medical expense'," said Mahavir Chopra, a health insurance expert. This is however only an exposure draft and Chopra believes that the clause (for diagnostics) will go away once insurers present to the regulator that hospitals charge differentially for diagnostics. "This can only happen if hospitals stop charging differentially for diagnostics," added Chopra. Implants, typically, are not charged differentially.

The regulator has also asked insurers to list expenses which classify as associated and non-associated. Basically, wherever the hospital is not charging differentially it will all qualify as non-associated expenses. Further, for expenses that are non-associated, there shall not be any proportionate deduction on them. Also, the draft guidelines state that insurers are not permitted to apply proportional deduction on ICU charges because no hospital has different categories of ICU and hence, does not attract differential pricing.

Impact on policyholders

"Standardisation will make it easy for policyholders to understand how much they'll get paid and for what kind of expenses. This will improve overall transparency in health policies and reduce grievances which are very high currently," said Chopra. "These guidelines will stop any deductions that were happening on non-associated expenses. Proportionate deduction will now be applicable only for associated expenses which will enhance claim amount."

The move is expected to have negligible impact on premiums because most insurers are now moving towards either having an eligibility capping (type of room) or removing the room rent limits altogether. "Policyholders should, in fact, opt out of policies that have room rent cap because it creates complications and as inflation goes up, the claim amount will keep reducing," said Chopra.

(The writer is Disha Sanghvi.)

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Source

Your Money: Eight guiding principles when buying a health plan – Financial Express – 17th March 2020

It is rightly said that, 'Let our advance worrying become advance thinking and planning'. With healthcare costs hitting double digit inflation year on year, planning for your healthcare needs is essential. It is about

bringing the future into the present and taking actions now. Health insurance plays a critical role in having a healthy lifestyle with access to good quality treatment in case of a medical exigency. Below are a few things which are important to consider while you decide on your health insurance cover.

Need: It is extremely important to make sure that you select the best health plan as per your needs. One must not end up with a wrong choice as it may not be of much help at the time of requirement.



Age: Age plays a vital role in deciding your health insurance cover. Although it's never too late to buy insurance, it is advisable to buy health insurance at a younger age as it will come at a lower premium rate since you're less prone to health risks.

Waiting period: Every policy adheres to a fixed time period called as the waiting period pertaining to coverage of certain illnesses. It is only after the completion of that period that the policy gets fully active.

The insured can then avail the healthcare facilities as per the policy terms and conditions. Hence, it's better to be go through the policy literature carefully to understand the coverage.

Premium: While keeping an eye on the premium, one must also read through the features of bonus and discount along with the deductibles and co-payments under the policy. It is important to keep all these points in mind to ensure the right selection of plan and wise use of funds.

Family history: If you have a family history of lifestyle diseases, the probability of it being passed on to the next generation is higher. Any individual who is in a genetically high-risk category should buy wider health insurance coverage when s/he is young and healthy.

Place you live in: Hospital tariffs would be different for metro and non-metro cities. A tertiary care hospital in a Tier I city will cost more for the same treatment as compared to a secondary care hospital in a Tier II or Tier III city. This may have an impact on the premium of your health insurance policy.

Understand the coverage: Understanding your health coverage, getting familiar with the services covered and how much you will have to pay in case of an unfortunate eventuality is important. If you opt for a health insurance cover that is not adequate or is restrictive, you may have to shell money from your pocket.

Ability to pay: I feel that one must invest at least 2% of their yearly income to buy a health insurance policy that provides them with adequate coverage. For instance, if a person earns Rs 6 lakh a year, he might be able to pay an amount that is up to 2 % of that the yearly income which comes down to Rs 12,000.

Do your homework on the kind of products available and do it right before you buy your health insurance plan. Check if the coverage is enough for you and matches your requirement. After all, you are responsible for your and your family's well-being. An appropriate health insurance cover will help you stay worry-free in terms of managing medical expenses in case of any exigency.

(The writer is Sweetie Salve.)

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Source

Cover on corona virus will be available in most medical insurance policies: Expert - NDTV - 16TH March 2020

Experts in the insurance industry have made it clear that customers will also get the benefit of insurance protection in all medical insurance policies except Coronavirus infection except in selected insurance

policies. After the World Health Organization (WHO) declared corona virus infection an epidemic, confusion has arisen as to whether people will get medical insurance cover in the event of this new infection. Anand Roy, managing director of medical insurance company Star Health and Allied Insurance, said that his company would provide protection to the insured in the event of corona virus infection even after it was declared an epidemic.

He said, 'Some companies do not provide' Act of God 'or protection in the event of natural disasters in their insurance policy. However, in view of the spread of this transition, we have decided to provide all the security benefits of the related policy to our customers. Roy told that Star Health has recently introduced a new insurance policy called 'Youngstar' to encourage the youth to get medical insurance. It also has the facility of insurance premiums in the event of corona virus infection with attractive features like paying premium in installments and maternity benefit.

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Source

When will your health insurance policy not cover coronavirus? - The Economic Times - 16th March 2020

Health insurance and coronavirus

With the number of coronavirus cases in India crossing the 100 mark, it is no surprise that inquiries about insurance policies for the viral infection are on the up too. Currently in India, tests for Covid-19 are free. However, hospitalization charges must be borne by the patients, unless of course, they are covered under a standard health insurance policy.

Most health insurance policies in India are providing cover for coronavirus. In fact, insurance startup Digit even launched a coronavirus insurance product, it allows a person to insure themselves for a sum assured ranging from Rs 25,000 to Rs 2 lakh. However, there are certain scenarios which, if you find yourself in, will not cover the virus. Your claim will also be limited by the maximum sum insured by your policy. Here are those situations.

Case 1: If you are not hospitalised for minimum 24 hours

Health insurance claim due to coronavirus will be payable only if you have been hospitalised for at least 24 hours. Otherwise, your policy may not cover the claim because most of the indemnity type health insurance policies (mediclaime) in India do not cover outpatient treatment.

Now, in case you have purchased a new health insurance policy, then here are the scenarios under which claim for treatment of this viral disease may not be covered.

Case 2: If you are opting for a planned treatment

If you have been suffering from severe respiratory or related diseases such as coughing, breathlessness, flu over the past few days and you plan to get treatment for it, then your claims under a regular indemnity type or coronavirus-specific health insurance policy might not get settled. Even if this results in detection of symptoms of coronavirus, your policy might not cover it.

Hence, any treatment previously planned, i.e. before purchasing policy, under a newly purchased health insurance/coronavirus insurance policy is not covered.

Case 3: If you contract the disease during waiting period

A waiting period refers to a pre-fixed time period starting from the date of purchase of the policy. In a majority of health policies, coverage of many diseases starts only after the waiting period. The insured will not get claim filed for treatment of a disease within the policy waiting period if treatment is excluded from the waiting period. Typically, most policies exclude several kinds of treatment in the waiting period of the policy.

The special cover launched by Digit also has a waiting period of 15 days. If you are diagnosed with the coronavirus disease/infection within this period, your policy will not cover it.

Case 4: You or family member recently visited victim countries

If you are travelling from a coronavirus affected country and are diagnosed positive, you will be covered under regular indemnity health insurance policy, provided you are being quarantined in India. However, the special coronavirus insurance policy does not cover people who have travelled to coronavirus affected countries such as China, Hong Kong, Macau, Taiwan, Italy, Kuwait, Japan, Singapore, South Korea, Thailand, etc. The same applies if you contract the infection from a family member who travelled to these locations.

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Source

Need for global health insurance in emergencies – Deccan Herald – 15th March 2020



We are living in a world vulnerable to unexpected diseases. In the past five years, there have been outbreaks of viral infections such as zika, ebola, SARS, nipah, and the coronavirus. A hyper-connected planet has meant that the disease has quickly spread. In two months, more than 1,25,000 cases of coronavirus have been confirmed globally, and the number keeps increasing hour to hour.

The WHO has declared the rapidly spreading coronavirus outbreak as a 'pandemic'. India already has more than 80 confirmed cases of this virus, leading to the suspension of all existing visas, except official, diplomatic, employment

and project visas. However, despite the nation experiencing a limited impact of this disease at the moment, the situation remains critical.

The economic cost of a global epidemic A strong economy is directly related to public well-being since it brings with better healthcare, water and sanitation. However, with the present outbreak bordering on pandemic levels, it has become a conflict between health and economy. Countries across Europe such as Italy, Israel, Iran, and across South East Asia such as Bhutan, Vietnam, India have either shut down borders completely or imposed heavy travel restrictions. The US, for example, has suspended travel from 26 European countries to tackle new clusters of the virus. Due to limited travel, all sectors such as aviation, auto, healthcare and pharma, among others are getting severely impacted.

In terms of economic impact, estimates suggest that India could be among the 15 most-affected economies, with an estimated cost of production slowdown an estimated \$348 million. As per UNCTAD's (United Nations Conference on Trade and Development) data, the epidemic is likely to cost the global economy \$1 trillion this year. Economic experts have gone so far as to say that the COVID-19 outbreak has the potential to "trigger a worldwide recession."

While there are evacuation plans in place for Indians stuck abroad, it may not be possible to immediately evacuate everybody who is currently travelling. In such a case, if someone were to get infected due to this unprecedented outbreak, immediate medical attention would be required. Given medical expenses vary from country to country, travellers are now faced with the burden of tackling exorbitant medical expenses outside their country during an emergency. To ensure a medical emergency during travel does not put a dent in your finances, a comprehensive health policy with global health cover is the solution.

Benefits of a global health insurance cover

A health insurance policy with global coverage protects you from unexpected monetary loss. It takes care of major medical emergency expenses for inpatient and day-care procedures across the world. It ensures that immediate financial considerations do not hamper the level of care. In order to meet requirements of

health insurance from India's insurance regulator IRDAI, the cost of hospitalization and treating COVID-19 is covered by all health insurers and even a few travel insurers for trips overseas.

Purchasing a health insurance plan with a global cover allows you access to an international network of expert medical practitioners. It also covers hospitalisation or daycare procedures that are necessary and certified as an emergency by the medical practitioner. The claims are usually settled on a reimbursement basis.

At the end of the day, your insurance service provider will keep you safe in the knowledge of its inhouse medical services team to ensure that you avail the best and most appropriate medical treatment.

While travelling abroad, one needs to have their priorities in order. When we can plan everything from the flight ticket to the hotel stay, why not plan for a medical emergency well in advance and have the solution ready at hand? Fortunately, insurance companies are constantly upgrading their health insurance plans to include global health cover options that address such varied uncertainties effectively.

After all, nobody wants to dampen their travels with the worry of financial burden in case an exigency arises. Thus, a global health cover is your perfect travel companion to ensure stress-free travel experience.

(The writer is Rakesh Jain.)

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Source

Your tax planning isn't complete without health insurance; Here's why – Financial Express – 15th March 2020



With the cost of healthcare rising exponentially as the years go by, having a comprehensive health insurance policy should be a necessity rather than an afterthought. It is not just chronic diseases or lifestyle-related illnesses that we are battling with now, but also pandemics like the coronavirus that is concerning, to say the least.

People pay attention to their investments, savings, and loans but often forget the importance of health insurance when planning their lives or taxes. Those with an employer's group health insurance policy often think that it will be enough to cover any

unforeseen expenses but such policies have their limitations. To be on the safer side, it is important to have an individual health insurance policy, or a family floater plan, that will provide full coverage for you and your dependents in case of any medical emergency.

Not only will this save you from paying for medical expenses out of your own pocket (which could drain your savings or prematurely liquidate critical investments at a loss) but it will also give you peace of mind that is priceless. Knowing that you can afford the best medical care for your loved ones or yourself relieves you from unnecessary stress.

However, did you know that your health insurance policy can also provide you with valuable tax benefits? If you have not taken one yet, and are looking for last-minute tax-saving instruments, you might want to consider signing up for a health insurance policy. Get tax benefits and health insurance cover all at one go.

Here is all you need to know about health insurance with its associated tax benefits:

1. The amount of coverage you need: Whether it is a simple procedure or a life-saving operation, the rising costs of healthcare means that you will be looking at a bill that runs into thousands, if not lakhs, of

rupees. The cost of hospitalisation could be equivalent to the cost of surgery. Taking into account rising inflation as well, it would be wise to choose a sum insured that starts at Rs 5 lakh, at the very least.

2. Coverage for the entire family: If you have a family with several dependents, it may be more cost-effective to choose a family floater plan that covers you all instead of individual health policies for each member.

3. Senior citizens health insurance: If you have parents or in-laws that are dependent on you, it may be wise to look into a separate senior citizens health insurance policy for them, instead of including them in your family floater plan. This is to ensure that they get adequate coverage for all age-related illnesses, which may be more expensive than others. This ensures that the rest of your family members too have adequate coverage.

4. Boost coverage with a super top-up health insurance policy: A super top-up plan gives you added coverage when you have exhausted the sum insured from your existing health insurance plan. In the case of any unforeseen medical emergencies, this can be a boon so that you don't end up dipping into your savings or taking a loan to meet the unexpected medical expenses. This can be taken as a floater policy too that covers all your dependents.

5. Section 80D deductions: Under Section 80D of the Income Tax Act, you can claim up to Rs 25,000 in tax deductions for health insurance taken for yourself, spouse, and dependent children. If you have taken health insurance for your parents, you are eligible to claim an additional deduction of up to Rs 25,000. This is for parents who are below 60 years of age. If they are above 60 years, you can claim up to Rs 50,000 as a deduction. If both you and your parents are above 60, the maximum deduction that can be claimed is up to Rs 1 lakh.

6. Deduction for paying a single premium: If you have paid the premium as a lump-sum for the year for a policy that has been valid for at least a year, you are eligible for a deduction that is equal to a specified fraction of the amount. This amount is calculated by dividing the lump-sum of the premium paid by the number of years of the policy. This is subject to the existing deduction limit as mentioned above.

7. Deduction for preventive health checkup: You also get a deduction of up to Rs 5,000 towards the cost of preventive health checkups. This is applicable if you pay in cash. This can be claimed for yourself, spouse, dependent children, or parents. Again, this is within the overall limit mentioned previously.

With so many tax benefits as given above, taking a health insurance policy might be the best thing you can do to complete your tax planning this year.

(The writer is Adhil Shetty.)

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Source

Looking to buy a multi-year health insurance policy? Check details – Financial Express – 15th March 2020



Health insurance is becoming more of a necessity than an option in today's fast-paced world. Stress level and the cost of treating medical issues has gone up drastically in the recent past. In such a scenario, health insurance acts as a shield to protect your savings in case of unfortunate events like unexpected hospitalization.

Despite being aware of health insurance benefits, people are sceptical about including insurance in their financial management portfolio. One reason for such ignorance is that health insurance as an investment doesn't offer returns as compared to fixed deposits or mutual funds.

However, insurance is not a return-on-investment product, it is a save-your-savings product; and needs to be included in your financial plan precisely for that reason.

If you are looking for more reasons to buy a health insurance plan, here's one – buying health insurance can fetch you tax benefits. Intrigued? Read ahead to know more.

Tax-saving Tool

Tax saving is a crucial aspect of any financial plan, and health insurance can prove helpful in meeting this objective to an extent. Health insurance not only keeps the 'money in your bank' safe but also helps you to gain tax benefits under section 80D of the Indian Income Tax Act. You can claim tax benefits on health insurance premium for the year while filing your annual income tax.

Difference between Sections 80C and 80D

People can invest in a variety of tax-saving options and get a tax benefit under Section 80C. Whereas, Section 80D is dedicated to health insurance policies. You can save tax under Section 80D after purchasing health insurance for self, children, or parents.

Age Group	Deductions Up To	Total Deductions
All insured people are under 60	Rs.25000 for self/spouse/children and Rs. 25000 for parents.	Rs.50000
Self/spouse/children are under 60 and Parent or Parents above 60	Rs.25000 for self/spouse/children and Rs. 50000 for parents.	Rs.75000
Self/spouse/children and Parents are above 60	Rs.50000 for self/spouse/children and Rs. 50000 for parents.	Rs.100000
Preventing health check-up amounting to Rs. 5000 is also tax-deductible. Note that it is inclusive and not over and above the total deductions.		

Note that premium paid for in-laws will not fetch you tax benefits. For that, the spouse has to purchase health insurance for the parents. This will save tax for the spouse.

How to benefit from Section 80D Deductions?

Here's a table that will help you understand the applicable tax deductions under section 80D. Note that the figures mentioned in the table can change depending upon the annual budget. The following table is for the financial year 2019-20.

Tax Benefit for Multi-year Policy

Insurance companies often offer

discounts for purchasing a health insurance policy that spans over years. This way, the premium stays locked at a fixed rate and you are not affected by the price hike (if any). However, you will have to pay a huge amount upfront for a multiple-year policy. Therefore, make an informed choice if you are choosing such a plan. With respect to tax deductions, you can claim them proportionately. For example, if you pay Rs. 40000 for a two-year policy, the tax deduction applicability will be for Rs. 20000 in the first year, subject to terms and conditions.

Payment Mode

To claim tax benefits on health insurance, make sure to pay the premium through any other payment mode apart from cash. For example, popular payment modes such as net banking, debit card and cheque are applicable.

Get Covered, Save Tax

The primary intention of buying health insurance should be to safeguard your savings in case you have to pay hefty hospital bills. Using health insurance as a tax-saving tool is an added advantage. Speak to your financial advisor or health insurance company to know the exact amount you can claim as a tax benefit against your health insurance policy.

(The writer is Biresh Giri.)

Source

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Good News! India is among the cheapest health insurance markets – Financial Express – 14th March 2020



With the constantly-increasing prices of healthcare in India, and with the ever-rising instances of lifestyle diseases in the population, health insurance today is a necessity. Health insurance provides people with a much-needed financial backup at times of medical emergencies, but it is an observed fact that till date, medical care in India remains largely as an out-of-pocket expense.

While the costs of healthcare have become prohibitive over the years, the fact remains that healthcare in India is still much more affordable than in a number of developed countries, like the US.

This fact has also given impetus to the medical tourism industry in India, making the country quite a hot spot for a number of foreign nationals seeking affordable yet high-quality treatments. Keeping this in mind, one can observe that compared to the numerous benefits being offered by health insurance policies, the premium liable to be paid by the insured is quite affordable and easy on the pocket, especially when compared to other countries.

In India, patients save between 65% and 90% on the cost of healthcare as compared to the US. India is one of the most visited countries for healthcare. This is because of the incredible saving in healthcare costs combined with India's high-quality service and cutting-edge technology. India also offers a close to zero waiting time for surgeries, which tend to be done right after diagnosis is confirmed.

As a patient in India, expect your medical trip to be one of quality healthcare combined with luxury. Fortunately, India is one of the cheapest health insurance markets across the globe offering comprehensive health insurance policies at affordable prices.

The Cost of Health Insurance in Different Countries

Healthcare costs vary based on your age and the state you live in. As you would expect, younger, healthier adults pay the least for healthcare coverage. However, even for younger adults—age 21—the cost of coverage varies great based on geographic location. One of the primary factors in your individual health insurance costs is your location, as prices will vary depending on the state and county where you live.

Americans spent \$10,000 on average for healthcare in 2016 and this number increased to \$19,764 in 2019. The average monthly healthcare premium without subsidies in the USA is – 18 and under: \$152, 18-24 years: \$177, 25-34 years: \$239, 35-44 years: \$303 and 45-54 years: \$400.

Talking about the price of health insurance in Singapore, on average, people pay around S\$1,000 to S\$1,500 per annum for a policy that covers medical expenses of up to S\$1 million per annum, though some policies offer a discount if you pay the annual fees upfront. The average premium for UK private health insurance is £1,435 per year though the cost of private health care depends on two main factors. First, your personal circumstances, second, the policy options and cover levels that you choose.

Cost of Health Insurance in India

The annual premium of Rs 1-crore health insurance plan in India for a 30-year male living in a metro city costs Rs 9,552 while adding spouse to the plan brings premium to Rs 14,223. For a family where the husband is 34, wife is 33 and a kid is 2-year-old and the family stays in Delhi, the premium would be around Rs 17,312. In the same scenario, if there are two kids one being 3-year-old and the other being 1-year-old, the premium comes around Rs 21,058.

The type of policy to buy should be determined by your family's needs. The number of family members and their age is crucial to identifying a policy. It is high time to prioritize health care as a fundamental public good and bring it on par with the quality education. Healthcare in India must be made affordable and accessible to all, for the overall development of the country.

(The writer is Amit Chhabra.)

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Health insurance against pandemics like coronavirus infection – The Indian Express – 13th March 2020



As the number of cases of the coronavirus infection continues to swell with over 1,26,000 confirmed cases – spread to at least 114 countries around the world – out of which over 4,600 people have succumbed to the virus, the World Health Organization (WHO) has declared the coronavirus outbreak a Pandemic. As per WHO guidelines, a pandemic is declared when a new disease for which people do not have immunity spreads around the globe beyond expectations. Once a pandemic is declared, it becomes more likely that community

spread will eventually happen, and governments and health systems need to ensure they are prepared for that. The severity of the coronavirus outbreak is such that almost all infected countries are requesting their citizens to avoid non-essential travel, both domestic and international.

India, as well has suspended all visas, except a few categories such as diplomatic and employment, till April 15 to prevent the spread of coronavirus as 10 new cases have been reported taking the total number of patients in the country to 73. The government is even strongly advising Indians to avoid all non-essential travel abroad. Moreover, the government has even issued a statement stating that all incoming travellers, including Indian nationals, arriving from or having visited China, Italy, Iran, Republic of Korea, France, Spain and Germany after February 15 will be quarantined for a minimum period of 14 days.

How is coronavirus spreading?

The coronavirus spreads from one person to another in close proximity, similar to other respiratory illnesses, such as the flu. Droplets of bodily fluids – such as saliva or mucus – from an infected person are spread in the air or on surfaces by coughing or sneezing. These droplets can come into direct contact with other persons or can infect those who pick them up by touching infected surfaces and then their face.

How to stay protected?

In terms of self-protection and containing the virus, experts agree that it is important to wash your hands as frequently as possible and thoroughly with soap. Apart from that, it is important to cover your face with a tissue or your elbow when coughing or sneezing. It is also highly recommended to visit a doctor if you have symptoms and avoid direct contact with live animals in affected areas. While all these are measures to protect yourself physically from getting infected with coronavirus infection, it is also very important to stay financial protected against the epidemic and the only way to stay financially protected against the treatment of the infection is by buying an adequate health insurance policy. Unlike all other medical expenses for hospitalisation, if one gets hospitalised for treating coronavirus infection, the health insurance plan will come in rescue to safeguard medical expenses.

Buying a health insurance plan not just for yourself but for your entire family is important to make sure your hospital admission and treatment expenses are covered seamlessly. Moreover, viral infections like Ebola, H1N1 and now coronavirus are not a part of pre-existing ailments and they don't have any waiting

periods implied. Your health insurance policy will cover you for testing and the cost of treatment for the novel coronavirus. However, while buying a health insurance, it is important to have an adequate sum insured as treatment of such pandemics is quite costly and one must have sufficient coverage to pay for the expenses. One may choose to buy a cover with 1 crore sum insured which is available for as low as Rs. 9,552 for a 32-year-old individual living in a metro city.

Showing concern over the severity of the pandemic, even the Insurance Regulatory and Development Authority of India (IRDAI) issued guidelines on the handling of claims reported under the coronavirus. As per the issued guidelines, all claims reported under coronavirus must be handled by the insurers where hospitalization will be covered also covering the costs of admissible medical expenses during the course of treatment including the treatment during the quarantine. It also ordered insurers to design specific products covering the costs of treatment for coronavirus infection and other vector-borne diseases.

In line with the guidelines issued by the IRDAI, a prominent general insurer – Digit – has rolled out a fixed benefit health insurance plan – Health Care Plus to cover expenses related to Coronavirus Disease, or COVID-19. The plan is available with a sum insured between Rs 25,000 and Rs 2 lakh wherein if the policyholder tests positive for COVID-19 at any of the authorised centres of ICMR-National Institute of Virology, Pune, the insurer will pay out the entire sum insured. While in case quarantine is advised in a government or military hospital, the insurer will pay out 50 per cent of the sum insured. The maximum entry age of the plan is 75 years with the premiums starting at Rs 299 at the lower end, while the maximum sum insured entails a premium of Rs 2027, plus GST.

(The writer is Amit Chhabra.)

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CROP INSURANCE

Farmers to give declaration to banks to opt out of 'PMFBY' scheme – Business Standard – 16th March 2020

Farmers with loan dues will need to give a simple declaration to their bank branch seven days before the final date for enrolment under the Pradhan Mantri Fasal Bima Yojana (PMFBY) to opt out of the scheme, the government has said. The cut-off date for enrolment is July 31 for the kharif season and December 31 for rabi.

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MOTOR INSURANCE

What vehicle owners can do to maximise their no-claim bonus: Experts answer – Business Standard – 20th March 2020

IRDAI recently proposed new rates for motor insurance third-party (TP) premiums. The hikes could range between 2 percent and 16 percent across vehicle categories. After receiving feedback from the industry, the regulator will announce the final rates (perhaps with a few modifications), which will become applicable from April 1. Motor insurance policies have two components — TP and own damage (OD). TP cover has to be mandatorily purchased by every vehicle owner.

Its premium gets revised every year. Explaining why the TP cover premium rates get revised every year, Shanai Ghosh, CEO and executive director, Edelweiss General Insurance, says: “The TP liability on insurance companies for bodily injury and death is unlimited and is decided by the court. And they take into account earning capacity, dependency, inflation, etc, when deciding on the award amount. They also

take into consideration the interest amount from the date of lodging the claim. Hence, the award amount has been increasing year-on-year and therefore, there have been increases in premium just to keep pace with claims inflation." OD premium rates are decided by insurance companies. They depend on the type of vehicle, city, vehicle age, and each company's claim experience.

"Thankfully for customers, OD rates have come down over the past three-four years, owing to competition," says Animesh Das, head of product strategy, Acko General Insurance. Customers, on their part, can take a number of steps to minimise the premium they pay. Currently, the most important thing owners can do is to drive their vehicles carefully. "This will help you avoid accidents and earn a no-claim bonus (NCB) each year," says Ghosh. The amount of NCB offered keeps increasing for each claim-free year and can go up to 50 percent of the OD premium. Also, avoid making a claim for small amounts, so that they don't lose the NCB.

(The writer is Sanjay Kumar Singh.)

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REINSURANCE

IRDAI proposes 'ease of doing business' for global reinsurers - Moneycontrol - 17th March 2020

A committee of the Insurance Regulatory and Development Authority of India (IRDAI) has proposed to put in place a system in place which would help foreign reinsurance company branches, reinsurers and Lloyd's India in carrying out their operations seamlessly.

However, the foreign reinsurers had sought equal rights as far as participation in reinsurance contracts are concerned. At present, General Insurance Corporation of India gets the first right of refusal in treaties. IRDAI has not yet taken a decision in this matter.

The state-owned reinsurer is mandated to be offered a contract first for its perusal.

Reinsurers offer risk covers to insurance companies who in turn pay a premium to these entities. Depending on the type of the risk covered by an insurer, the reinsurance rates or premium is fixed. In each of these contracts, GIC Re gets the first right to accept a risk.

Despite multiple requests from foreign reinsurers to reconsider the order of preference, IRDAI has maintained that GIC Re will hold the first right of refusal. Global players are irked by this norm.

"Since we have invested into the Indian branch operations, it is necessary that we are also treated like a domestic reinsurer. The first need is to do away with preference in treaties for any one player and open it up to everyone," said a senior official at a foreign reinsurer.

Nine foreign reinsurers including Munich Re, Swiss Re, Gen Re, RGA, Hannover, Allianz Global, Axa Vie, XL Cat and SCOR have reinsurance branch operations in India. Specialist insurance market Lloyd's also operates in India through its syndicates.

The foreign reinsurers have also sought tax parity with the domestic companies.

Currently, domestic insurance and reinsurance companies are liable pay to income tax at the rate of 22 percent plus surcharge and education cess, amounting to an overall income tax rate of 25.17 percent (or 30 percent plus surcharge if any other concessions have been availed by the domestic company).

On the other hand, foreign reinsurers' branches and Lloyd's India are liable to pay income tax at the rate of 40 percent plus surcharge and education cess. These entities have also sought an exemption from paying withholding tax.

Among the measures which the IRDAI committee has suggested include allowing yearly disclosures as against quarterly disclosures, freedom to appoint key management personnel till the reinsurer reaches a certain size and doing away with requirement of joint audit. The IRDAI committee has recommended certain waivers and concessions till such time these global entities reach a reasonable level of business volume.

"Granting waivers and exemptions per se without fixing a period will also result in losing control for a longer period. To alleviate that issue it was felt that a gross premium level of Rs 5,000 crore would be a reasonable level to have a full-fledged operation and office for an FRB and Lloyd. However, this can be kept to further review based on the market need and business development," said IRDAI. The size of the reinsurance market in India is about Rs 45,000 crore and less than Rs 10,000 crore is contributed by branches of foreign reinsurers.

(The writer is M Saraswathy.)

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INSURANCE CASES

Forum directs insurance firm to pay in full – The Times of India – 16th March 2020

The District Consumers Disputes Redressal Forum has ordered an insurance company to settle the claims of two consumers in full for unlawfully 'forcing' a one-time settlement (OTS) on them.

In its March 5 judgement in two separate complaints filed by Harsul traders, the forum headed by its president Milind Sonawane pointed out that the claim was forcibly settled in only half the amount, despite all the factors indicating that there was a complete loss as claimed by the complainants. Hence, the forum ordered the company to settle the claims in full along with a 10 percent interest on the balance amount from Feb 15, 2016, till date with an additional Rs 10,000 for mental harassment.

The consumers — Shaikh Atik Haji Abdul Samad and Shaikh Shehbad Jahi Abdul Samad — had insured their garment shops and goods with the New India Assurance Company in their shop for Rs 15 lakh each. On July 14, 2015, both the shops were totally damaged in the riots that broke out in the village. A survey of the damages was done after riots, in which the police estimated 100 percent loss, while the insurance company put up losses at around 45 percent only.

As part of the OTS, the insurance company offered Rs 6.67 lakh to Shaikh Atik and Rs 6.08 lakh to Shaikh Shehbad. Both the traders accepted the OTS and challenged the same in consumer forum on July 28, 2017. FG Inamdar, the counsel, for the two traders, said, "The company has thrown to the wind the recommendations by the police, that there was a hundred percent loss of the clients. Instead, the surveyor surprisingly has cut down the losses to just 45 percent."

The insurance firm counsel SC Abhyankar stated that the losses were exaggerated by the consumers. The income tax returns and other documents reveal that the losses were calculated by the company on a fair side without any injustice upon the consumers. The forum, however, ruled the decision in the favour of consumers after checking the relevant documents and ordered the compensation to the insurance company.

(The writer is Abhilash Botekar.)

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Insurance firm told to refund Rs82K to woman – The Tribune – 14th March 2020

The District Consumer Disputes Redressal Forum, Chandigarh, has directed the Oriental Insurance Company Limited to refund a claim of over Rs 82,000 to a city woman, who underwent eye surgery.

Apart from this, the forum has directed the insurance firm to pay Rs 15,000 as compensation for causing harassment.

Asha Sachdeva, a resident of Sector 20, Panchkula, had filed a complaint against the Oriental Insurance Company Limited, Sector 17-A, Chandigarh.

Sachdeva had alleged that she bought a medico policy, covering herself and her husband Chiman Lal Sachdeva, valid from October 13, 2016 to midnight of October 12, 2017.

She suffered sudden vision loss and was diagnosed with total retinal detachment in the left eye by the Grewal Eye Institute Pvt Ltd. She underwent surgery in emergent situation on April 20, 2017.

Sachdeva submitted the claim form along with total bills of Rs 82,390. However, the insurance company rejected the claim on the ground of pre-existing disease. She served them a legal notice, but to no avail. Later, she filed a consumer complaint.

The insurance company, contested the claim and pleaded that the claim was repudiated in July 2017 on the ground of pre-existing disease which is excluded for four years and also as per one clause under which the treatment for the disease is not payable for a specified period.

They denied all other allegations and stated that there is no deficiency in service or unfair trade practice on its part. The forum observed that it is legitimately proved that the claim was repudiated on imaginary grounds without there being any rationale.

“Hence the repudiation of genuine claim of the complainant by the opposite party without any rhyme and reason amounts to deficiency in service and unfair trade practice on its part, which further aggravated the pain and harassment of the complainant,” the forum observed.

Partly allowing the claim, the forum directed the insurance company to pay the claim amount of Rs 82,390 to the complainant, along with interest of 9 per cent per annum from the date of repudiation i.e. July 29, 2017, till realisation. The forum also directed it to pay to the complainant Rs 15,000 as compensation for mental agony and harassment and Rs 7,000 as litigation cost.

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PENSION

How partial withdrawal from EPF, NPS during financial emergency can hurt – Business Standard – 18th March 2020

Whenever a major financial emergency arises, there is a strong tendency to dip into one's retirement savings. This should be avoided. In old age, income from profession, job or business decline, and one has to live off one's savings and investments. With joint families splintering into nuclear ones, that age-old support system has also vanished. It is to prevent people from using up their savings prematurely that the rules for partial withdrawal for retirement-oriented products have been kept fairly stringent. Experts suggest extreme caution when deciding to use one's retirement savings to finance other goals. “Your retirement savings act as the life jacket at a time when all other sources of income have ended. They are extremely important for leading a comfortable retired life,” says Vijay Kuppia, co-founder, Orowealth.

(The writer is Sarbajeet K Sen.)


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Pension plan for daily wage earners fails to utilise funds – Hindustan Times – 18th March 2020



A flagship pension scheme for daily wage earners launched last year by Prime Minister Narendra Modi has failed to utilize one-third of its budget allocation, a parliamentary report has revealed. The report also stated that a major part expenditure in the inaugural year went to clearing bills for publicity, among other payments.

The Modi government launched a pension scheme, Pradhan Mantri Shram Yogi Maan-dhan (PMSYM), to widen the social protection for the unorganized workers who comprise 95% of India's 458 million

workforce. The scheme, rolled out on February 15, 2019, provides monthly pension to workers who earns less than Rs15,000 in a month. Street vendors, mid-day meal workers, head loaders, brick kiln workers, cobblers, rag pickers, domestic workers, washer men, rickshaw pullers, landless labourers, own account workers, agricultural workers, construction workers, beedi workers, handloom workers, leather workers and similar other occupations are covered under the scheme.

The report on the labour ministry's demand for grants prepared by Parliament's standing committee on labour showed that PMSYM had an initial allocation of Rs500 crore in FY19-20, but it was reduced to Rs408 crores in the revised estimates and finally, only Rs345 crore has been spent till February 10, 2020.

Labour ministry officials told the panel that they are trying to "spend the remaining amount towards clearing the bills to Directorate of Advertising and Visual Publicity (DAVP), releasing of funds towards information Education and Commutation (IEC) activities, disbursing the amount to the Pension Fund Manager, i.e. LIC."

The parliament panel, headed by Biju Janata Dal leader Bhartruhari Mahtab expressed "dissatisfaction on the under utilisation of the budgeted amount in the very first year of launch of the Scheme, which apparently is indicative of a sluggish response from the intended beneficiaries." The panel wanted the ministry to make "concerted efforts to remove the initial friction so that the initiative which was started in right earnest, fructifies in a more popular scheme."

The pension scheme for the unorganized sector came along with a life insurance and disability insurance to provide a comprehensive social security net for the country's poor and the daily wage earners. The schemes were aimed to address the lack of social security coverage and address the need for medical care and expenses when workers are unable to work anymore. Launching the scheme during the interim budget in February last year, then finance minister Piyush Goyal had told Lok the Sabha, "Half of India's GDP comes from the sweat and toil of 42 crore workers in the unorganised sector. The government must provide them comprehensive social security coverage for their old age." Under the scheme, a retired worker is assured of monthly pension of Rs3,000 from the age of 60 years but he has to contribute a small amount during their working age. Goyal had estimated that at least 100 million unorganized workers will get benefits under the PMSYM within next five years.

(The writer is Saubhadra Chatterji.)

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People complain about getting low returns on annuity: PFRDA chairman – Business Standard – 16th March 2020

Supratim Bandyopadhyay, newly appointed chairman of the Pension Fund Regulatory and Development Authority (PFRDA), says two alternatives to the current mechanism of putting 60 per cent money into

annuity are being worked out. He tells Indivjal Dhasmana there is no turf war between PFRDA and the Insurance Regulatory and Development Authority (Irdai). Edited excerpts: Are you looking at any alternative to the existing mechanism of putting 40 per cent of fund of National Pension Scheme (NPS) subscribers at the time of withdrawal in annuity schemes? We are looking at systematic.

(The writer is Indivjal Dhasmana.)

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Gross premium underwritten by non-life insurers within India (segment wise) : UP TO Feb 2020 (Provisional & Unaudited)

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Modified Guidelines on Product filing in Health Insurance Business - Norms on Proportionate Deductions

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GLOBAL NEWS

Taiwan: Insurance sector upbeat about prospects for medical business – Asia Insurance Review



Total health insurance premiums generated by general insurers in Taiwan in 2019 reached NT\$386.1bn (\$12.8bn), an increase of 5.0% over the previous year, according to statistics of the Taiwan Insurance Institute.

Data from the Republic of China Life Insurance Association show that the life sector last year generated new-business health insurance premiums of NT\$39.8bn, an annual increase of 18.5%.

It is estimated that total medical insurance premiums will exceed NT\$400bn this year. Growth will be driven by an ageing population and higher insurance awareness resulting from the coronavirus pandemic, according to local media reports.

Statistics of the National Health Insurance Administration show that the cost of hospitalisation for 50-64 years old is about twice that of 35-49 years old; while the cost for those over 65 years of age is three times that of 35-49 years old.

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Pakistan: Regulator issues guidelines on cyber security for insurers - Asia Insurance Review



The Securities and Exchange Commission of Pakistan (SECP) has issued guidelines on cyber security framework for the insurance sector, setting out principles to make the information technology systems of insurance companies and their partners secure and resilient.

A press release issued by the SECP yesterday said that cyber risk presents an evolving challenge for the insurance sector due to growing interconnectedness.

Insurance companies gather, store, and maintain substantial volumes of confidential personal and organisational information. Because of these data reservoirs, insurers may become potential targets for cyber criminals. SECP guidelines spell out the principles for formulation of a sound cybersecurity framework to anticipate, withstand, detect, prevent and respond to any possible cyber attacks.

The suggested measures include the appointment of a chief information security officer and obtaining cyber risk insurance other deployment of other adequate cybersecurity systems. The guidelines will aid in improving privacy and confidentiality of the information stored and handled by insurers and will ultimately contribute to enhance the policyholders' confidence in the insurance sector.

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