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QUOTE OF THE WEEK

"A man is but the product of his thoughts what he thinks, he becomes."

Mahatma Gandhi

INSIDE THE ISSUE

INSURANCE TERM FOR THE WEEK

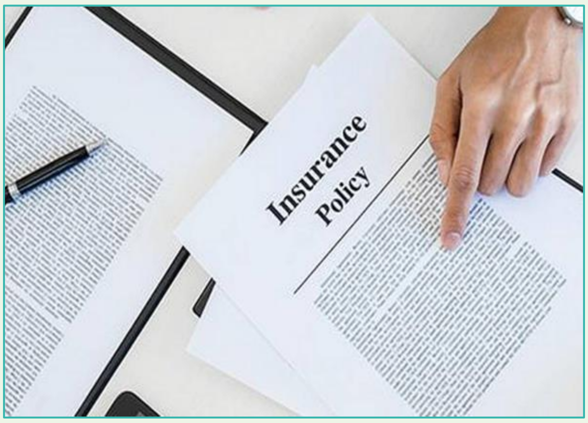
Valued Policy

A valued policy is a type of property insurance policy in which a set value is established to cover total losses. With such policies, the exact worth of the insured items or property at the time of loss is irrelevant, because the *value* of the covered property has already been established.

The value of certain pieces of property can change significantly over time. For example, pieces of artwork, jewellery, precious metals, and so on, may all increase or decrease in worth dramatically, depending on market conditions. The draw of a valued policy lies in the fact policyholders do not have to prove the extent of loss and will receive a specific benefit following a covered loss, no matter what their property's current value is. However, this also means the policyholder risks losing out money on items that have appreciated in value. Nevertheless, it is an alternative to insurance contracts, such as actual cash value policies, that only cover the current value of the items in question.

INSURANCE REGULATION

Insurance claim to be rejected if lapsed on premium not paid: SC – Business Standard – 2nd November 2021



An insurance claim can be rejected if the policy has lapsed on account of non-payment of premium, said the Supreme Court which stressed that the terms of an insurance policy have to be strictly interpreted. The apex court observation came while setting aside an order of the National Consumer Disputes Redressal Commission (NCDRC) that ordered additional compensation in a road accident case.

A bench of Justices Sanjiv Khanna and Bela M Trivedi said it is a well-settled legal position that in a contract of insurance there is a requirement of Uberrima fides i.e. good faith on the part of the insured. "It is clear that the terms of insurance policy have to be strictly construed, and it is not permissible to rewrite the contract while interpreting the terms of the policy," the bench said.

The top court was hearing an appeal filed by the Life Insurance Corporation (LIC) against the judgement of the NCDRC that had set aside the order passed by the State Commission. In the case, the woman's husband had taken a life insurance policy under the Jeevan Suraksha Yojana from the Life Insurance Corporation under which a sum of Rs. 3.75 lakh was assured by LIC. Besides this amount, in case of death by accident an additional sum of Rs. 3.75 lakh was also assured. The insurance premium of the said policy was to be paid six-monthly, however, there was a default in payment.

On March 6, 2012, the husband of the complainant met with an accident and succumbed to the injuries on March 21, 2012. The complainant after the death of her husband filed a claim before LIC and was paid a sum of Rs. 3.75 lakh to her. However, the additional sum of Rs. 3.75 lakh towards the Accident claim benefit was denied. The complainant, therefore, approached the District Forum by filing a complaint seeking the said amount towards the Accident claim benefit. The District Forum allowed the appeal of the woman and directed the payment of an additional sum of Rs. 3.75 lakh towards the Accident claim benefit. The State Consumer Disputes Redressal Commission set aside the order which was further challenged in the National Consumer Disputes Redressal Commission.

The NCDRC set aside the order passed by the State Commission. The apex court said in the instant case, condition no. 11 of the policy stipulated that the policy has to be in force when the accident takes place. "In the instant case, the policy had lapsed on October 14, 2011, and was not in force on the date of accident i.e. on March 6, 2012. It was sought to be revived on March 9, 2012, after the accident in question, and that too without disclosing the fact of the accident which had taken place on March 6, 2012," the apex court said in its October 29 order.

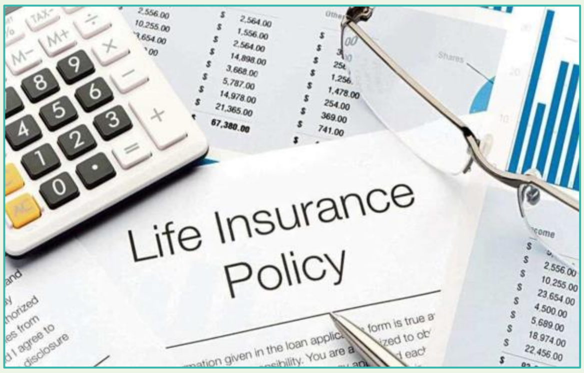
The top court said apart from the fact that the complainant had not come with clean hands to claim the add on/extra Accident benefit of the policy, the policy in question was not in force on the date of the accident as per condition no. 11 of the policy, the claim for extra Accident benefit was rightly rejected by the Corporation. "Since clause 3 of the said terms and conditions of the policy permitted the renewal of the discontinued policy, the appellant-Corporation had revived the policy of complainant by accepting the payment of premium after the due date and paid Rs 3,75,000 as assured under the policy, nonetheless for the Accident benefit, the policy had to be in force for the full sum assured on the date of accident as per the said condition no. 11," the bench said.

The apex court said the accident benefit could have been claimed and availed of only if the accident had taken place after the renewal of the policy. "The Court, therefore, is of the opinion that the impugned order passed by the NCDRC setting aside the order passed by the Commission and reviving the order passed by the District Forum was highly erroneous and liable to be set aside," the bench said.

TOP

LIFE INSURANCE

Common mistakes to avoid while choosing a term insurance policy – Live Mint – 2nd November 2021



While doing financial planning, no one can fully anticipate the future financial obligations and goals. But to be prepared for whatever may come your way, the first step is to have a term life insurance policy in place that protects your family and provides financial security in the event of your death. This piece looks at some common mistakes one should avoid while choosing a term insurance plan. The objective behind buying a term insurance policy is that if the insured passes away, his/her family can continue to live well without worrying about finances. What if the insurance proceeds may not last long after the insured person’s demise? This situation can happen if the sum assured is not carefully appraised based on the family’s future needs. Naval Goel, founder and CEO, PolicyX.com said, “The prevalent mistake that the majority of people tend to make is to take a vague term insurance cover that fails to meet their future financial requirements. It generally happens when buyers don’t calculate their insurance needs, considering the inflation rate and several dependent factors accurately."

Piyush Trivedi, joint president, Kotak Life Insurance, said, “Key factors which should go into choosing the right term insurance plan are the claim settlement ratio, suitability of policy benefits to one’s need, reputation and financial standing of the insurer. These factors help in supporting the family during the claim process." When you purchase a term plan, you are buying protection against the possibility of death. As a result, the larger the risk, the higher the premium you will pay to cover that risk. Sajja Praveen Chowdary, head, term life insurance, Policybazaar.com, said, “If you buy a ₹50 lakh term insurance at the age of 25, you can pay as little as ₹5,000 per year. When you are 35 years old, though, the same policy will cost you close to ₹9,000 per year. As a result, delaying the purchase will have a direct impact on the amount you pay. Furthermore, because you must pay the premium every year for the duration of the policy, failing to lock it in at a reasonable price could be an expensive mistake."

People tend to make mistakes by hiding crucial information related to their medical history, financial status, etc. Such information lays a direct impact on the issuance of the policy and claim settlement. Chowdary said, "While it is true that pre-existing diseases and lifestyle behaviours such as smoking and drinking can raise your term insurance premium, failing to report them when purchasing a policy is an even worse mistake. For instance, suppose the policyholder dies due to a health condition that existed with him at the time of policy purchase. In such a case, if he hadn't disclosed such pre-existing diseases, the insurers might reject the claim altogether." Avoiding medicals is one of the biggest mistakes. Medicals ensure that correct and complete health details are captured and considered while issuing the policy. There would not be any disconnect at the claim stage related to non-disclosure, incomplete disclosure, etc. Besides, Trivedi said that one could seek the medical reports from the insurer for one's reference and records and use the same for their regular medical check-up routine.

Life insurance policies do provide significant tax saving benefit for up to ₹1.5 lakh under Section 80C of the Income Tax Act. And, as per Section 10(10D) of the Income Tax Act, the sum assured plus any bonus (i.e. the policy proceeds) paid on maturity or on death of the policyholder are entirely tax-free, subject to certain terms and conditions. However, saving taxes should not be your primary motivation for purchasing a term insurance policy. Nonetheless, it is common to buy insurance as a last-minute attempt to save on income taxes. This step taken by many is again a big mistake because when the goal is tax savings, all calculations tend to focus on premium to optimize the tax outgo. The death benefit is paid to the nominee only if the policyholder passes away within the policy term. Unless you select term insurance with return of premiums (TROP plan). Still, there is no maturity benefit paid if the policyholder survives that period. He/she only receives the total premium paid by him/her to the insurer during the policy period. People frequently make the error of choosing a shorter tenure/coverage term to save money on premiums. However, suppose you buy a policy for a shorter period and end up outliving the policy term; in that case, you need to renew your existing term policy or purchase a new one, potentially at higher premium rates.

TOP

This festive season, empower your loved ones with insurance – Financial Express – 1st November 2021

All of us, in theory, would like to be financially secure, and have enough put away to take care of emergencies, and help our families live the lives they have been dreaming of. But in reality, most people are so caught up in the business of daily living that financial planning just gets pushed – to the next weekend, next month, next long holiday or next year.

The recent pandemic brought home the acute need for proper financial planning. This festive season is a good time as any to gift your loved one's life-long security by gifting them an insurance plan.

Insurance: A Gift For Our Times
As the world gently steps out of the pandemic that brought everything to a standstill, there is a greater appreciation of friends and family who have stuck together and helped each other tide over the difficult days. As you go about making your gift list and gifts to buy, you may want to consider gifting insurance to some really special people in your life.

Sure, it is not a typical Diwali gift, but these are not typical times either. It is a gift that truly expresses your love and will last beyond the holidays.

Gifting a loved one life, health, or a term insurance policy is a wonderful way to say you 'CARE' for them and their families. That's right, insurance as gifts say you "CARE: Cherish – Acknowledge – Reward – Engage".

Insurance Says You Cherish The Receiver
This is a great gift for someone who has been putting off buying insurance. With this gift, you can help them get started on this journey of building a safer financial future for their families. It is also a great gift for young children. The funds can be pooled together to gift a policy that the child can later put to use for higher education, world travel, first home, etc. It's a great way to tell your loved ones that you cherish their happiness.

Insurance Says Your Acknowledge Your Loved One's Need To Be Financially Independent
Financial independence is the key to a successful life. Whether it is children, parents, an unemployed wife, or a younger sibling who needs help with financial planning, making them financially independent gives them to power to dream big. By gifting insurance, you are acknowledging their dreams, hopes and ambitions, and empowering them to achieve the same.

You can identify the receiver's insurance requirements and opt for an appropriate policy. Add on riders to customize the insurance policy specifically to the receiver's lifestyle and life stage. Not surprisingly, it makes a great gift for children and even parents. Retirement policies can help your parents live their retired years independently.

Insurance Rewards Financial Discipline
In this era of instant gratification, insurance is a gentle yet sure-shot way of teaching a young child the value of patience and discipline when it comes to finances. This gift gives a child the confidence to dream big, knowing when the time comes, the funds will be in place to help realize his/her ambitions.

On the other hand, if you are gifting this to a young person who has been deferring the purchase of insurance, you will be doing their family a favour by getting them started on the path to disciplined financial planning and enabling them peace of mind in the future.

Insurance Is An Engagement For Life
The entire tradition of gifting is a way to remain in the thoughts of your loved ones when you are not with them physically. You hope they will remember you when they come upon your gift over the years. This is a role that insurance lives up to beautifully. The very nature of this gift will keep you and the receiver engaged for the entire tenure of the policy and beyond. It is a gift that is truly timeless. Plus the policyholder can also avail of tax benefits.

When looking to gift an insurance policy, you can pick from life insurance, health insurance, child endowment policy, retirement policy, term insurance, and so on. As explained earlier, the base policy can have riders added on… but while gifting you must remember, riders add on to the premium.

After gifting an insurance policy, regular premiums must be paid to keep the policy active. Do your bit to remind the receiver to make regular payments and safeguard his family's future. You can be rest assured, the family will appreciate your concern and care for years to come.

As you explore this new gifting idea this festive season, here's wishing you and your loved ones a wonderful Diwali and a great new year ahead!

(The writer is Sunder Natarajan.)

TOP

Know these benefits of a life insurance savings plan to brighten your financial future this Diwali – Financial Express – 1st November 2021

As we steadily shed away the pandemic blues, it's time for us to welcome the brightness into our lives with the season's festivities. Diwali is the time to usher in prosperity and 'bring in new' things. Many of us plan to either purchase or renovate a house, buy a new car, get gifts for loved ones, buy electronic goods, or go on a family vacation during Diwali.

If we reminisce about our childhood days, many of us used to also purchase a 'gullack' or piggy bank and start saving money on this auspicious day. Savings has been an integral part of our culture. And this

Diwali, why not take a step towards securing our financial goals to ensure that we celebrate all our desired milestones with equal pomp and glory. Celebrations can be enjoyed most if you and your family are in the pink of health and wealth.

Individuals have different needs and requirements when it comes to protecting self and family. Mapping your financial milestones and a roadmap to achieve the same becomes essential in light of unforeseen situations. While there are many financial instruments one can choose from, life insurance plans, today, provide flexible and hyper-personalized offerings which allows one to curate a plan providing protection and guaranteed savings.

Curate what works best for you: Many life insurance plans offer the flexibility to choose from several benefit options such as short to long-term income and up-to whole life income (until 100 years of age) catering to your respective life stages. For example, if you want to save money for retirement then you may want to opt for a long-term income option. Evaluate your needs as per your life's different stages and select an option that would most align with your financial goals. This will allow you greater flexibility to choose a policy tenure and premium payment term, while ensuring that you achieve your set goal sans any disruptive life event.

Make sure that your returns are assured: Customize your life insurance plan to fill in your 'gullack' to stay invested for long-term. The financial strain caused by the pandemic on individuals and families has sowed the thought of having a secondary source of income or additional savings to tackle the monetary burden. A life insurance plan offering assured savings will deliver a steady flow of pay throughout your selected benefit pay-out tenure. Such offerings in the life insurance plan will iron the crease of any financial insecurities without impacting your lifestyle standards.

For additional benefits, stay invested: Apart from a steady stream of income, certain life insurance plans also offer accrued loyalty pay-outs. These pay-outs are given on maturity provided you have paid the premiums on time. Some plans also offer accrued loyalty pay-outs on sum assured in case of policyholder's life loss.

Evaluate if you are adequately insured: Planning and understanding your financial needs in advance will help you interpret your risks and requirements better. Opt for a sum assured which will adequately fulfil your future financial needs. You can also enhance your coverage with various riders such as surgical care, hospital care, critical illness rider, waiver of premium rider etc. Such riders will allow you to personalize your plans and offer comprehensive coverage.

So, this Diwali, identify your current and future financial goals, and make a smart choice. Start early savings and enjoy the benefits provided by new-age life insurance plans designed to suit your new-age financial needs.

(The writer is Anil Kumar Singh.)

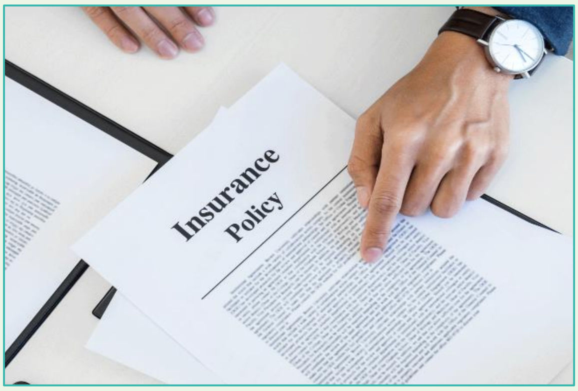
TOP

Term insurance premium set to rise up to 40 percent from December 2021 – India TV – 1ST November 2021

Term insurance policy premiums are set to hike anywhere between 25 percent to 40 percent as reinsurers tightened underwriting norms in the wake of the Covid-19 pandemic. The extent of the premium hike will, however, vary from one insurer to another. The new rates will come into effect from December. Covid-19 death claims in Q1 were higher than the cumulative claims in the entire FY21. As per the report, post pandemic's second wave, Life insurers have so far shelled out Rs 11,060.5 crore to settle Covid-related death claims. As of October 21, life insurers settled a little over 130,000 Covid-19-related death claims. About 140,000 Covid-related claims have been made so far, amounting to Rs 12,948.98 crore, of which 93.57 percent by volume and 85.42 percent by value were settled, a Business Standard report stated.

TOP

How to cancel life insurance policy during free-look period and get a refund – The Economic Times – 29th October 2021



After purchasing a life insurance policy what if you realise that it is not the right cover for your needs? If you end up with the wrong insurance policy, then you can utilise the free-look period offered on life insurance policies to cancel your policy and get the refund.

Here is the process of how to cancel an insurance policy during the free-look period and get a refund.

Cancellation allowed only for new policies
The option to cancel a life insurance or health insurance policy is available during the initial few days after the policy has been bought. "The policy can be cancelled anytime within 15 days and 30 days in case of electronic policies and policies sourced through distance mode," says Indraneel Chatterjee, Co-Founder, Renew Buy, an insurance brokerage firm.

You can use the free-look period to get more clarity regarding the new insurance policy you have just purchased. "During the free look period, the insured has the liberty to continue asking questions to the insurer, in case the former is not clear on the benefits mentions or want a better understanding of the policy," says Chatterjee.

If you get the required clarity and are satisfied, then you may continue else you can exercise the cancellation option during this period. "During this time period, policyholders have the leeway of re-assessing the plan and cancelling it if they are unhappy with the plan for any reason. If the terms and conditions stipulated in the plan do not meet the policyholder's expectations, he/she can cancel or return it for refund of premium paid, subject to certain deductions," says Vivek Narain, Co-founder & Promoter, SANA Health Solutions, a health insurance brokerage firm.

When the free look option doesn't work
There are certain scenarios where the free-look option may not work. "The freelook period is only applicable if the policy is freshly issued as the freelook period is not available during policy renewal. Also, the insurance companies provide a freelook facility only when the policyholder hasn't made any claim during the 1st 15-30 days of the policy," says Naval Goel, Founder & CEO, PolicyX.com an insurance web aggregator.

How to cancel the policy: Online vs offline
The free-look period varies from insurer to insurer, so do check your policy documents to find out the duration of the free-look of your particular policy. The cancellation process can be done either online or offline.

"The cancellation and refund can be applied for either online or offline. In the online process, a policyholder can send an email to the customer care id given by the insurance company and the request will taken up from there. For the offline route, the policyholder can visit the branch of the insurance company to put in the request for the cancellation," says Goel.

For online cancellation you will need to visit the insurer's website and fill the form online. If your insurance company allows (you can check their website or ask the customer service) you may also initiate the process by sending an email to customer service.

To cancel the policy offline, one can do it through their advisor or visit the nearest insurance company branch. A cancellation request will need to be submitted in written format. "The written document can also be submitted by downloading online form from the insurer's official website or availed through the customer care number. It is also very important for the insurer to inform about the starting date of the policy, to initiate the policy cancelation or alteration during the free look period," says Chatterjee.

The process of cancellation during the free-look period entails some questioning so that the insurance company can make a last attempt to address your grievances or get a detailed customer feedback. "Once the policyholder intimates the request for policy cancellation during the Free Look Period, the health insurance service or life insurance service provider asks for the reason for cancellation, policy-related contract, and other requisite documentation," says Goel.

You will need to provide certain documents while applying for cancellation of your policy. "The insured must submit a written document to the insurer which needs to be furnished with information like- the date on which the policy document was received, information of the insurance advisor who helped in buying the policy, the reason for cancelation, bank account details for refund," says Chatterjee. Do keep in mind that though you may have an advisor or broker to help you during the free-look period, to ensure quick refund you can deal directly with the insurance company. "It is advisable to apply for cancellation of policy directly with the insurance company since the time period is limited (minimum 15 days post receipt of policy copy)," says Narain.

What is refunded to the policyholder?
Once the refund application process is completed and approved by the insurer, the refund premium is calculated after deducting certain elements. "The insurer may deduct a pro-rata amount of premium towards risk covered for the number of days that the policy was in force. In case a cashless medical test was conducted at the time of application, the insurer could reduce the cost incurred for the tests and refund the balance. Stamp Duty charges (as applicable) may also be subtracted from the refundable amount," says Narain.

When it comes to unit-linked insurance plans (ULIPs) the net refund amount will depend upon market conditions. "In the case of unit-linked insurance policies, the units allotted will be repurchased by the insurer at the net asset value on the day your policy gets cancelled," says Goel. So, if the market has gone up during this period you may get additional amount and if the opposite happens you may end up with a lower refund amount.

How long will it take for you to get the refund?
The time taken to get the refund may depend upon the mode of application -- online application can be quicker. "It may take 7-10 working days for both health insurance plan and life insurance plan. However, the duration may increase a little in case of any challenge," says Goel.

(The Writer is Naveen Kumar.)

TOP

HEALTH INSURANCE

More patients going to hospitals, making insurance claims for heart issues since lockdowns – The Print – 2nd November 2021

The number of patients seeking treatment for cardiovascular issues in India has seen a drastic increase in the last few months, doctors and medical insurance companies have told The Print.

Cardiologists said there has been a greater footfall in patients seeking treatment for heart-related ailments, while the insurance companies said the number of claims specific to cardiovascular diseases has also “doubled”.

"OPDs have been teeming with patients. In both the private and public institutes, the patient numbers have come up… Post-Covid, the numbers have tripled," said Dr Prafulla Kerkar, professor emeritus at KEM Hospital in Mumbai and consultant at the Asian Heart Institute.

Experts say there's a wide range of reasons behind this trend — from patients returning for treatment as the Covid situation inches towards normalcy, to a change in lifestyles.

However, the visible increase in the number of patients seeking treatment for cardiovascular issues doesn't necessarily mean an increase in the incidence of cardiovascular issues, doctors said.

According to the Global Burden of Disease study, 24.8 per cent of all deaths in India take place due to cardiovascular diseases. Data from Niva Bupa Health Insurance showed that claims for Covid-related ailments dipped drastically between April and September 2021 — to 2 per cent of all claims from 44 per cent.

The number of claims for infectious diseases increased to 21 per cent in September from 5 per cent in April. For cardiovascular issues, the proportion of claims went from 4 per cent in April up to 8 per cent in June and down again to 6 per cent in September. Dr Bhabatosh Mishra, director (product, underwriting & claims) of Niva Bupa Health Insurance, told The Print that in absolute terms, the number of claims received in September was double what was received in April. "So far, we have settled around 2,500 cashless claim requests for cardiovascular ailments since April this year," he said.

Nikhil Apte, chief product officer, product factory (health insurance) at Royal Sundaram General Insurance, told The Print that "heart cases are now significantly on the rise". "In our hospital claims, when we talk to our patients, there is also an increasing trend of mental health issues such as anxiety. Although this doesn't lead to hospitalisation, we are definitely seeing that more customers are seeking help from psychiatrists. There has been an increase in mental health issues due to lockdown etc., and this is also partly leading to higher heart claims," Apte said.

Kapil Mehta, co-founder of Secure Now Insurance Broker, confirmed that the industry was seeing an increase in demand for claims for cardiovascular issues. "But this is not just an insurance trend. Across the country, the incidence of cardiovascular diseases is increasing," he said. Mehta pointed out that in the short term, it's the impact of long-Covid that "appears to be material", while "in the medium term, diagnosis has increased as people are getting tested more often and also more aware of the disease".

"In the long term, the lifestyle issues continue unabated. Covid worsened this as exercise came down for many," he added.

Why footfall has increased

"The number of people seeking heart care has increased. This is because in the last 1.5 years, people stopped visiting doctors and hospitals," Bengaluru-based cardiologist Dr Devi Shetty told The Print. "In the process, most of the early heart disease and early cancer (cases) have become advanced disease with poor long-term results."

Dr Ambuj Roy, professor of cardiology at AIIMS New Delhi, concurred. "A lot of it is because of a backlog… Several institutions were closed down for elective procedures. Even for public sector hospitals, and AIIMS, elective operation theatres were closed for a long period of time and have just gotten back to working," Roy said.

Beyond the backlog, however, a host of other issues could have also led to the increase in cases. Padma Shri awardee cardiologist Dr Upendra Kaul cited "sedentary life, the increase in the incidence of diabetes, high BP, obesity, lack of exercise, fast foods and stress at work and at home".

Mumbai-based Dr Kerkar gave an example of how a change in lifestyle had become a tipping point. "I met up with a couple — husband and wife had come together. The husband was the patient and had gained a good 10 kg. Neither had ventured out of their house. The long Covid problem is existent, I agree," he said. But he added that "the numbers are not huge".

According to Kerkar, those who were earlier seeking treatment through teleconsultation have also started to come in. "There was also misdiagnosis in some kinds of cases. There was one case in which the patient went from pillar to post suffering from breathlessness… The investigation became a CT scan as they were trying to pick up Covid-related problems. Then they noticed that the heart is big, so the cardiologist got involved, then we diagnosed the problem," he said.

'Sufficient infrastructure to cope'

However, despite the increase in patients, doctors say hospitals are likely to cope with the extra pressure. "We have the infrastructure from before (Covid). I wouldn't say it is overwhelmed. The Covid burden is at a bare minimum, and we're back with full staff," Dr Kerkar said.

Dr Shetty also agreed. "Fortunately, healthcare infrastructure available in the country is managing well with the current (Covid) numbers. We hope and pray that there will not be a large-scale third wave… This isn't likely, but we need to keep our fingers crossed and stay well-prepared," he said. According to Dr Kaul, however, hospitals in major cities are likely to face issues if procedures like angioplasty are immediately required.

"If patients with acute heart attacks come, their treatment will need to be individualised. It is an issue which can be handled with joint operations from hospitals, government and administrators, insurance companies and several voluntary bodies," he said.

(The writer is Angana Chakrabarti.)

TOP

Govt can leverage Ayushman Bharat infra to expand coverage: Niti Aayog – Live Mint – 30th October 2021

The government can expand Ayushman Bharat Pradhan Mantri Jan Arogya Yojana (AB-PMJAY) coverage to the poorest segments of the missing middle population, and leverage the scheme's infrastructure to offer a voluntary contributory enrolment, NITI Aayog, government's policy think tank has recommended in a report released on Friday.

The report titled "Health Insurance for India's Missing Middle", brought out the gaps in the health insurance coverage across the Indian population and offers solutions to address the situation. The report highlights the need for designing a low-cost comprehensive health insurance product for the missing middle. It primarily recognizes the policy issue of low financial protection for health for the missing middle segment and highlights health insurance as a potential pathway in addressing that. In doing so, the report offers a starting point for broader discussions on solutions, and specific products, to improve insurance coverage for the missing middle.

The report noted that low government expenditure on health has constrained the capacity and quality of healthcare services in the public sector. It diverts the majority of individuals—about two-thirds—to seek treatment in the costlier private sector. However, low financial protection leads to high out-of-pocket expenditure (OOPE). India's population is vulnerable to catastrophic spending, and impoverishment from expensive trips to hospitals and other health facilities. At least 30% of the population, or 400 million individuals—called the missing middle in this report—are devoid of any financial protection for health, the report said.

“The government can play several different roles—which facilitates and complements the expansion of the private voluntary market—to increase the uptake of health insurance and address some of the outlined challenges," the report said. AB-PMJAY, launched in September 2018, and state government extension schemes, provide comprehensive hospitalization cover to the bottom 50% of the population—around 700 million individuals. Around 20% of the population—250 million individuals—are covered through social health insurance, and private voluntary health insurance. The remaining 30% of the population is devoid of health insurance. The missing middle predominantly constitutes the self-employed (agriculture and non-agriculture) informal sector in rural areas, and a broad array of occupations—informal, semi-formal, and formal—in urban areas, the report noted.

The government can provide its data and infrastructure as a public good to reduce operational and distribution costs of insurers. For example, it can share government data (after taking consent) which aids identification and outreach to customers. It can also offer PMJAY's IT platform and network to reduce operational costs. “Finally, and most directly, the government can partially finance or provide health insurance. It can expand PMJAY coverage to the poorest segments of the missing middle population, and/or leverage national health authority's (NHA) PMJAY infrastructure to offer a voluntary contributory enrolment," the report said.

A combination of implementation pathways—starting with commercial insurers and progressing to leveraging government risk-pooling schemes for voluntary insurance—phased in at different times, will ensure coverage for the missing middle population, it said. This report recommended that the initial thrust and focus should be on expanding private voluntary contributory insurance through commercial insurers. The indicative product outlined in this report, can be scaled—through greater consumer awareness and focus on group enrolments—to build a large and diversified risk pool at low premiums.

The report noted that the catastrophic effect of healthcare spending is not limited to the poor—it impacts all segments of the population. Prepayment through health insurance emerges as an important tool for risk-pooling and safeguarding against catastrophic (and often impoverishing) expenditure from health shocks. Finally, prepaid pooled funds can also improve the efficiency of healthcare provision, it noted.

“Most health insurance schemes and products in the Indian market are not designed for the missing middle. Private voluntary health insurance is designed for high-income groups—it costs at least two to three times the affordable level for the missing middle," the report said. The report further said that in the medium term, once the supply-side and utilization of PMJAY and ESIC is strengthened, their infrastructure can be leveraged to allow voluntary contributions to a PMJAY-plus product offered by NHA, or to ESIC's existing medical benefits.

The participation of NHA and ESIC will increase competition in the contributory voluntary insurance market, reducing premiums, and improving quality of care provided. In the long-term, once the low-cost, voluntary contributory health insurance market is developed, expansion of PMJAY to the remaining uncovered, poorer segments of the missing middle can be considered, it said. “Private sector ingenuity and efficiency is required to reach the missing middle and offer compelling products. The government has an important role to play in increasing consumer awareness and confidence, modifying regulation for standardized product and consumer protection, and potentially offering a platform to improve operational efficiency," said Dr V.K. Paul Niti Aayog member.

(The writer is Neetu Chandra Sharma.)

TOP

Over 40cr Indians don't have any financial cover for health expenses: Niti - The Times of India – 30th October 2021

At least 30 percent of India's population - 40 crore individuals - is still devoid of any financial protection through health insurance even as its coverage has increased substantially over the past few years with the launch of the government's Ayushman Bharat scheme for 'deprived' families, a new report by Niti Aayog says.

It underlines the need for a low-cost comprehensive insurance product designed for the "missing middle" that is presently neither covered by private sector schemes or under state or central schemes even though it has the ability to pay nominal premiums.

"Private voluntary health insurance is designed for high-income groups - it costs at least two to three times the affordable level for the missing middle. Affordable contributory products such as ESIC, and government subsidised insurance, including PMJAY are closed products. They are not available to the general population due to the risk of adverse selection," the report 'Health Insurance for India's Missing Middle' says.

The 'missing middle', positioned between the poorer sections and the relatively well-off organised sector, predominantly constitutes the self-employed (agriculture and non-agriculture) informal sector in rural areas and a broad array of occupations - informal, semi-formal and formal - in urban areas. The government think-tank suggests the private as well as the public sector to build a modified, standardised product to cover all disease treatments at the earliest as well as out-patient benefits. It also recommends extending PMJAY and ESIC services to this uncovered segment through subsidised coverage at low premiums.

"In the short term, the focus should be on expanding private voluntary insurance through commercial insurers. In the medium term, once the supply-side and utilization of PMJAY and ESIC is strengthened, their infrastructure can be leveraged to allow voluntary contributory health insurance market is developed, expansion of PMJAY to the uncovered poorer segments of the missing middle should be considered," the report says.

Participation of the National Health Authority that monitor implementation of PMJAY, and ESIC will also increase competition in the contributory voluntary insurance market, reducing premiums and improving quality of care provided, the report says.

(The writer is Sushmi Dey.)

TOP

CROP INSURANCE

Agri commissioner asks insurance firms to pay up – The Indian Express – 3rd November 2021

Maharashtra's Agriculture Commissioner Dheeraj Kumar has issued notices to insurance companies over their failure to pay compensation amount to lakhs of farmers who have registered crop loss claims. So far this year, state farmers have registered claims of Rs 800 crore worth of crop loss due to heavy rain in September-October, while claims amounting to nearly Rs 1,000 crore from last year are still pending.

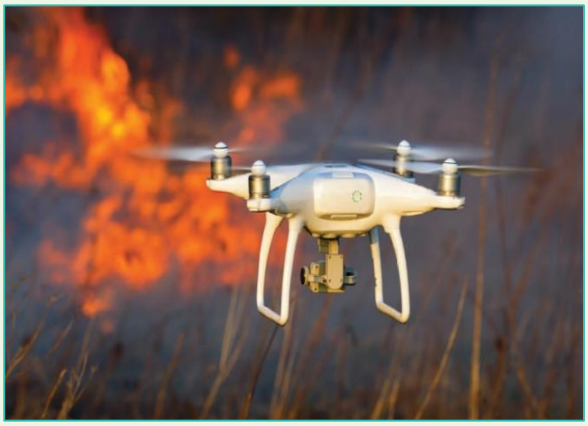
One of the conditions for payment of compensation under the Pradhan Mantri Fasal Bima Yojana (PMFBY) is the release of the premium amount by both central and state governments. This year, both central and state governments have already released their share but insurance companies are yet to pay farmers compensation for the crop loss reported by them due to heavy rain earlier in the season. Nearly 26 lakh farmers in Maharashtra have filed claims for crop loss during kharif season. Meanwhile, various technical issues have been cited as reasons for why farmers have failed to get the insurance amount for crop loss sustained last year. According to Agriculture Department officials, insurance companies said proper filing of claims was delayed last year, with many farmers not filing the same either online or offline. Another reason why companies failed to pay compensation was the lack of proper surveys of crop loss.

Surveys of crop loss last year were conducted by the Disaster Response Force, whose parameters are different than those of insurance companies. Farmer organisationa have already moved the Bombay High Court to challenge this decision and have asked for payment of dues. The state Agriculture Commissioner is now pressuring companies to release payment for this year's crop losses as both the central and state governments have released their premium amounts. However, the companies are yet to finalise their surveys, which has delayed the payment schedule. The state Agriculture Department has asked the companies to speed up the payment process to help out farmers in distress. Last year, the state had seen collection of Rs 4,903.76 crore in premium amount, of which till date Rs 54.19 crore have been paid as compensation. Meanwhile, PMFBY has come under criticism from farmers' groups, which say the scheme helps insurance companies more than it helps agriculturists.

(The writer is Parthasarathi Biswas.)

TOP

Drones may be deployed to expedite crop insurance claim settlements – The Hindu – 2nd November 2021



Agriculture Insurance Company (AIC) of India Limited, the public sector organisation engaged in providing insurance cover for various crops, is in discussions with various commodity boards for exclusive crop-specific insurance schemes.

A senior official of the Agriculture Insurance Company said that one of the goals of the company was to speed up settlement of insurance claims by farmers and the company was exploring new technology, including deployment of drones, coupled with conventional claim assessment methods for speedy settlements.

This would also enhance the accuracy of granular level claim assessment even in calamity-like situations where human intervention may not be possible.

Though there were around 20 lakh farmers in Kerala, only about one lakh came under crop insurance cover. The massive gap in insurance coverage was mostly because Kerala had more plantation crops like coconut, rubber, cardamom, coffee and tea that were not covered under insurance. At the same time, there was a big need for insurance cover for plantation crops due to the ever-changing climatic conditions, the official added.

The official also said a scheme for cardamom would be launched shortly in association with the Spices Board. Likewise, a scheme was being devised for rubber plantations in consultation with the Rubber Board. The public sector crop insurance company was waiting for Rubber Board's confirmation for the implementation of the scheme.

AIC of India Limited was constituted in December 2002 to cater for the crop insurance requirements of the country. The General Insurance Corporation of India, National Bank for Agriculture And Rural Development, National Insurance Company Limited, The New Indian Assurance Company, The Oriental Insurance Company and United India Insurance company are shareholders in the AIC.

"Technology integration in crop insurance is promoted strongly by the Union government and it is of great significance for the success of crop insurance," the official added. There are around 5.5 crore farmers who have taken crop insurance cover across the country, and around 3 crore of these farmers are served by AIC.

(The writer is K. A. Martin.)

TOP

60% fall in crop insurance claims from previous year – The Pioneer – 1st November 2021

The Ministry of Agriculture's data shows there has been more than 60 per cent decline in the crop insurance claims of farmers at Rs 9,570 crore under the Pradhan Mantri Fasal Bima Yojana (PMFBY) for the 2020-21 crop year from the previous year as there were no major crop losses. And much of the insurance claims reported for 2020-21 and 2019-20 crop years have been cleared by the government. PMFBY claims stood at Rs 27,398 crore in the 2019-20 crop year (July-June). According to provisional data of 19 States (excluding Karnataka), there is over 10% fall in enrolment of farmers under crop insurance during Kharif 2021 from last season's 1.68 crore.

PMFBY was launched in 2016-17 with many improvements over the erstwhile crop insurance schemes. The operational guidelines of the scheme were revised with effect from Rabi 2018 and kharif 2020, respectively, to ensure the benefits reached farmers adequate and timely. According to the data, about 445 lakh hectares of farm land was insured by 612 lakh farmers under the PMFBY with a total sum insured amount of Rs 1,93,767 crore during 2020-21. However, total claims reported were of Rs 9,570 crore for 2020-21. Out of which, claims reported from the Kharif season were Rs 6,779 crore, while from Rabi season Rs 2,792 crore.

"The claims at Rs 9,570 crore for 2020-21 were significantly lower as there were no major losses unlike previous year," officials said. Maximum crop insurance claims were reported from Rajasthan at Rs 3,602 crore, followed by Maharashtra at Rs 1,232 crore and Haryana at Rs 1,112.8 crore during 2020-21.

During the 2019-20 crop year, about 501 lakh hectare was insured by 613 lakh farmers under the PMFBY with a total sum of Rs 2,19,226 crore. The claims reported from Kharif season remained higher at Rs 21,496 crore, while from Rabi season at Rs 5,902 crore of the 2019-20 crop year.

Maximum crop insurance claims were reported from Maharashtra at Rs 6,757 crore, followed by Madhya Pradesh at Rs 5,992 crore and Rajasthan at Rs 4,921 crore during 2020-21. Officials said the crop insurance claims of farmers for 2019-20 has almost been cleared. The outstanding claims of Rs 1,200 crore will be cleared soon.

About Rs 6,845 crore crop insurance claims of farmers for 2020-21 has also been cleared, officials added. Already, Gujarat, Andhra Pradesh, Telangana, Jharkhand, West Bengal and Bihar exited the scheme, citing the cost of the premium subsidy to be borne by them. While Punjab never implemented the crop insurance scheme, Bihar, West Bengal and Andhra Pradesh have their schemes under which farmers do not pay any premium, but they receive a fixed amount of compensation in case of crop failure.

TOP

PENSION

Customers can now subscribe to Atal Pension Yojana via Aadhaar eKYC: PFRDA – The Hindu – 31 October 2021

Besides, the PFRDA said there will be Aadhaar seeding of all the APY accounts.

To expand its subscriber base and simplify the on-boarding process further, pension fund regulator PFRDA has now allowed Aadhaar eKYC as an additional option to add customers under its flagship pension scheme Atal Pension Yojana.

The Pension Fund Regulatory and Development Authority (PFRDA) is allowing enrollment of subscribers through physical, net banking and other digital modes, at present.

"Now in order to further increase the outreach and simplify the process of subscription, CRA (Central Recordkeeping agency) would be providing digital on-boarding based through Aadhaar eKYC as an additional option. These processes are paperless," the PFRDA said in a notification.

Post opening of an APY account, the subsequent servicing of the subscribers would be offered by the respective APY-SP (Atal Pension Yojana-Service Provider).

Besides, the PFRDA said there will be Aadhaar seeding of all the APY accounts. For this, the CRA will be providing a functionality for facilitating the Aadhaar seeding of the existing APY subscribers through the proper consent mechanism.

However, APY-SPs can also collect the Aadhaar details from subscribers after taking their consent which would then be shared with CRA for seeding.

"All APY-SP banks are encouraged to provide e-APY link in their respective corporate website for the benefit of their customers and facilitate them with ease of on-boarding.

"CRA is advised to engage with all APY-SPs for system level integration so as to provide the functionality e-KYC based APY on-boarding and consent framework for Aadhaar seeding at the earliest," the PFRDA said.

The government introduced Atal Pension Yojana (APY) on June 1, 2015, to provide social security to workers mainly in the unorganised sector. It aims to create a Universal Social Security system for all Indians, especially the under-privileged and workers with limited means.

The PFRDA is the administrator of APY under its administrative and institutional architecture of the NPS (National Pension System). Usage of Aadhaar as identity document, for delivery of services or benefits under APY simplifies government's delivery processes in a transparent and efficient manner.

The numbers of subscribers under APY stood at 304.51 lakh as of August 31, 2021, the PFRDA data showed.

TOP

GLOBAL NEWS

Bangladesh: New insurance products in the pipeline to protect bond holders and securities investors – Asia Insurance Review

The Insurance Development and Regulatory Authority (IDRA) has crafted a bond insurance product as a financial tool to attract bonds to the capital market. Currently, only two bonds are being traded on Dhaka Stock Exchange.

Bond insurance generally covers the repayment of the principal and all associated interest payments to bondholders in the event of default by the bond issuer. In this particular instance, the insurance coverage is only against any default on the payment of interest on bonds.

The principal amount will be outside the risk coverage, reported The Financial Express. A person with direct knowledge of the matter told the newspaper, "Actually, the principal is a big amount and getting reinsurance for such an amount is challenging."

The IDRA has sent the product to the Bangladesh Securities and Exchange Commission (BSEC) for endorsement.

Securities investor protection insurance
Separately, moves are underway to design insurance products to cover stock investors' losses that may arise should stockbroking firms fail or default, sources say.

The Dhaka Stock Exchange (DSE) has met IRDA on the matter recently. A committee has also been formed to design such an insurance plan. Currently, the DSE and the Chittagong Stock Exchange (CSE) have an investor protection fund. It is applied if the broker becomes insolvent or winds up. But the fund is small in size.

[***TOP***]

Reinsurance: Outlook remains negative as returns fall short, per S&P Global Ratings - Asia Insurance Review

The global reinsurance sector has generated weak underwriting results in the past four years (2017-2020), and 2021 is shaping up to be another below-par year, says S&P Global Ratings (S&P).

The industry continues to suffer from higher-frequency and -severity natural catastrophe losses, fuelled by rapid urbanization and climate change.

In addition, this year is likely to be the fifth in a row in which the top 21 global reinsurers rated by S&P exhaust their annual natural catastrophe budgets. The COVID-19 pandemic has further worsened industry losses, especially among these top reinsurers. Overall, this cohort of reinsurers generated more than 70% of the global net reinsurance premiums written in 2020.

Capital
Despite the elevated losses, the industry's capital adequacy has been robust and remains redundant at the 'AA' confidence level, aided by capital raises and financial markets' recovery, says S&P. However, the

industry still faces secular challenges and competitive market dynamics, remaining fragmented as it battles the commoditization of its business. Once a competitive advantage, capital now is viewed as a relatively cheap commodity because of the influx to the sector from nontraditional sources, sustained by dovish monetary policies.

Still, reinsurers have struggled to earn their cost of capital (COC), and 2022 could follow the same trend. As a result, S&P says it maintains its negative outlook on the global reinsurance sector. “This outlook reflects our expectations of credit trends over the next 12 months, including the distribution of rating outlooks, existing sector-wide risks, and emerging risks. As of 25 October 2021, 29% of ratings on the top 21 global reinsurers were assigned negative outlooks, 62% were assigned stable outlooks, and 9% were assigned positive outlooks,” said the global credit rating agency.

Countermeasures
Many reinsurers have adopted a hybrid model, writing both reinsurance and specialty insurance to hedge against the challenges of the reinsurance sector. Indeed, an increasing number of the top 21 global reinsurers are expanding their insurance more than their reinsurance business, taking advantage of better pricing on the primary commercial side while aiming to reduce volatility.

S&P believes reinsurance pricing momentum will firmly support premium rate increases during 2022 renewals, given the sector's recent underperformance, although the pace of rate increases may slow, in part due to ample capacity. While capital is not in short supply, reinsurers overall have shown discipline in capacity deployment so far, leveraging their alternative capital vehicles to manage their peak natural catastrophe zone exposures.

Reinsurers also continue to push for higher premium rates wherever they can take them in property/casualty (P&C) lines, with terms and conditions remaining in sharp focus, especially for the exclusion of pandemic and silent cyber coverage.

However, reinsurers are only price-takers in this insurance cycle, since this time the primary market is leading pricing dynamics. While the recovery of economic and social activity has generated optimism, reinsurers remain cautious about reserve adequacy in view of casualty loss trends for business written during the recent soft cycle, as well as given inflationary pressures, potential COVID-19 loss developments, climate change, and the risks of investing in uncertain times.

Navigating uncharted waters
Reinsurers are navigating uncharted waters with uncertainty galore on both sides of the balance sheet. While reinsurers are price-takers in this insurance cycle, the winners will be those that combine underwriting discipline with innovative risk solutions while enhancing their value proposition to cedents and insureds. S&P said, “Our negative outlook could improve if we come to believe the sector may earn its COC, but we don't expect this will happen before 2022, at the earliest.”

The top 21 global reinsurers referred to are Alleghany, Arch, Ascot, Aspen, AXIS, China Re, Everest Re, Fairfax, Fidelis, Hannover Re, Hiscox, Lancashire, Lloyd’s, Markel, Munich Re, PartnerRe, Qatar Insurance, RenaissanceRe, SCOR, Sirius, and Swiss Re.

TOP

Reinsurance: Fitch estimates double-digit increases in premium rates in 2022 - Asia Insurance Review

Fitch Ratings has said that it expects double-digit percentage premium rate rises for property catastrophe cover in 2022 due to excess losses in 2021 and the prospect of higher natural catastrophe claims frequency and severity in future.

This would make 2022 the fifth successive year of price rises. The price increases should help to bolster the sector’s underwriting profitability as they gradually feed into reinsurers’ underwriting margins.

Fitch has previously also cited rising prices as a key reason for its view that the sector outlook was improving for 2022. Prospects of a strong economic recovery and lower pandemic-related losses were also key.

In a report last month, Fitch noted that several reinsurers had said at September's Monte Carlo Rendez-Vous and October's Baden-Baden Reinsurance Meeting that they expected further price rises in January renewals. This is largely due to increasing natural catastrophe claims linked to climate change.

2021

Fitch expects 2021 to become one of the five most costly years this century for global reinsurers. Severe floods in central Europe in July and Hurricane Ida in the US in late August and early September will, together, have caused insured losses of more than $40bn. Globally, there were about $40bn insured losses in 1H2021. The global total for 2021 will also reflect several smaller catastrophe events in 2H2021, including a series of wildfires, and will exceed the amount that reinsurers had budgeted for. Reinsurers have shown discipline in prioritizing pricing for increased risk rather than seeking to undercut competitors to gain market share. The growth of catastrophe bonds to pass risk directly to investors could also become an important factor to mitigate the sector's exposure to climate change risk in the coming years.

TOP

China: Govt releases draft rules for online healthcare sector - Asia Insurance Review

The National Health Commission (NHC) released draft rules last week that have deepened concerns about restrictions on the growth potential of online healthcare sector, reported Bloomberg. The draft rules, released to solicit public feedback, clarify several issues, including a ban on online medical consultations for initial diagnosis.

The document, titled "Rules on the Regulation of Online Medical Consultation (Draft for Comments)", states that physicians are required to authenticate their real identity before providing consultations to ensure that such online consultations are provided by the said doctor. Artificial intelligence software should not be used as a substitute, the exposure draft says. Also, local governments must publish a list of approved providers to improve supervision. Furthermore, all online appointments must be recorded and stored for at least 15 years.

Commenting on the proposed new rules, Tencent-backed WeDoctor says in a statement that regulatory policies for Internet healthcare services are becoming more transparent and standardized. It adds that companies providing actual medical services with a sound regulatory compliance system are expected to benefit the most from the tighter regulation.

Companies operating in this arena include Alibaba Health and Ping an Good Doctor. The latter is a Hong Kong-listed subsidiary of the insurance giant Ping An,

According to the NHC, as of 30 June 2021, the number of Internet hospitals in China exceeded 1,600. An Internet hospital is a provider of online medical services such as online consultations. The first Internet hospital in China was established in 2015 in Zhejiang province by digital medical service platform WeDoctor. In July 2019, the National Healthcare Security Administration said that online medical services would be covered by the country's medical insurance system.

TOP

Asia: Insurance price increases continue to moderate in 3rd quarter - Asia Insurance Review

Commercial insurance prices in Asia rose by 6% year on year in the third quarter of 2021, according to a report by Marsh, the world's leading insurance broker and risk advisor.

The report shows the third quarter pricing changes in several Asian markets to be as follows:

Market	Composite	Property	Casualty	Financial & professional lines
China	1%	0%	-3%	13%
Hong Kong	4%	7%	-2%	13%
India	0%	0%	0%	0%
Indonesia	2%	1%	5%	23%
Japan	5%	5%	4%	6%
South Korea	6%	8%	2%	1%
Singapore	12%	9%	3%	33%
Malaysia	7%	4%	0%	16%
Philippines	22%	24%	8%	14%
Taiwan	0%	0%	0%	5%
Thailand	14%	10%	0%	33%
Vietnam	0%	0%	0%	9%
Asia	6%	5%	1%	17%
Global	15%	9%	6%	32%
Source: "Global Insurance Market Index Q3 2021" report				

Property insurance pricing across Asia rose by 5% in the third quarter, the 12th consecutive quarter of increases. Capacity remained available; local markets were major contributors as elements of competition returned, focused on loss-free clients in low hazard industries. There has been a continued slowdown in pricing compared to previous quarters, a trend expected to continue into 2022, barring any major loss activity. Challenges remained for clients in high hazard industries, CAT zones, and those with poor loss histories.

Casualty insurance pricing increased by 1%, remaining relatively flat, as it has for three years. Large losses and claims activity drove insurer behavior; risk selection was more pronounced than previously. Sufficient capacity remained in the region, although challenges existed in product recall and products liability. Financial and professional lines pricing rose by 17%, the 10th consecutive quarter of increase.

Insurers focused on risk selection, driven by global underwriting guidelines and overall appetite. Asia continues to be a fragmented marketplace, with differentiated pricing between clients and with countries where pricing movements are not aligned. Cyber insurance remained challenging, and faced considerable pressure on pricing and deductibles at the same time there was a marked reduction in capacity and a narrowing of key coverages. Significant ransom ware losses were the key driver.

Insurers remained selective on US-listed D&O liability, with rate increases ranging from 50% to 100% depending on the industry, client profile, and claims history. Insurer appetite varied for financial institution (FI) clients; larger risks generally experienced the highest rise in pricing even as they increased retentions.

Globally, increases were again seen across all geographies and most major product lines in the third quarter. Regionally, composite pricing increases for the third quarter were as follows:
Asia: 6%
Pacific: 17%
US: 14%
UK: 27%
Continental Europe: 10%
Latin America and the Caribbean: 2%.

TOP

Thailand: Survey unveils insurance preferences for mental illness coverage - Asia Insurance Review

Swiss Re Institute has found several clear preferences for insurance protection in Thailand that can support insurers in developing new mental health covers. The most important mental health problems for which respondents want coverage are major depressive disorders, anxiety disorders and bipolar disorders.

Most respondents would welcome early intervention from their insurer should they develop symptoms. More than a third (37%) would like insurance support to maintain good health in general, and 31% would like help when displaying mild symptoms.

The key areas for insurer support are mental wellness counselling, medical and hospitalization support, and rehabilitation. They also expect additional services such as free mental health check-ups and diagnosis, specialist consultations and round-the-clock hotline assistance. More than 40% of parents are interested in additional services for children such as counselling, medication and hospitalisation support, and therapy.

Type of cover
Most respondents, particularly younger ages and the working population, express interest in a top-up mental health insurance cover as an add-on to their existing critical illness or medical insurance policy. Participants from our qualitative discussions indicate willingness to pay an additional THB1, 500 ($45)–THB2, 000 per month for the add-on. Most respondents are price insensitive when considering purchasing add-on cover for mental illness.

Almost half (44%) of respondents indicate a preference for insurance to provide reimbursement for the costs of treatment they incur.

Digital delivery of insurance has gained importance in the context of COVID-19. The survey indicates evidence in favor of digital pathways: 55% of respondents are likely to seek information about mental health cover from insurance company websites, while 50% are willing to buy directly from insurance websites without a broker. Digital also offers a new avenue for seeking help: 62% show preference for remote counselling via instant messaging, telephone or chatbots. While the mental health insurance market is still in its nascent stages, insurers have an opportunity to customize solutions based on customer needs and preferences.

The report covering Thailand is based on a survey and interviews conducted from March to May 2021. Respondents were aged from 18 to 64, from mid- to high- income households with a minimum cut-off income of THB 20 000. Total sample size was 1,000. Swiss Re Institute conducted a research series on mental wellbeing since 2020, to understand attitudes towards mental health and insurance for adults and children in key markets including Australia, Canada, France, Germany, Japan, Korea, Singapore, Thailand, the UK and the US.

Mental illness conditions

More than three quarters (78%) of respondents to the Swiss Re Institute's survey on mental illness consider their mental wellbeing as important, but only 61% are currently satisfied with their mental wellbeing, says the study.

Most people are aware of psychiatric conditions, and a majority either know someone who has experienced poor mental health (75%) or have suffered with mental illness themselves (53%). Yet only half of sufferers are willing to seek professional help. Respondents cite the high cost of treatment as the core barrier to seeking help, as well as loss of income.

The report also says that Thailand experiences relatively high levels of mental illness, with more than one fifth of the population suffering from one or more conditions at any time. Depressive disorders, anxiety, bipolar disorder and schizophrenia are the most common.

Financial distress and employment worries dominate respondents' reasons for poor mental health. More than half (55%) believe financial pressure is the most serious threat to their mental health, and 45% are so concerned for their job security that it is impacting their mental wellbeing.

COVID-19 has also exacerbated mental health risks for specific population groups: medical personnel have reported higher stress, depression and anxiety levels; expectant and new mothers, who are already vulnerable to mental ill-health such as depression, report heightened isolation and anxiety; and children, adolescents and young adults are increasingly suffering from stress, worry and anxiety.

TOP