भारतीय बीमा संस्थान
INSURANCE INSTITUTE OF INDIA

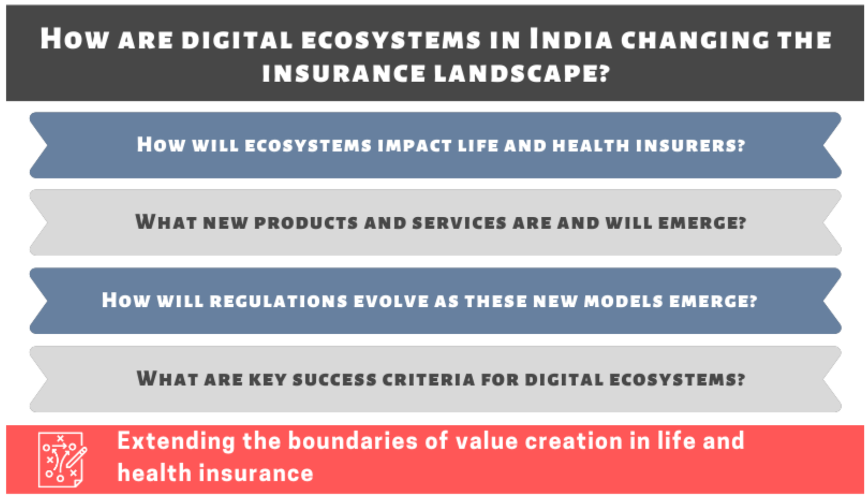
HAPPENINGS AT THE INSTITUTE

June - August 2020

Insurance Institute of India,
Plot No. C-46, ‘G’ Block,
Bandra-Kurla Complex,
Bandra (East),
Mumbai – 400051.

III and TDI Webinar on Digital ecosystems in India: Extending the boundaries of value creation in life and health insurance – 15^{th} July 2020

Insurance Institute of India and The Digital Insurer jointly organized a Webinar on Digital ecosystems in India: Extending the boundaries of value creation in life and health insurance on Wednesday, 15 July 2020 at 4:00 pm IST - 5:30 pm IST.



Welcome and Opening Remarks were given by **Mr. Deepak Godbole**, Secretary General, Insurance Institute of India. He spoke about Insurance being traditional product and how insurers gives more consideration to the Intermediaries rather than the end customers. Mr. Godbole also stated that now the Indian Insurance sector is transforming and leveraging more on new age technology.

Mr. Simon Phipps, Founder, The Digital Insurer spoke on the topic Ecosystem - Strategic perspective and briefed about new market space emerging in Insurance. He said that the digital tipping point is approaching the Insurers faster and the stakeholders need to accelerate their transformation efforts.

Mr. Hugh Terry, Founder, The Digital Insurer gave Panel Introduction and Session Framework. **Mr. Antony Jacob**, Chief Executive Officer, Apollo spoke on Healthcare and health insurance perspective. He explained the benefits of digital ecosystem in Health Insurance with its working with customer, user access applications and interphase, involved ecosystem parties. **Ms. Archana Vaze**, Assistant Professor, Insurance Institute of India briefed on Health Insurance and regulatory, Healthcare landscape in India and role of Insurance regulations and Development Authority of India. **Mr. Chintan Mehta**, India Ambassador, The Digital Insurer put light on Intermediaries and new entrants perspective on Digital ecosystems in India. **Mr. K.S. Gopalakrishnan**, Industry Advisor spoke on Life Insurance perspectives and the progress of Digital Insurance in many aspects of chains like customer acquisition, marketing, sales process, underwriting, risk assessment and customer service etc.

Mr. Muktesh Chaturvedi, Director, College of Insurance briefed the audience about the activities of Insurance Institute of India and its training arm College of Insurance in training, examination, research and support to Insurance Regulator which help in building competence for the Insurance Industry.

Mr. Simon Phipps briefed about TDI Academy, its courses and various webinars conducted in past and upcoming events. He also told that they are working on India's first InsurTech landscape map.

The webinar was attended by 200+ participants.

Webinar on Force Majeure in the Actual World Context Covid 19

on 14th April 2020 and 16th April, 2020

‘Force Majeure’ is a French term literally meaning *‘greater force’*, and indicating *‘Acts of God’* or events like earthquakes or storms for which no one can be held accountable or even human actions like armed conflict. Though defined and applied differently by different jurisdictions, Force Majeure is generally understood as unforeseeable, unavoidable and outside the reasonable control of the parties of the contract, which refers to a contractual provision that limits liability due to unforeseen events that delay performance of the contract or prevent performance entirely.

UNIDROIT Principles of International Commercial Contracts (Article 7.1.7), grants relief from performance *"if that party proves that the non-performance was due to an impediment beyond its control and that it could not reasonably be expected to have taken the impediment into account at the time of the conclusion of the contract or to have avoided or overcome it or its consequences”*.

When it comes to contracts, the specific law governing the contract takes precedence over the general concepts of Force Majeure. Because of the different interpretations of force majeure across legal systems, it is common for contracts, particularly at the international level, to include specific definitions and spell out what constitutes Force Majeure in the contract itself.

Whether the Force Majeure clause applies in the COVID-19 context, depends on whether terminology like 'infectious disease', 'epidemic', 'pandemic', as 'government action', 'national emergency' or 'labour shortages' figure in the definition. Again, one should understand whether the Force Majeure applies to all obligations under the contractor only to some specific obligations. Some clauses may refer to acts like ‘hinder’, ‘impede’, ‘impair’, or ‘delay’, thereby 'preventing' a party from performing an obligation or making an obligation <u>impossible</u> to be performed. One needs to consider if the outbreak of COVID-19 was actually a Force Majeure event in the context of the contract. That is, based on how the Force Majeure clause is drafted and how it can be interpreted, one has to evaluate whether the pandemic <u>actually</u> caused restrictions whereby the affected party was <u>prevented</u> from performing its contractual obligations, as against merely been financially affected or inconvenienced.

A Force Majeure clause may vary from contract to contract, but would essentially relieve one from performing certain contractual obligations due to an event outside one’s reasonable control. General implications of activating a Force Majeure clause include suspension of contractual obligations, excuse from liability for non-performance or delay, termination of contract, extensions of time, renegotiation of certain terms or certain contract remediation or governance measures. Force Majeure can cause frustration of the contract. Some hypothetical COVID-19 scenarios adapted from an international law firm, Minter Ellison are cited below to discuss how a contract can be frustrated.

***Scenario 1*:**

A construction company operating in Sri Lanka obtains its building materials from a factory in India. Due to a substantial number of the employees at the factory having to self-isolate, the supply of building materials is delayed for two weeks. Here, the contract is not frustrated as a two week delay is not an unreasonably long period of time in this context. If the construction company is in a hurry, it may actually be able to obtain the supply from elsewhere, which may make the performance of the obligation more burdensome or expensive.

***Scenario 2*:**

An air-conditioned retail store suffers a loss of revenue because people wish to stay at home to avoid infection and save money by opting for smaller stores closer to their homes. The store is on a contract of lease and the store owner argues that the monthly rent need not be paid. Here, the contract is not frustrated as the financial loss suffered by the store due to people's reactions to the situation is not sufficient to frustrate the contract.

***Scenario 3*:**

An audio-visual company has a contract to provide sound and lighting for a concert organizer. However, due to a government ban on large indoor public gatherings, the concert cannot take place. Here, the contract is frustrated as the government action has made it impossible for the concert to take place and therefore for either party to perform its obligations.

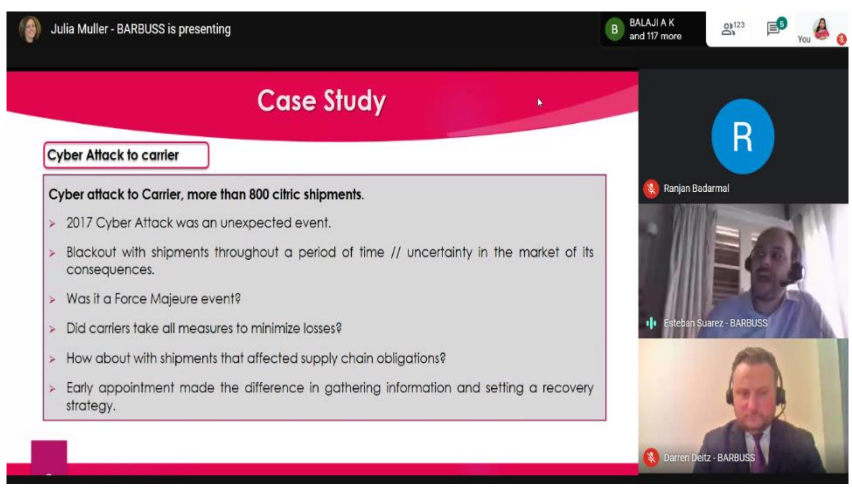
To elucidate, the abrupt cancellation of an outdoor public event due to ordinary predictable rain may not be viewed as Force Majeure, whereas a flash flood that damages the venue or renders the event hazardous to attend might be regarded as Force Majeure or Frustration, unless the venue was on a known flood plain or in an area subject to torrential rain.

The challenge for insurers is that given the scale of disruption that the COVID 19 situation has brought in, practically any kind of commercial contract ranging from interrupted supply agreements to commercial tenants who are unable to pay rent on stores and offices closed by the authorities, can be involved in a Force Majeure situation. The impact of all these on the operational efficiencies of insurers as also on the bottom line of insurers' books is a matter to ponder.

Insurance Institute of India and BARBUSS jointly organized a Webinar III and BARBUSS - Force Majeure in the Actual World Context Covid 19 at 17.00 hours to 17.30 hours on 14th April 2020 and a repeat session was held on 16th April, 2020

During the webinar Mr. Esteban Suarez and Mr. Darren Deitz shared with audience the effects of COVID 19 pandemic on International Trade and Insurance Industry as whole. Focusing on the marine trade part they said that +9% global feet is inactive, contracting bulk trading until the clearer scenario appears. There is disruption of supply chains worldwide. Liquidity has become an issue. There is estimated decrease of 20% in international trading in Q2. Mr. Esteban Suarez said that the over supply of stock could trigger a demamd comeback in Q3 and Q4. This pandemic has opened avenues for new ideas, use of technology and solutions for remote work.

Mr. Darren Deitz shared some past experiences of cyber-attack to a carrier having more than 800 citric shipments, natural disaster (typhoon in Japan which has damaged pistachios cargo from Italy to Japan) and a 22 days strikes at San Antonio Port terminal which affected sea transport from Chile to China as case studies where the Force Majeure situation has arisen and its consequences and measures taken to avoid losses. Mr. Esteban Suarez emphasised on need for gather information and set strategy accordingly to reduce losses.

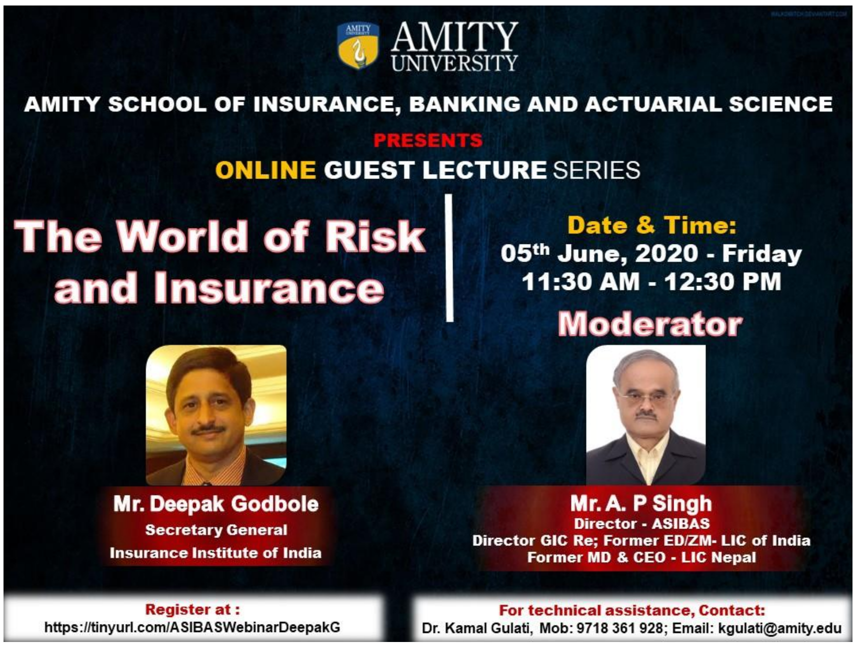


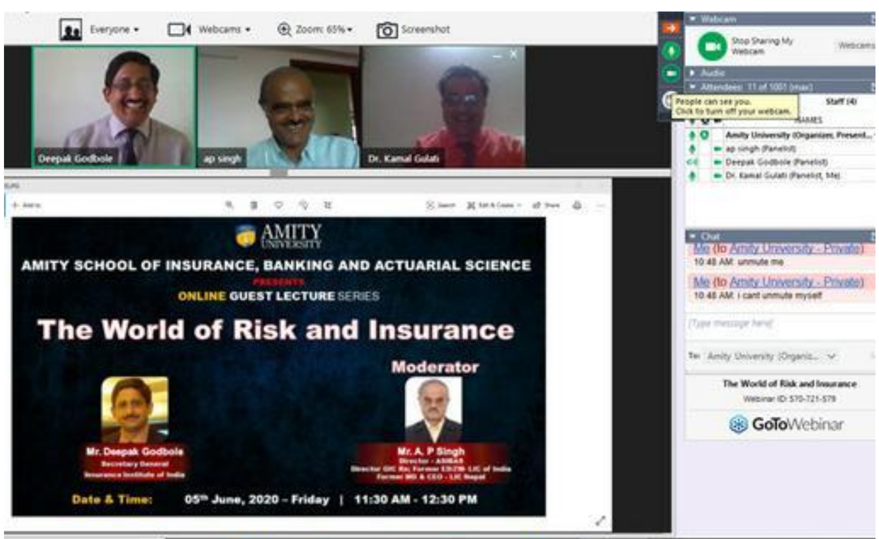
The webinars were attended by 230 participants.

Online Guest Lecture on The World of Risk and Insurance

Organized by Amity School of Insurance Banking and Actuarial Science

The Amity School of Insurance Banking and Actuarial Science has organized Online Guest Lecture Series. Mr. Deepak Godbole, Secretary General, Insurance Institute of India gave lecture on The World of Risk and Insurance on 5th June 2020. The session was moderated by Mr. A.P. Singh, Director, ASIBAS.





Webinar on Opportunities for III members on Actuarial Science – Dry run

Organized by Institute of Actuaries of India – 6th June, 2020

Institute of Actuaries of India in association with Insurance Institute of India has organized a webinar on Webinar on Opportunities for III members on Actuarial Science – Dry run on 6th June, 2020 at 11:00 am.

Mr. Deepak Godbole, Secretary General, Insurance Institute of India gave the Opening Remark. Welcome Address and Introduction to Actuarial Profession Mr. Sunil Sharma, President, IAI. He also briefed about Opportunities in Insurance Areas (Life, General, Health, Pension, Risk) and in Wider Areas like Data Science and Analytics, Banking, Finance and Investment.

Education Curriculum 2019 was explained by Dr. K Sriram, Chair Education Advisory Group, IAI and Mr. Souvik Jash, Chair Examination Advisory Group, IAI.

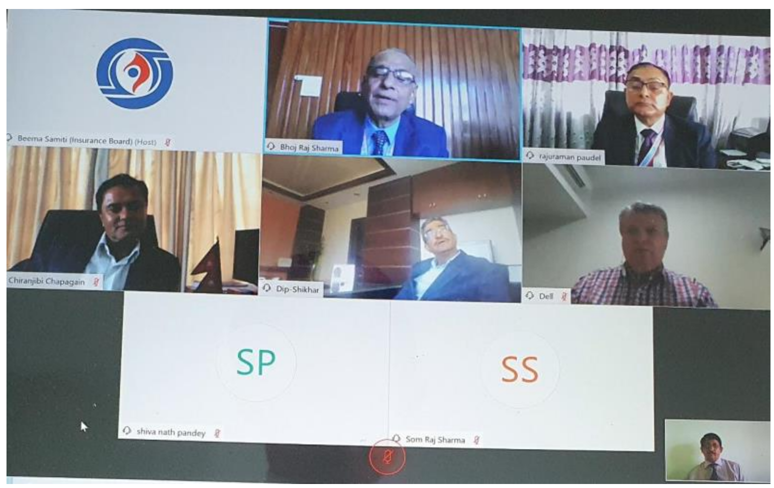
Ms. Archana Vaze, Assistant Professor & Head Content Development, College of Insurance, Insurance Institute of India headed the Open Interaction and later proposed Vote of Thanks.

Webinar on Tackling effects of COVID-19 and lockdown situation in Insurance Industry

Organized by Insurance Institute Nepal Ltd. – 8th June-2020

Insurance Institute Nepal Ltd. organized Webinar 8th June, 2020 on the topic Tackling effects of COVID-19 and lockdown situation in Insurance Industry.

Mr. Chiranjibi Chapagain, Chairman, Bima Samiti (Insurance Regulatory Authority of Nepal) was the Chief Guest for the webinar. Mr. Deepak Godbole, Secretary General, Insurance Institute of India was one of the panelist in the webinar.

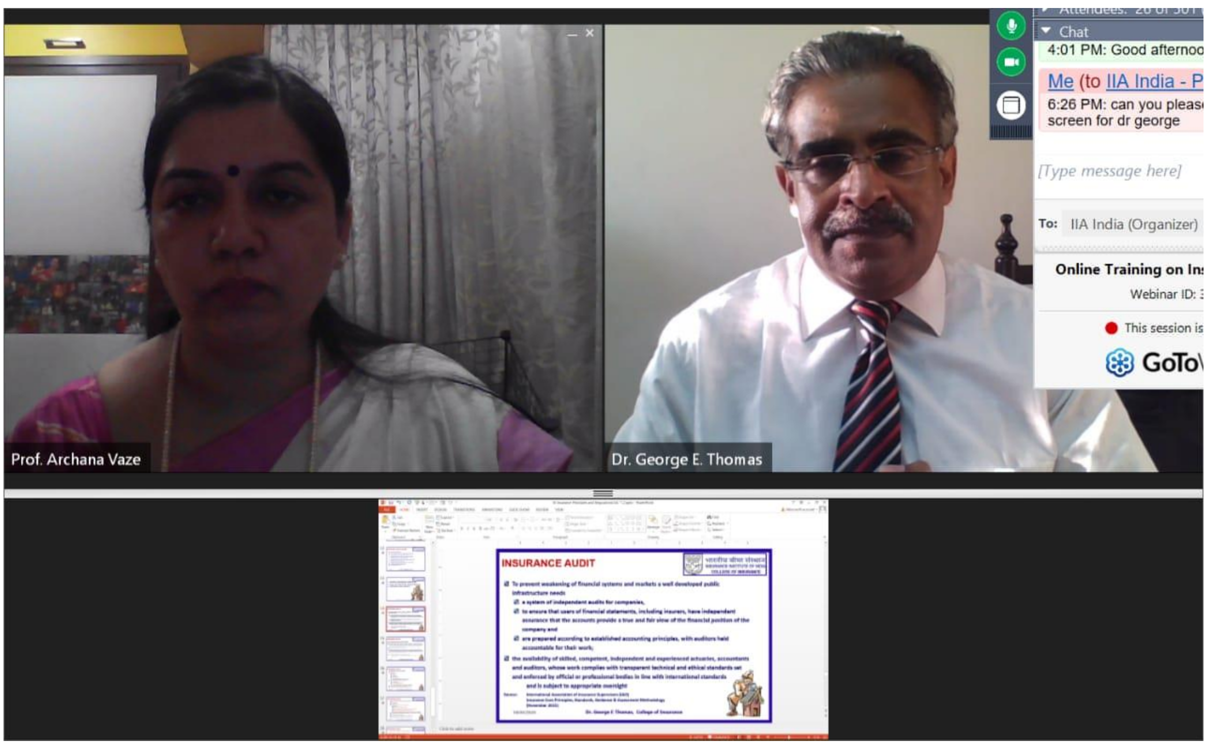


Online session conducted for Institute of Internal Auditors

on 8th June 2020

Dr. George E. Thomas, Professor and Ms. Archana Vaze, Assistant Professor of College of Insurance, Insurance Institute of India took online session conducted for Institute of Internal Auditors on 8th June 2020. Following topics were covered during the session.

- ✓ Basic of Insurance & Insurance Regulation.
- ✓ Basics of Risk Management in Insurance.
- ✓ Types of Insurance Policies Available to cover various categories of risks.
- ✓ Issues & challenges arising in Insurance policies post Covid 19.



Webinar on Insurance Awareness Need of the Hour

Organized by AHI Insurance Brokers Pvt. Ltd. – 28th June-2020

COVID-19 has had a huge impact on all of us and accelerated the need of understanding insurance, better than ever. On the National Insurance Awareness Day, AHI Insurance Brokers Pvt. Ltd. organized Webinar on Insurance Awareness Need of the Hour Gear to gear ourselves up for some valuable insights on the need of insurance during these uncertain times.

Ms. Archana Vaze, Assistant Professor, College of Insurance, Insurance Institute of India was one of the panelist in the webinar.

Report on the National Seminar on Risk Management & Insurance Solutions

by Madurai Insurance Institute on 29th January, 2020.

Madurai Insurance Institute conducted a National seminar on the topic of "Risk Management & Insurance Solutions" on 29.01.2020 at Madurai Lady Doak College.

The major discussions were about various risk management techniques and solutions in terms of Insurance, what is risk?, the types of risks such as pure risk, dynamic risk, static, catastrophic, fundamental and particular risks, risk burden, risk management priorities, what is insurance contracts, risk assessment factors, Individual life insurance products and riders General Insurance Solutions. Handling of risk, role of technology, risk reduction and Career opportunities in insurance sector.

Key Speakers –

1. Mr. P. Koteswara Rao, Faculty, Life, College of Insurance, Mumbai
2. Mr. K.B. Srinivas, Director and General Manager (Retd.), United India Ins. Co. Ltd.
3. Dr. Vaishali Bhambure, National Insurance Academy, Pune

Total 210 nos. participants were present for the seminar.

Report on the Local Seminar on Recent Changes in Insurance Industry a Global Perspective

by Guntur Insurance Institute on 12th March,2020.

Guntur Insurance Institute conducted a Local seminar on the topic of "Recent Changes in Insurance Industry a Global Perspective" on 12.03.2020 at Guntur Institute, LIC of India, CB-II(699), Lakshmipuram, Branch Premises

The major discussions were the Changes in Insurance Industry (Both Life and Non-Life) pre and post nationalization, and comparison of industry after adoption of new technology. i.e. Artificial Intelligence, Cloud Computing, Black Chain Technology etc. Recent changes in Insurance industry across the Globe i.e. Comparison of GDP Economy, Insurance penetration and Insurance density etc.

Key Speakers –

1. Dr. G. Sudhakar Babu, LIC, Chief Manager, CB-II (699), Chairman Guntur I. I.
2. Sri K.S.V. Kishore, United Insurance Company, Guntur
3. Sri V.V.K. Suresh LIC, Senior Local Official

Total 59 nos. participants were present for the seminar.