



INSUNEWS

- WEEKLY E-NEWSLETTER

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Insurance Term for the Week

Good Driver Discount

A good driver discount is a discount that lowers premiums for drivers that prove themselves to be safe operators of their vehicles. Proving to be a safe driver is usually done by going accident-free or violation-free for some time. Good driver discounts vary by state and company. Many top insurance providers claim that you can save up to 30% on your premiums.

Car insurance companies will check your driving record when giving you a policy, and they'll look for accidents, tickets, and claims you have had in the past few years. Then, after you get a policy, your provider will probably recheck your records around renewal time, so every six months to a year.

If your record remains clean and you don't file any claims, you may be eligible for a good driver discount. And, depending on the company, the longer you stay clean, the more you can save.

There are two general types of safe driver discounts:

- Discounts for going accident-free or claim-free
- Discounts for safe driving

QUOTE OF THE WEEK

“Progress is impossible without change, and those who cannot change their minds cannot change anything.”

GEORGE BERNARD SHAW

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INSURANCE INDUSTRY

Tech helps speed up work and drives growth in insurance - Financial Express – 06th June 2024



Insurance companies are adopting GenAI to enhance efficiency, improve customer interactions, and gain competitive advantages. Key ways it is transforming insurtech are:

The integration of generative AI (GenAI) into the insurtech sector is revolutionising business operations with transformative potential. As per Bloomberg estimates, GenAI market will reach \$1.3 trillion by 2032. Insurance companies are adopting GenAI to enhance efficiency, improve customer interactions, and gain competitive advantages. Key ways it is transforming insurtech are:

Keeping things simple: GenAI adoption in insurtech is accelerating, streamlining operations and enhancing service delivery. By leveraging advanced AI models like ChatGPT-4o – a conversational AI, Gemini 1.5 Pro – generative artificial intelligence chatbot, and Ryze, an AI/ML platform built for B2B needs, insurance firms can automate tasks, reduce processing times, and cut administrative costs. This integration not only boosts operational efficiency but also enables companies to offer more personalised services to their customers.

Enhanced customer interactions: GenAI improves customer interactions through AI-powered tools like chatbots, which simulate human-like conversations. These tools provide real-time assistance and recommendations, analysing customer data to resolve queries. This level of service enhance customer satisfaction and help build long-term relationships with the consumers.

Real-time fraud detection: Fraud detection is a critical area where GenAI algorithms have made significant strides. By continuously analysing vast data streams, GenAI detects anomalous patterns and subtle changes that may indicate fraudulent activity. These algorithms process real-time data from various sources to identify suspicious behaviours and flag potential fraud, helping insurers mitigate risks and reduce financial losses.

Actionable insights: GenAI provides valuable insights by processing and analysing saved data of previous claims. These insights develop more accurate risk assessment models and tailor insurance products to specific customer needs.

Process automation: GenAI automates routine tasks such as claims processing, data entry, and document verification reduces the time and effort required, leading to shorter processing times and increased efficiency. It quickly analyses images and documents to assess damage and determine claim validity, expediting settlements and enhancing customer satisfaction.

Innovation & growth: The potential for continued innovation and growth in insurtech through further exploration of GenAI applications is immense. Future developments could lead to more sophisticated predictive models, enhanced personalisation of insurance products, and improved risk management strategies. Embracing GenAI helps companies stay competitive and enhance customer service.

As the GenAI revolution reshapes the insurtech sector, so companies must act decisively to integrate it into their operations. Integrating GenAI ensures enhanced customer satisfaction and sustained growth in the evolving insurance landscape.

(The writer is Sachin Panicker.)

How can insurance companies protect customer data from online breaches? - Express Computer - 05th June 2024

As more and more things move to the internet and apps, it's crucial for businesses to serve customers online. The story of insurance companies is no different. To bring more convenience, these players have also started selling insurance digitally with the assistance of partner agents. However, this shift also means they need to have strong cybersecurity measures in place to protect customer data from potential cyber breaches.

Cyber risks are constantly increasing in today's digital world, with threat actors constantly developing attack techniques, more innovative than their previous ones. Last February, the banking, finance and insurance (BFSI) sector faced a staggering 140 million cyberattacks in just one month! To prevent such incidents, insurance companies are actively using advanced security strategies – regularly updating their security software, finding and fixing loopholes, and using powerful encryption to protect data.

Building a culture of cybersecurity awareness

Insurance companies are dedicating substantial resources to providing comprehensive cybersecurity awareness training for their employees. They are equipping staff members with the essential knowledge and skills to recognise and respond to potential threats, thus building a robust culture of cybersecurity awareness throughout their organisations.

This culture ensures that all stakeholders remain vigilant and proactive in preventing data breaches, significantly enhancing the overall security posture of the company. This proactive approach not only mitigates risks but also reinforces the importance of cybersecurity at every level of the organisation, making it a collective responsibility.

A key industry priority is adopting a responsible and transparent approach to data collection. We all know that the overall insurance buying process involves a lot of data sharing between buyer and provider. Insurance companies ensure clear consent is obtained before collecting data, allowing customers to opt-in, opt-out, update, or withdraw consent anytime. They gather only necessary information for disclosed purposes, ensuring transparency and control over personal information.

Leveraging advanced technologies and staying ahead of evolving threats

In the wake of increasing cybersecurity concerns, it's critical for insurance providers to leverage cutting-edge technologies that can significantly enhance their defense mechanisms. Artificial intelligence (AI) plays a crucial role in detecting and responding to cyber threats more effectively and efficiently, enabling rapid identification and mitigation of potential risks. Additionally, advanced encryption methods and blockchain technology provide robust data protection, ensuring that sensitive information remains secure and preventing unauthorised tampering or fraudulent activities. AI, encryption, and blockchain work in tandem to create a multi-layered defense system, bolstering the industry's resilience against cyber threats and instilling confidence in stakeholders. This proactive approach not only safeguards critical data and systems but also positions the insurance sector as a leader in cybersecurity preparedness, thus building and maintaining trust, and enabling seamless operations in an increasingly digital landscape.

In today's digital age, where online services are widely used, strong cybersecurity is essential to keep sensitive data safe. The industry is focused on building robust digital defenses, using advanced encryption, and staying alert for new cyber threats. Insurance companies are taking steps to protect against cyberattacks by using the latest security systems, strict access controls, and hiring cybersecurity experts. This ensures that customers' personal and financial information is secure and maintains their trust in insurance providers. By prioritising cybersecurity, the insurance industry aims to provide consumers with a safe online experience, where they can use technology solutions without worrying about threats.

(The writer is Ish Babbar.)

Amending insurance laws, open architecture for agents should be sectoral priority for new govt: Experts - Investing - 05th June 2024



Amending the insurance laws, introduction of open architecture for insurance agents, review of regulations relating investments distribution, development of climate and natural disaster insurance covers are some of the agenda that the new Indian government has to fulfil, said insurance sector experts. They also said the rules and regulations governing the insurance sector should be simplified and streamlined.

"The new government should amend the laws governing the insurance sector and review the outdated Insurance Rules, 1939 and make amendments in line with the new age insurance sector requirements," Conjeevaram Baradhvaj, Consultant and Advisor said.

With over three decades of experience in the Indian life insurance sector, Baradhvaj was earlier Executive Vice President, Future Generali (BIT:GASI) Life Insurance and Senior Vice President, Bharti Axa Life Insurance. Two years back, the Indian government had proposed drastic changes to the two insurance laws - Insurance Act 1938 and the Insurance Regulatory and Development Authority Act 1999.

Scrapping of the statutory Rs 100 crore start-up capital for life and general insurance business and Rs 200 crore for reinsurance business, allowing different kinds of insurers including captives, changing the investment provisions are some of the major amendments proposed by the Indian government to the insurance laws. The government also proposed to allow an insurer to distribute other financial products as specified by and subject to regulations and to services related or incidental to insurance business. Later the government did not proceed further on the proposed amendments.

"The new regulations would introduce reforms in the insurance industry and benefit multiple sectors of the economy. For example, allowing insurance companies to sell financial products would create a new revenue stream for them and provide financial institutions with a new distribution channel. Additionally, permitting insurance companies to invest in rated debts and equity of private companies would increase capital availability for these companies and offer new investment opportunities for insurance companies," Sameer Bakshi, General Counsel, Digit Insurance Group told IANS.

It is hoped that the upcoming government will review the Insurance Bill, consider stakeholders' comments, and introduce a new Insurance Act to advance the Indian insurance industry to the next level, Bakshi said. "These are reforms meant to attain operational synergies and which promote a broad based development. The Indian insurance sector has only 60 insurance companies targeting a population of over 1.40 billion. The existing number of companies is still low when compared to other countries and the population potential," Baradhvaj remarked.

According to Baradhvaj, besides operational synergies, the Government should in discussion with the sectoral regulator-Insurance Regulatory and Development Authority of India (IRDAI)- also address the question on how to convert insurance into a "pull product" from a "push product". With insurance penetration still low in India, Baradhvaj said regional and small players in the financial sector have the potential to penetrate deeper with a local brand name and customer loyalty. Lowering the capital base and allowing such companies to float insurance companies could increase the local and rural insurance.

"There will also be operational synergies in the form of savings in costs, common processes especially for common brands could promote operational efficiency if life, non-life and health insurance products are allowed to be operated under a single registration," Baradhvaj added. "Introduce the amendments in a phased manner to monitor their impact and make necessary adjustments, ensuring financial stability and compliance," Rajesh Sharrma, CEO and Principal Officer, Anand Rathi Insurance Brokers told IANS.

The other unfinished work for the outgoing government are: Principle based approach on the Distribution related regulations; Recognising Independent Financial Advisors model; Recognising Broker as a distinct distributor giving them delegated powers of underwriting with accountabilities following a graded approach; consolidating multiple channels for rural markets - micro insurance, Prime Minister's Schemes, Distributor rating based on quality parameters by independent rating agencies and others, Baradhwaj said. While IRDAI have undertaken the first phase of reforms on the non-distribution side so far, they have already started having discussions with the insurance distributors and taken their feedback, said Baradhwaj. According to Bakshi, the IRDAI has introduced a host of changes in its regulatory framework with a view to consolidate numerous regulations under one umbrella as well as take steps towards principle-based regulations.

"The Authority has also envisioned the major Bima Trinity project, which includes Bima Sugam, Bima Vahaak, and Bima Vistar. While the regulatory framework has received in-principle go-ahead from IRDAI, the focus is now on the successful implementation of this project. Changes to the Insurance Act can only be introduced subject to parliamentary approval and these are yet to be taken up at that level," Bakshi said. On the insurance distribution Bakshi said the government should introduce open architecture for agents – tying with multiple insurers under one licence- and reevaluate the corporate agency tie-ups in bancassurance.

"With a view to avoid monopolistic practices by promoter banks of insurance companies, regulations should cap the maximum business from a single insurer to 25 per cent," Bakshi said. "As regards increasing the insurance penetration levels in India, the incoming government should incentivise long term savings by providing tax benefits, promote digital platforms for seamless policy purchase, servicing and claims processing with user friendly interfaces in the case of life insurance," Sharrma said.

In the case of general insurance Sharrma said micro-insurance products tailored to the needs of rural and low-income populations should be developed and provide subsidies to make them affordable. Implement advanced data analytics and artificial intelligence (AI) tools to detect and prevent insurance fraud, ensuring transparency. Simplification of claims process, development of disaster risk insurance needs to be done.

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LS poll results: Regulatory focus on growth may continue, say insurers - Business Standard - 4th June 2024



The regulator's focus on growth of the insurance industry is likely to continue irrespective of which political party forms the government, industry players said. The ruling Bharatiya Janata Party (BJP) failed to secure a simple majority in the general elections, votes for which were counted on Tuesday. The National Democratic Alliance (NDA), of which BJP is a part of, has crossed the majority mark, including leads.

"We are gunning for 'Insurance for All' by 2047 under the guidance of the regulator. There is a lot to be done towards that goal and a lot of work has already started, especially in the state-level insurance plans. So, regardless of what happens nationally, our work is cut out. And, we are

continuing to look at how we can have awareness, accessibility and affordability," said Vibha Padalkar, managing director (MD) & chief executive (CEO), HDFC Life Insurance.

According to insurance officials, the increase in insurance penetration will be supported by the government irrespective of the political parties because of the sector's importance. "Most of the changes in the industry are led by regulator. Direction from the government is also important, but there is no pending regulation from the government. So, whichever government comes in, continuity is expected," said

Rajagopal Rudraraju, executive vice-president & national head — accident & health claims, Tata AIG General Insurance.

Industry representatives said in case a new government is formed, it is unlikely to reverse any previous decision by the regulator. "Regardless of whatever is happening nationally, it is in everyone's interest that insurance penetration goes to a level so that at least basic levels of certainty in one's life are reasonably covered," Padalkar added. Some insurers said the government has a key role to play in the future of the industry due to its contribution to economic progress. "The role of the insurance regulator is very important. It is also crucial to always have a government with a progressive mindset," said Sharad Mathur, MD & CEO, Universal Sompo General Insurance.

"A government with a forward-thinking mindset will uphold insurance inclusion in India. If the economic progress in the country is low, insurance growth is likely to lag. When the economy progresses, insurance can act as an enabler to secure and continue the progress. The new government is likely to drive infrastructural development, resulting in the growth of infrastructure related insurance in the country besides health, term and assets insurance," said Sharad Mathur, MD & CEO, Universal Sompo General Insurance.

The government's approval on certain requests will give an impetus to the growth of the sector. The insurance industry remains hopeful of getting approval of the Draft Insurance Amendment Bill, which will allow composite licensing. It will help a company undertake life, general or health insurance under one entity. The Bill recently received parliamentary panel's approval in February.

An insurance official said, "When there is a change in the government, there could be some macroeconomic changes at the policy level, which affects industry dynamics. However, when it comes to composite insurance Bills, most of the discussions and debate is already done. This is irrespective of the government which comes to power."

Similarly, the insurance industry has long-standing requests about rationalisation in goods and services tax (GST) rates of 18 per cent on health insurance. Also, it seeks reduction in term life insurance-related GST rates, which will aid in penetration of insurance in the country.

(The writer is Aathira Varier.)

TOP

Govt. Working on Insurance Pools for Disaster Protection - The Economic Times - 4th June 2024

The government is working on parametric and hydroelectric insurance pools for better disaster protection, and is engaging with regulators and insurers for such products, said GIC chairman Ramaswamy Narayanan. The parametric cover will pay claims based on predefined disaster triggers, such as earthquakes or storms, while the hydroelectric pool will insure losses to power projects due to natural catastrophes. Drawing on the successful model of the post-2004 terrorism insurance pool, he said that these schemes would cover property against natural disasters like floods and wind events, he said. The government is likely to focus on these schemes post-election, said Ramaswamy.

"The government is keenly pursuing buying this insurance cover for the country as a whole," said Ramaswamy. "The regulator is involved, we as insurers and reinsurers are involved. What is that policy going to be called and is it going to be a pool that depends on what the product finally comes out to be." He said that it's currently a parametric cover for the entire country that is being discussed and the finer details like whether the state or the district buys it, is yet to be worked out. Insurers are trying to get some models that are already implemented in some parts of the world. "If something has already worked well, we can try and use the same but what happens is typically one model doesn't detect everything. We are a very different country in the way so we will find a way to ensure that it works for us."

(The writer is Shilpy Sinha.)

TOP

Closing the gap: Women agents fueling the insurance growth - People Matters – 3rd June 2024



The Indian life insurance industry stands at a pivotal juncture. While it has witnessed significant growth in recent years, a crucial opportunity remains untapped: the immense potential of women agents. Empowering women in the insurance salesforce can not only bridge the gender gap within the industry but also propel its future growth.

Financial independence: A cornerstone for women's empowerment

The Indian economy is estimated to become a \$30 trillion powerhouse by 2047. This ambitious vision hinges on a crucial element: empowering women. By empowering

women, we can unlock opportunities for them to be financially independent. The life insurance sector can play a crucial role in this journey by providing employment opportunities for women as advisors and agents. This will help women gain control over their finances, build successful careers, and contribute meaningfully to the economy. However, traditional perceptions and a lack of targeted recruitment strategies have often deterred women from entering the insurance sector.

Fostering a culture of inclusion: Strategic recruitment

The industry must take a proactive stance by implementing strategic recruitment initiatives that attract and retain talented women. This requires a shift in mindset – moving beyond tokenism and creating a genuinely inclusive work environment. Here's how it can be done:

Revamping job descriptions: Job descriptions should appeal to a wider audience, highlighting the flexibility, worklife balance, and earning potential that the insurance industry offers.

Targeted outreach programs: Engaging with women's colleges and professional organizations can create a pipeline of qualified female candidates.

Mentorship programs: Connecting experienced women leaders with aspiring agents can provide invaluable guidance and support.

The power of diversity: A unique skill set

Women bring diverse skills to the table, proving to be valuable assets to the insurance industry. Some of these skills are:

Empathy and relationship building: Women often excel in building strong rapport and deeply understanding client needs. This empathetic approach results in more robust customer relationships and higher policy retention rates, benefiting both clients and the company.

Financial literacy champions: Women often serve as the primary financial decision-makers in their households. Their personal experiences and insights make them particularly effective advocates for financial planning and risk mitigation, especially when working with other women clients.

Innovation and adaptability: Women are typically adept at navigating changing market dynamics and devising innovative solutions to meet diverse client needs. Their ability to think creatively and adapt swiftly can drive the industry forward, fostering resilience and growth.

Nurturing talent: Investing in women leaders

Cultivating women leaders within the insurance industry is vital for long-term success. This can be achieved through several key initiatives:

Leadership development programs: Offering comprehensive training and mentorship opportunities equips women with the necessary skills and confidence to excel in leadership roles. These programs should focus on enhancing both technical and soft skills.

Flexible work arrangements: Implementing flexible work schedules and remote working options can help accommodate the unique needs of working mothers, encouraging more women to pursue and sustain leadership positions.

Recognition and rewards: Celebrating the achievements of women leaders acknowledges their contributions and serves as a powerful motivator for others. Publicly recognizing their successes can inspire a new generation of women to strive for similar accomplishments.

DataDriven decisions: Measuring the impact

Data plays a vital role in evaluating the effectiveness of gender diversity initiatives. Tracking metrics such as recruitment rates, agent retention, client satisfaction, and policy sales for women agents provides valuable insights. By analyzing this data, insurance companies can identify areas for improvement and refine their strategies for empowering women.

Some areas where special initiatives can be created for greater participation of women include:

Financial incentives: Offering competitive compensation packages, commission structures, and bonuses tailored to attract and retain women agents.

Training programs: Developing training programs specifically designed for women, addressing their unique needs and concerns regarding the insurance industry.

Support networks: Creating support networks for women agents through peer-to-peer mentoring programs and online communities fosters a sense of belonging and professional development.

Community outreach: Partnering with women's organizations and NGOs to reach out to a wider audience and bridge the insurance protection gap.

IRDA's Initiative - Bima Vahak

As part of its goal of "Insurance for all by 2047," IRDA aims to improve the accessibility and availability of insurance products throughout India. Hence, they have launched an initiative called "Bima Vahak," a women-centric insurance distribution channel. The Bima Vahak program offers a promising avenue for increased women's participation. This program aims to establish a network of women agents, particularly in rural areas, by providing them with training and support. By capitalizing on the strengths and reach of Bima Vahak agents, the industry can bridge the insurance gap in underserved communities and empower women to become key drivers of financial inclusion. Women agents can play a crucial role in raising insurance awareness, particularly among women in underserved communities. By leveraging their understanding of the financial needs and challenges faced by women, they can become effective advocates for financial protection.

Summing it up

The Indian life insurance industry has a golden opportunity to unlock its full potential by empowering women agents. By implementing strategic recruitment initiatives, nurturing talent, and leveraging datadriven decision-making, the industry can bridge the gender gap and achieve sustainable growth. It's time to break the stereotype and recognise the power of a diverse workforce. When women thrive, the industry thrives, and ultimately, Indian society thrives.

TOP

The role of technology in expanding insurance coverage to the uninsured - The Economic Times - 1st June 2024

Our nation continues to grapple with low insurance penetration despite significant efforts from policymakers, insurance providers, and other stakeholders, particularly in rural and semi-urban regions. With less than 3% of Bharat insured, it's imperative to protect citizens from life's uncertainties with affordable insurance plans across health, medical, and general insurance. A joint survey by leading insurance service provider and Kantar, The India Protection Quotient survey (IPQ), reveals that insurance awareness among Bharat's last mile is alarmingly low with 36% not being aware where to buy insurance from. Study further sheds light on a significant disparity in life insurance ownership between rural and urban India. While a mere 22% of India's rural population possesses life insurance products, this stands in high contrast to the 73% ownership observed in urban areas.

Various factors contribute to this gap, including lack of awareness and a trust deficit in traditional insurance systems. Rural Indians exhibit a Knowledge Index of 27, significantly lower than the index of 57 observed in urban India, highlighting the pressing need for targeted interventions to address these

challenges. Technology emerges as a vital tool in addressing the coverage gap in rural India's financial landscape. Despite the widespread use of technology for social media and entertainment, digital financial awareness remains lacking. One way to address this is by embracing innovative distribution channels and adopting Distribution as a Service (DaaS) for underserved communities. DaaS offers a transformative solution for distributing insurance products to previously underpenetrated populations, leveraging its extensive network of retailers. Initiatives like sachetization and universalization of financial products, such as insurance, are pivotal steps in integrating the tech-averse population into the formal financial ecosystem. Strategic partnerships with local retailers facilitate seamless distribution, ensuring even the most remote areas have access to essential coverage.

To bring insurance to Bharat, an innovative approach is necessary, offering affordable coverage that is easily accessible and minimizes paperwork. Besides it needs to be made simple to understand and easy to access to make a real difference. A nearby retail store plays a crucial role in making insurance easily accessible to rural and semi-urban customers, serving as a trusted hub for purchasing policies without cumbersome paperwork or visit to traditional branch offices. Effective distribution of insurance products requires expertise and resources to educate customers and facilitate informed decision-making. Retailers equipped with proper training possess the knowledge and skills to effectively communicate insurance benefits and guide customers through the purchasing process. Access to user-friendly tools and technology streamlines administrative tasks, enabling retailers to navigate the insurance landscape and deliver quality service to customers.

Technological advancements have revolutionized the insurance landscape, simplifying navigation for both retailers and customers. Digital platforms and automation tools streamline processes such as policy issuance, claims processing, and customer service, reducing operational overhead and enhancing efficiency. AI-powered analytics enable insurance providers to customize products and bitesize pricing models to individual needs, ensuring a personalized and seamless experience for customers. These tech-driven solutions enhance insurance accessibility and empower retailers to serve their communities effectively, thereby boosting insurance penetration. Collaboration between insurance providers, retailers, and policymakers and tech solution providers can contribute to building a more inclusive and resilient insurance ecosystem. Through their efforts, they can help safeguard the financial well-being of all by ensuring that essential insurance coverage reaches every corner, empowering individuals, and communities to mitigate financial risks and uncertainties effectively.

(The writer is Anand Kumar Bajaj.)

TOP

INSURANCE REGULATION

IRDAI Cracks Down on Fraudulent Tele-Callers - The Economic Times – 06th June 2024

The Insurance Regulatory Development Authority of India (IRDAI) has instructed insurance companies and insurance intermediaries, such as brokers, insurance market businesses, and corporate agents, not to call customers from a standard 10-digit mobile number in an effort to take harsh measures against fraudulent telecallers.

According to an IRDAI circular dated May 28, 2024, “IRDAI would like to bring recent guidelines of Telecom Regulatory Authority of India (TRAI) to the notice of all regulated entities, meant to curb Unsolicited Commercial Communications (UCC) through voice calls or messages by using unauthorized 10-digit mobile numbers and landline numbers.”

Here are the guidelines set by IRDAI, as per its latest circular.

Numbering Series for voice calls

Regulated entities should only utilise the '140/160' numbering series or any other numbering series granted / assigned by DoT/TRAI in the future to make commercial phone calls.

The 140 series is currently active and should be used strictly for promotional phone calls to existing and new customers.

Series which will be implemented from August?

The 160 series, which will be deployed by August 2024, will be used only for transactional and service calls to existing customers.

It is strictly illegal for entities to combine promotional content with transactional/service calls on the 160 series.

The use of any other 10-digit fixed/mobile number other than the 140/160 series for promotional/service/transactional phone calls directly or through agents is absolutely prohibited.

Registration of headers for sending SMS messages

The regulated entities should ensure that they register their SMS Headers with any of Telecom Service Providers (TSPs)

Any commercial communication can only take place using registered Headers assigned to the Regulated Entities.

Registration of content templates

Regulated Entities are required to get message Content Templates registered with the Telecom Service Providers.

Such registration is required for all type of contents viz fixed as well as variable components

The regulated entities shall ensure that they send their commercial communication by engaging only Registered Telemarketers (RTMs) or establish the direct connectivity with the Telecom Service Provider for this purpose.

(The writer is Sneha Kulkarni.)

TOP

LIFE INSURANCE

Buying a term insurance? Don't miss this essential checklist - Financial Express – 06th June 2024



While buying a term insurance, one should keep in mind important points like premium amount for a certain coverage, settlement ratio, and return's guaranteed or non-guaranteed and other features to make the best decision for your family's future.

In the post-pandemic era, more and more people are buying life insurance to financially protect their families as they now understand its importance in a better way. One of the basic types of life insurance is term insurance. In term insurance policies, the insurance company pays the insured amount to the policyholder's family or beneficiary in case of insured individual's death during the policy period.

However, choosing the correct term insurance policy requires careful consideration. The process can be confusing and intimidating, making it essential to be aware of common pitfalls.

"Caring for loved ones involves ensuring their financial security, especially in today's world of uncertainties. Term insurance is a straightforward and affordable way to provide this security. It offers coverage for a specific period, or 'term'; and pays out if the policyholder is no longer," says Rahul Malodia, a chartered accountant and founder & CEO, Malodia Business Coaching.

While buying a term insurance, one should keep in mind important points like premium amount for a certain coverage, settlement ratio, returns guaranteed or non-guaranteed and other features to make the best decision for your family's future.

Malodia shared his insights and some of the key points need to be considered while buying a term insurance:

Delay in getting term insurance

Procrastination can be costly. The longer you wait to buy term insurance, the higher the premiums will be. As you age, health issues may also arise, leading to higher premiums or even denial of coverage. It's wise to secure a policy as soon as possible to get lower rates and ensure protection for your loved ones. For example, a healthy 30-year-old might pay significantly less than a 40-year-old with similar health.

Low amount premium

Choosing the lowest premium might seem like a wise financial decision, but it can be misleading. Low premiums often mean limited coverage. It is essential to have sufficient money to cover your family's financial needs, such as mortgage payments, children's education, and living expenses. One's term insurance amount should be at least 15-20X of the annual income.

For instance, if you're earning Rs 3 lakh per year, your coverage should be around Rs 60 lakh.

Choosing limited pay insurance

Limited pay insurance allows you to pay premiums for a shorter period, such as 10 or 15 years, instead of the entire term. While this might sound appealing, it can be more expensive. The premium costs are higher because you're paying off the policy quickly. Therefore, evaluate whether your budget can handle higher payments in the short term without compromising your financial stability. Instead of paying higher premiums for a limited time, use that extra money for investments.

Taking whole life insurance

Whole life insurance covers your entire life and includes a savings component. However, it is much more expensive than term insurance. Many people buy whole life insurance, thinking it's a better investment. If your primary goal is to provide financial security for your family when you are not there, term insurance is often the more cost-effective option. Use the money saved from lower premiums to invest elsewhere.

Take riders wisely according to budget and need

Riders are add-ons to your term insurance policy that provide extra coverage, such as critical illness or accidental death benefits. While they seem beneficial, they also increase the cost of your policy. Instead of adding multiple riders, purchasing standalone policies for specific needs might be more economical. For example, a separate critical illness policy could offer more comprehensive coverage than a rider.

Claim settlement ratio

The claim settlement ratio indicates the percentage of claims an insurance company has paid. A low ratio might signal potential difficulties in getting claims approved. Choose an insurer with a high claim settlement ratio to ensure your beneficiaries receive the benefits without hassle.

Researching the insurer's history and reading reviews is essential to understand their reliability.

Choosing the wrong option

Selecting the wrong term insurance policy can have serious consequences. Before deciding, assess your financial situation, future needs, and the policy's features. Consult with a financial advisor if necessary. For instance, a young, single person might need less coverage than someone with a family and a mortgage. Make sure the policy you choose aligns with your long-term financial goals.

Not telling family members

Once you have a term insurance policy, inform your family members about it. They need to know the policy details, including the insurer, policy number, and how to file a claim. Please communicate this information to avoid delays or complications when claiming it. Remember to keep a copy of the policy documents in a secure and accessible place.

Conclusion:

Term insurance is an excellent way to ensure financial security for your loved ones. However, making informed decisions is crucial. Avoid delays, provide adequate coverage, consider the long-term costs and benefits, and keep your family informed. By being cautious and well-informed, you can choose a term insurance policy that provides your family peace of mind and financial protection.

(The writer is Mithilesh Jha.)

TOP

Life Insurance Cost in India 2024: How Middle-Class Families Can Afford Coverage - Northeast Now – 5th June 2024

In the present day, life insurance has become the main financial backup for families in India. It is a safety net that grants protection and peace of mind in unpredictable times. Nevertheless, several middle-class families are often in a dilemma as to whether they can afford **life insurance** on their tight budgets. In this article, you'll learn about life insurance costs in India and how middle-class families can get coverage without worrying excessively about their finances. Life insurance involves regular payments of a certain amount to an insurance company. The company then guarantees that your family will be secure and financially assist you if something unfortunate happens. Life insurance premiums are decided based on many factors, such as age, health, the insurance you require, and the type of coverage you choose.

If you are concerned about the affordability of a life insurance plan due to your limited budget, rest assured that there are solutions. Various options are available to guarantee financial security for your loved ones. One practical option is term insurance, a pure and straightforward plan that offers comprehensive coverage at an affordable price. This plan ensures that your nominees receive a death benefit if you pass away within the policy's term.

3 Tips for Middle-Class Families to Afford Life Insurance**1. Evaluate Your Needs:**

Think about your family's financial needs and then choose coverage (sum assured) that can cover your family's expenses when you are not there. Term insurance is designed specifically for the customer's needs and financial capabilities.

2. Compare Plans:

Study the term insurance plans offered by many insurers in detail. Compare various plans' premiums, coverages, and benefits to determine which is suitable for your budget and basic needs.

3. Start Early:

Start your life insurance journey early. Life insurance premiums are typically lower for younger individuals because they are generally healthier and present a lower risk to the insurance company. This makes it more affordable for those in the middle class or with limited income to secure coverage.

Conclusion:

Understanding life insurance costs is crucial for middle-class families in India seeking financial security. Term insurance offers comprehensive coverage at reasonable premiums. However, assess your specific requirements, compare plans, and get term insurance early while you are young and in good health. Additionally, you can enjoy tax benefits under Section 80C and Section 80D of the Income Tax Act 1961.

TOP

Listed private life insurers' FY24 margins fell on rise in Ulip share - Business Standard – 3rd June 2024

All the four listed private life insurance companies recorded a drop in value of new business (VNB) margin in the financial year 2023-24 (FY24) as compared to FY23. This is because of a higher share of unit-linked insurance plans (Ulips) in the product mix. VNB is a measure of the economic value of profits expected to emerge from a new business. VNB margin is the profit margin of the companies. According to insurance

companies, the demand for Ulip products has surged among customers due to strong performance of the equity market. The product is considered to have a lower profit margin. In FY24, VNB margin of the largest private sector life insurer — SBI Life — slipped to 28.10 percent compared to 30.10 percent in the year-ago period. During the post earnings analyst meeting, the life insurer attributed the fall in margin to higher share of Ulip business as compared to previous year. The share of Ulip business for the company increased to 60 percent from 55 percent in FY23. According to analysts at Motilal Oswal, VNB margins for all life insurance players declined from the year-ago period due to adverse product mix and pressure on non-par margins.

HDFC Life also witnessed a drop in VNB margin to 26.3 percent as the share of Ulip in its overall business touched 35 percent. In addition, for the life insurer, the tax imposed on policies with a premium of over Rs 5 lakh has also impacted margins. The private life insurer witnessed a surge in sale of high value (aggregate premium is over Rs 5 lakh) in March 2022 after the government imposed tax on the segment during the Union Budget of 2022-23. In case of ICICI Prudential Life, the third largest private sector life insurer, share of Ulips in the product mix increased to 11.7 percent from 7.3 percent in the year-ago period. Also, within the non-linked segment, there has been a shift towards participating products for the company. Increased expenses and higher share of Ulip and participating products dragged the VNB margin to 24.6 percent from 32 percent in FY23. On the other hand, the VNB margin of Life Insurance Corporation of India (LIC) inched up to 16.8 percent in FY24 compared to 16.2 percent in FY23. The life insurer's move towards (non-participating) non-par segment led to the growth in VNB margin. LIC's share of non-par products in APE increased to 18.32 percent in FY24 as compared to 8.89 percent in FY23. Even while serving demand for various products from customers, private sector insurers aim to grow the share of non-par products and protection segments. This aids in improving the margin. SBI Life's management said, "Going forward, while we continue to offer all kinds of products to all segments of customers, it all depends on the customer's choice. We will definitely like to grow our protection and non-par business also in the coming year for a healthier product mix."

TOP

Insurers worried over surrender value rule - The Economic Times – 01st June 2024

Life insurance companies have expressed concerns over proposed regulatory changes that would offer higher surrender values to policyholders the first year itself. Industry representatives have sent their feedback saying that these reforms could severely impact profitability and policy persistence.

Friday was the deadline to submit feedback on the draft rules to the Insurance Regulatory and Development Authority of India (IRDAI). The draft proposal suggests policyholders be entitled to a special surrender value (SSV) from the first year. Currently, those who surrender their policy after paying the first premium lose the entire amount. Insurers have said that life insurance is a long-term financial product and does not serve short-term needs. "The insurance regulator should not encourage guaranteed surrender value from the first year. Insurance should be treated as a long-term product and for people looking for short-term gains should invest in other products like fixed deposits," said an executive at an insurance company.

(The writer is Shilpy Sinha.)

TOP

HEALTH INSURANCE

Reforms in health insurance you must know about - Business Standard – 06th June 2024

One prerequisite for fulfilling the vision of insurance for all by 2047 is trust. Customers' concern about whether an insurer will honour their claim needs to be addressed. To make health insurance accessible and reliable, the Insurance Regulatory and Development Authority of India (IRDAI) issued a master circular on May 29, 2024.

"The master circular introduced by IRDAI encourages insurers to adopt customer-centric policies. A focus on customer satisfaction can positively impact insurance penetration. It will lead to a UPI-like movement

- deeper penetration and higher adoption - within the health insurance ecosystem," says S Prakash, managing director/chief executive officer designate, Galaxy Health and Allied Insurance.

Previously, if you purchased a health insurance policy and decided to discontinue it during the policy term, you would receive a refund based on a 'short-premium scale'. For example, if you had used the policy for three months, the insurer would deduct six months of premium and refund the remaining six months' premium. If you had used the policy for six months, they would deduct nine months' premium. If you had used the policy for nine months or more, you would receive no refund at all.

Now, after the free-look period of 30 days, a customer can cancel the policy with a seven-day notice and get a proportionate premium back, unless they have made a claim. The shift to proportionate refunds means the insurer will only deduct the premium for the period for which the policy was used. If a customer uses a policy for four months and then decides to discontinue it, the insurer will refund the remaining eight months' premium. "This change provides greater flexibility to people who wish to discontinue their health insurance policy," says Kapil Mehta, co-founder of Secure Now. Insurers may hike premium rates slightly since they will have to refund more money to policyholders who discontinue. "However, the impact may not be significant as most people tend to continue with their insurance policies year after year," says Mehta. Another important change is the reduction of the moratorium (look-back) period from eight years to five years. Previously, after eight years, an insurer could not deny a health insurance claim except in cases of proven fraud (such as deliberate hiding of critical information). Now, this period has been reduced to five years. "This is a significant benefit for policyholders as it provides assured claim payment sooner," says Mehta. He adds that premiums may not change much due to this reduction. Experts warn that prospective customers should not turn complacent after this rule change. "At the time of purchasing a policy, they must comprehensively declare their medical history (major ailments suffered, surgeries undergone, medicines being consumed currently, and so on). They must also come clean regarding their lifestyle habits, such as smoking and drinking," says Siddharth Singhal, business head-health insurance, Policybazaar.

The regulator wants insurers to achieve 100 percent cashless claim settlement and minimise settlement through reimbursement. More importantly, the request for cashless authorisation must be decided within one hour. Insurers must put the necessary systems in place to achieve this by July 31, 2024. In the past, there have been many cases where patients were discharged by the hospital but were unable to leave because the insurer had not settled their bill with the hospital. In extreme cases, customers had to stay for one more night, incurring additional costs. Now the regulator has mandated that if there is any delay beyond three hours, the additional amount charged by the hospital shall be borne by the insurer from its shareholders' fund. While the master circular sets laudable goals, customers need to watch out for a few things. For many types of customers (senior citizens or those with pre-existing diseases, PEDs.), policies may be expensive. Hence, it is best to purchase health insurance at an early age, before one has incurred any disease that could make access to health insurance difficult or raise costs significantly. Buyers must also ensure they purchase an adequate sum insured. "The minimum sum insured should be Rs 10 lakh per family member, though a higher amount is advisable," says Singhal.

Focus on waiting periods for PEDs in the policy. This is the period for which the insured must wait before they can make a claim for PEDs. The insurer recently brought it down from a maximum four years to three years. "Nowadays, plans are available that offer coverage from the 31st day for PEDs if you pay 15-20 percent extra premium. Those having a PEDs should opt for this feature," says Singhal. Finally, avoid plans with sub-limits, whether related to modern treatments, room categories, or disease-specific limits. For senior citizens and those with preexisting diseases (PEDs), health insurance policies may be expensive, It is advisable to purchase health insurance at an early age before any disease, Ensure an adequate sum insured; the minimum recommended is Rs 10 lakh per family member, though a higher amount is advisable. If you have a PED, consider buying a plan that offers coverage from the 31st day for that PED if you pay 15-20 percent extra premium. Avoid plans with sub-limits related to modern treatments, room categories, or disease-specific treatments

(The writer is Sanjay Kumar Singh.)

TOP

Insurance Cos look forward to launch of National Health Claim Exchange - Express Healthcare - 04th June 2024



NHCX to enable insurers and health platforms to provide instant claim settlements and 100 per cent transparency to customers.

The National Health Authority (NHA) recently announced the development of a new one-stop portal for hospitals to process insurance claims. Called the National Health Claim Exchange (NHCX), the new portal will reportedly be operational in 2-3 months and will use a common data collection format that will contain all the information needed by different insurance companies, according to officials connected with the development. It will aim to speed-up the pre-authorisation time and discharge

approvals, and bring down insurance premiums in the future.

Commenting on the same, Shashank Avadhani, Co-Founder and CEO, Alyve Health, said, “The launch of the National Health Claim Exchange (NHCX) will be a pivotal milestone for the health insurance industry in India. NHCX will replace the onerous and manual claims operations with seamless and secure health data transfer from healthcare providers to insurers. With Health ID (ABHA) and NHCX, the powerful India Health Stack is ready now. This will enable customer-centric insurers and health platforms to provide instant claim settlements and 100 per cent transparency to customers. At a systemic level, NHCX will reduce both OpEx and fraud, ultimately reducing healthcare costs.”

Sharing views on this announcement, Amitabh Jain, COO, Star Health Insurance, said “The National Health Claim Exchange (NHCX), a unified platform for submitting and processing health insurance claims across hospitals, will benefit the health insurance sector. It is designed to drive efficiency, boost customer satisfaction, streamline data management and analytics, ensure regulatory compliance, minimise discrepancies, and facilitate scalability within the industry. Star Health Insurance has fully integrated its systems with the NHCX. In tandem with the GI council, the company is actively working towards onboarding all major hospitals onto the platform at the earliest. We believe that the NHCX will create a mutually beneficial scenario for customers, insurance companies, and hospitals alike.”

TOP

How NRIs can extract maximum value from voluntary deductible in their health insurance - The Economic Times - 2nd June 2024

When Ravi, an Indian software engineer, got a chance to move to the United States because of a lucrative career opportunity, his joy knew no bounds. He excitedly packed his bags, made arrangements for his stay in the US and booked his flights. He hardly had the time to think about some of the important financial matters like what happens to his health insurance policy when he moves to another country altogether. A few months after he settled down in California, he got reminders about the renewal of the health insurance policy that he had back in India. Wondering what use would be an Indian health policy in the US, and considering that he had already got a health plan in his new country of residence, Ravi decided to discontinue his existing health insurance policy in India.

However, he soon realised that he may have made a hasty decision. Frequent trips back to India for family visits, combined with the high costs of medical treatment in the US, made him realise the benefits of having a health insurance policy in India.

Why NRIs should maintain health insurance in India

Having health insurance in India is critical for NRIs due to multiple reasons. First and foremost, it would provide them coverage during their trips to India. It is natural for NRIs to have deep roots in India. So it is

common for them to visit their home country regularly for personal as well as professional reasons. During these visits, having an active health insurance policy would come in handy to cover any unexpected medical emergencies, or even planned treatments. Given the extremely high cost of medical treatment in the US and many developed countries, many Indians settled abroad often plan treatment of their ongoing health issues in India. But if they don't have a health insurance in India, it would still cost them a lot.

Another factor to consider is that when NRIs stay away from India for a long time, they could often get prone to certain health issues during their visits to India like flu and other stomach-related ailments. An active health insurance would ensure their peace of mind as well as financial security during their stay in India.

Leveraging voluntary deductibles to make health insurance affordable It is a fact that health insurance premiums in India are generally significantly lower than Europe, US, and even Singapore and Gulf countries. It is estimated that NRIs living in wealthy nations may have to pay premiums 50-60 per cent higher than in India. So they can opt for a comprehensive coverage without any major setback on their budget. Moreover, the Indian government has made this proposition even more lucrative for them by offering them a GST waiver if they buy insurance from India. That means a flat saving of 18 per cent.

To further reduce the premium costs of their Indian health insurance policy, NRIs can opt for a voluntary deductible. A deductible is an amount that the policyholder has to pay out of his own pocket before the insurance company starts covering the expenses. Choosing a higher voluntary deductible significantly lowers the premium. And NRIs can take advantage of that since they may not frequently use their Indian health insurance policy while living abroad.

Best-suited for NRIs who plan to return to India

If the NRIs plan to return to India in future, this can be beneficial on multiple levels –

1. Adequate coverage - On one hand, they get coverage on their visits to India so they are adequately covered on all fronts and have a financial safety net.
2. Affordable premium- Second, they can enjoy the long-term benefits of health insurance at a reduced premium.
3. Waiting period - The best of all, they can serve the waiting period of their policy while they are settled abroad. This would ensure that they are comprehensively covered from day one on their return, without having to serve the initial waiting periods for various treatments and pre-existing conditions.

So, it is fair to say that the combination of voluntary deductible coupled with the possibility of serving the waiting period while being settled abroad presents a compelling value proposition.

This establishes the fact that NRIs should genuinely take into account the long-term advantages of maintaining a health insurance policy in India. The benefits of affordable premiums, GST waiver, coverage during trips to India, and the ability to serve waiting periods while abroad far outweigh the perceived inconveniences. The best part is that they do not need to visit India to get the policy as the whole process can be completed online through just a few clicks of the button. However, it's important to make an informed choice by comparing online and weighing the benefits of one policy against another before taking a call.

TOP

Grace period rules changed for health insurance: Check new guidelines for policyholders - Hindustan Times - 1st June 2024

The Insurance Regulatory and Development Authority of India (IRDAI) mandated health and general insurance companies to provide coverage during the grace period when health insurance premium is paid in installments, the insurance regulator said in an official circular.

Policyholders usually get a grace period ranging usually from 15 to 30 days for paying health insurance premiums, which is extra time past the renewal due date. Insurers did not offer policy coverage during this period previously.

The IRDAI has now set a grace period for premium payments; 15 days for monthly premiums and 30 days for quarterly, half-yearly, or annually premiums, in a move to standardize this practice across the industry. In the grace period, the health insurance will now, stay active with benefits like sum insured, no claim bonus, waiting periods, and moratorium period for pre-existing diseases, Business Today reported. "The new Master Circular requires insurers to process discharge authorizations within three hours, enhancing customer service and addressing a common grievance among policyholders, "Manish Dodeja, Head of claims & Underwriting at Care Health Insurance told LiveMint. "Insurers are urged to strive for 100% cashless claims."

"The updated norms also encourage diversity in product offerings, catering to various demographics and medical needs. They allow policyholders with multiple policies to choose the policy under which to claim. Enhanced transparency is ensured by providing a Customer Information Sheet with each policy. Policyholders stand to benefit from No Claim Bonuses and have the flexibility to cancel policies at any time for a refund of the unexpired premium," he said.

(The writer is Abhyjith K. Ashokan.)

[\)TOP](#)

Why dentistry needs insurance cover - Express Healthcare - 2nd June2024



The article highlights the importance of dental insurance for a holistic health. Dentistry is a critical component of overall healthcare, but is often overlooked when it comes to comprehensive insurance coverage. This oversight can have significant implications for public health, individual well-being and economic stability. Expanding insurance coverage to include dental care is essential for several reasons; it promotes better health outcomes, reduces long-term healthcare costs, addresses inequalities and enhances productivity and quality of life.

Dental health is intrinsically linked to overall health. Poor oral health can lead to severe medical conditions such as cardiovascular disease, diabetes and respiratory infections. Gum disease has been linked to heart disease and stroke due to the inflammation and bacteria associated with periodontal infections. By providing insurance coverage for dental care, individuals are more likely to seek preventive treatments and regular check-ups, thereby identifying and managing dental issues before they escalate into more serious health problems. This proactive approach not only preserves oral health but also contributes to the prevention of related systemic diseases.

Dental insurance in western countries varies significantly in terms of feasibility and coverage for dental treatments, largely depending on the country's healthcare system, insurance market and public health policies. For instance, most dental insurance in the U.S. is provided through private insurance plans, often obtained as part of employee benefits. There are several types of plans, including Dental Health Maintenance Organisations (DHMOs), Preferred Provider Organisations (PPOs) and Indemnity Plans.

Insurance coverage typically includes preventive care (e.g., cleanings, exams, X-rays), basic procedures (e.g., fillings, extractions) and major procedures (e.g., crowns, root canals). Orthodontic treatments and cosmetic dentistry often have limited or no coverage. Plans often come with deductibles, co-pays and annual maximum limits. Insurance premiums can vary depending on the level of coverage by different companies. Dental insurance can be costly and not all employers offer dental benefits.

Overall, the feasibility and coverage of dental insurance in western countries are influenced by the interplay between public health systems and private insurance markets. While basic dental care is generally accessible, significant disparities exist in terms of comprehensive coverage and affordability, often leading to gaps in care for those without adequate insurance. Addressing these disparities requires ongoing policy efforts to expand access and affordability of dental care across different socioeconomic groups.

Similarly in India, dental insurance coverage is essential for promoting overall health, reducing healthcare costs, addressing health disparities and enhancing quality of life. The integration of dental care into existing insurance frameworks, expansion of public health insurance programs, employer-sponsored plans and affordable standalone options are all viable pathways to achieving comprehensive dental coverage. By recognising and addressing the critical role of dental health, we can foster a healthier, more equitable society. It is imperative for policymakers, healthcare providers and insurers to work collaboratively to make dental insurance coverage a reality for all.

Preventive dental care is significantly more cost-effective than treating advanced dental and related health conditions. Without insurance, many individuals delay or forego dental visits due to cost, leading to the progression of untreated conditions. This can result in emergency room visits for dental pain or infections, which are substantially more expensive than routine dental care. The cost of the advanced dental treatments like crown & bridges, dental implants and orthodontic correction can be higher. Insurance coverage for dentistry encourages regular dental visits, early intervention and effective management of oral health issues, thereby reducing the incidence of costly emergency and rehabilitative treatments.

Most insurance companies in India offer minimal to no dental insurance coverage for most of the dental issues. Insurance for preventive and therapeutic dental care has to be mandated, since diagnostics, X-rays, dental fillings, simple extractions and root canal treatments can be of much help on the pocket. By providing insurance coverage for dental care, individuals can maintain good oral health, which in turn supports better physical and mental well-being. Teeth are very important for chewing and for a better digestion, speech and self-confidence.

Incorporating comprehensive dental coverage into insurance plans is not merely an added benefit but a necessary step towards holistic healthcare. It promotes better health outcomes, reduces long-term healthcare costs, addresses inequalities and enhances productivity and quality of life. By recognising the importance of dental health and providing the necessary insurance coverage, we can create a healthier, more equitable and economically stable society. It is time for policymakers, healthcare providers and insurers to acknowledge and act upon the critical role of dental care in overall health and well-being.

(The writer is Dr Parthasarathi Reddy.)

TOP

IRDAI's new circular will bring in transformation in health insurance - The Economic Times - 1st June 2024

Beyond transactions, there is an ardent need for automating and risk underwriting and claim processing within the industry. IRDAI's aim to achieve 100% cashless claim settlements and claim settlements within three hours of the hospital's discharge request will significantly address the claim settlement challenges in the industry. The Master Circular by IRDAI, replacing 55 earlier circulars, is a master stroke towards empowering policyholders and bringing in inclusive health insurance growth. By consolidating everything into a single document, the Circular will make the language clear and comprehensive for policyholders, outlining their rights and entitlements under their health insurance plans.

Additionally, the proposed health insurance benefits, covering all age groups, all types of medical conditions, pre-existing diseases and chronic conditions; covering all regions and occupational categories will truly simplify insurance, and make it accessible to all Indians.

Beyond transactions, there is an ardent need for automating and risk underwriting and claim processing within the industry. IRDAI's aim to achieve 100% cashless claim settlements and claim settlements within three hours of the hospital's discharge request will significantly address the claim settlement challenges in the industry.

Ensuring transparency and efficiency throughout the entire process is crucial for building trust between policyholders and the insurance sector- it is vital today for increasing insurance penetration. Policyholders should have the right to a refund of premiums for the unused policy period if they cancel their policies early. Health insurance policies should be renewable and not denied due to claims made in the previous policy year, except in cases of fraud or misrepresentation.

The industry is currently undergoing a transformation towards tailored products and streamlined processes. There will be spurts of low-cost insurance tailored to the consumer needs in the smaller towns and cities and rural communities. IRDAI allowing customization of products (by consumers), by providing them the flexibility to choose products/add-ons/riders as per their medical conditions/specific needs will dramatically improve consumer satisfaction.

The Master Circular also rightly highlights the importance of technology in enhancing consumer satisfaction. Renew Buy has been stressing on the importance of technology for providing end-to-end insurance solutions, right from providing insurance products to servicing consumers to claim settlements. Wide distribution in today's time is possible only through digitization and this distribution can be further amplified if insurance agents are used in the right way. Overall, this Master Circular represents a major advancement towards enhancing transparency, efficiency, and fairness in the health insurance sector.

(The writer is Balachander Sekhar.)

TOP

Health insurance premiums can be reduced if you don't make a claim, policy cancellations to be less costly and more: 5 rule changes - The Economic Times - 1st June 2024



Taking another step towards "Insurance for All by 2047", the Insurance Regulatory and Development Authority of India (IRDAI) recently released a master circular to make health insurance policies more inclusive, flexible and customer-friendly. From reducing cancellation charges in indemnitybased health insurance policies to specifying how to offer a no-claim bonus to making claim-settlement procedures more transparent — the regulator has introduced some key rule changes to make health insurance policyholders more empowered. ET Wealth Online explains what these mean for health insurance customers and how these rule changes in the health insurance policies will help policyholders.

Higher refund on cancelling health insurance policies

Policyholders can now discontinue a health insurance policy whenever they want and get a refund of the premium on a pro-rata basis if they have made any claims. All they have to do is to give their insurer a notice of seven days in writing. Earlier, the refund on the premium was not on a pro-rata basis. Abhishek Kumar, a SEBI-registered investment advisor and Founder of SahajMoney.com, says, "Previously, if one cancelled the policy within one month, three months or six months after completion of the free-look period, then the refund of the premium amount will be 75%, 50% and 25% respectively."

If you cancel a health insurance policy six months after the free-look period, you typically don't get any refund from the insurer, says Pankaj Nawani, CEO of CarePal Secure. A standard administrative fee is usually deducted from the refund amount, he adds. Now, the regulator has said, the refund will be a "proportionate premium for the unexpired policy period if the term of the policy is up to one year and there

is no claim(s) made during the policy period". When policies are cancelled after a year, the insurer must refund the premium for the unexpired policy period, provided that the risk coverage for those future policy years has not commenced. So, if a policyholder has paid Rs 10,000 as annual premium for her health insurance policy and discontinues it after six months, she is likely to get a refund of Rs 5,000 now, provided there is no claim. According to previous norms, she would not have got any refund for cancelling the policy after six months.

"A notable aspect of the new guidelines is the reduction of the notice period for policy cancellation from 15 days to just seven days," says Bhaskar Nerurkar, Head – Health Administration Team, Bajaj Allianz General Insurance. Further, the circular does not mention any additional administrative fees or penalties for cancellation, which simplifies the process and potentially makes it more favourable for policyholders, he points out. Also, the cancellation charges on health insurance policies have been reduced now.

"These changes are designed to provide more flexibility and clarity to policyholders, making it easier for them to cancel their policies and receive refunds proportional to the unexpired term of the policy," Nawani says. The regulator has provided all insurers with a timeline until September 30 2024 to implement the modifications as per the new guidelines, Nerurkar adds.

No-claim bonus for health insurance: Options to reduce insurance premium The regulator has specified how insurers can offer no-claim bonuses to policyholders. Till now, auto-insurance plans typically offer a no-claim bonus to policyholders by reducing the renewal premium if there has not been any claim the previous year. In the case of health insurance policies, insurers usually hike the sum insured at the time of renewal even if the policyholder has not made a claim.

Now the regulator says insurers can provide two options during annual renewal if the policyholder has not made any claims during the year. The two options are:

- 1) Cumulative bonus: The sum-insured amount will be increased without a hike in the premium amount
- 2) A discount on the premium: Policyholders can choose either of the two options and have to provide consent every year at the time of renewing their health insurance policies. Amid rising premiums of health insurance policies, reducing premiums bring some much-needed relief to policyholders.

No health insurance claim can be rejected with the approval of the Claims Review Committee

The regulator has asked insurance companies to set up a threemember Claims Review Committee (CRC) to review all claims. The insurer cannot reject any claims without the approval of the committee. IRDAI says, "In case, the claim is repudiated or disallowed partially, details shall be conveyed to the claimant along with full details giving reference to the specific terms and conditions of the policy document."

Further, the regulator said, "Pursuant to intimation of the claim, insurers and third party administrators (TPAs) shall collect the required documents from the hospitals. Policyholder shall not be required to submit the documents."

Higher penalties for not complying with ombudsman orders

Now, insurance companies have to pay more penalties if there is a delay in implementing an order of the ombudsman. Insurance companies are required to comply with the ombudsman's order within 30 days. When there is a delay in this, they have to pay a penal interest that is two percentage points over the prevailing bank rate, as per the Protection of Policyholders' Regulations.

Insurers have to display these details clearly on their website To make it easier for consumers, the regulator has asked insurance companies to display the following information prominently on their websites:

- i) The hospitals/healthcare service providers with whom they have a tie-up for cashless claim settlement
- ii) Hospitals/healthcare service providers that are on the list of common network of hospitals.
- iii) Information that policyholders need to file to claim for reimbursement when healthcare services of non-empanelled hospitals are used.
- iv) A list of procedures to be followed by policyholders for claim settlement under a cashless facility and reimbursement of claims.

- iv) Turn around time for policy servicing, approvals of cashless as well as reimbursement claim settlement
- v) List of products on offer and products withdrawn.

These will help policyholders stay updated. When policyholders go for planned treatment, they can quickly visit the website of the insurer concerned to get the necessary details. Several insurance companies have already put out all these details but the IRDAI's instructions streamlines the process to help policyholders in an emergency.

Welcoming these moves, Sanjiv Bajaj, Joint Chairman & MD, BajajCapital Ltd, says, "These measures are not only expected to increase the adoption of health insurance across India but also foster higher levels of trust between insurers and policyholders. With stricter review processes and a focus on maintaining high standards of customer service, IRDAI is ensuring a more transparent and reliable health insurance environment, ultimately benefiting the consumer.

TOP

SURVEY AND REPORTS

61 Percent of EV owners find battery charging time as primary concern: survey - Business Standard - 05th June 2024



Seventy seven percent of Indians choose electric vehicles (EVs) for sustainability and reduced emissions but battery charging time is the biggest concern for EV owners in India, according to a report by ICICI Lombard General Insurance.

The report explores how the growing popularity of electric vehicles (EVs) is transforming the motor insurance landscape. Based on a survey of over 500 EV owners in major Indian cities, the report sheds light on changing consumer preferences, emerging risks, and new market trends in EV insurance.

Key findings:

Environmental Consciousness & Cost Savings Drive EV Adoption:

The report reveals a strong environmental push behind the EV revolution, with 77% of EV owners citing reduced emissions as a primary motivator. This eco-consciousness is particularly pronounced among younger drivers (81%). Additionally, 73% of respondents highlight reduced fuel costs as a significant factor in switching to EVs.

Challenges on the Road to EV Domination

Despite the enthusiasm, concerns regarding battery charging infrastructure remain prominent. Battery charging time is the biggest worry for 61% of EV owners, followed by limited driving range (54%) and insufficient charging stations (52%). While users in Mumbai, Chennai and Bangalore are more concerned about battery charging time. Limited driving range is a common issue observed in Delhi and Hyderabad. High initial cost is a big concern for car buyers and specially the first time buyers.

Demand for Specialized EV Insurance

The report highlights a high awareness (91%) of EV-specific motor insurance policies. Car owners, in particular, demonstrate a strong understanding of the need for specialized coverage. When choosing insurance, cost and claim settlement experience are key considerations. Notably, features like 24/7 roadside assistance and battery replacement are highly sought-after by consumers.

"24*7 Roadside assistance for EV-related issues and Coverage for battery replacement is what most of the people want to be covered in the insurance, and people are even ready to pay extra premium for the same," said the survey.

Only 53% of consumers are aware of coverage regarding Charging Station Damage, thus highlighting the need for better communication on the aspect.

The report emphasizes the importance of educating consumers about EV insurance benefits and complexities. As EV ownership increases, targeted educational initiatives can enhance awareness of crucial insurance aspects.

Awareness & Factors influencing EV Motor Insurance

- 91% consumers claim to be aware of EV specific motor insurance policy; the score is significantly higher among Car owner's v/s bike owners.
- Premium and Claim settlement experience are the top 2 factors for influencing consideration for EV insurance.
- Only 53% of consumers are aware of coverage regarding Charging Station Damage
- As the tenure of the insurance increases, the awareness of the EV related terms increases.

"With India aiming to attain net zero status by 2070, EV mobility will see a definite rise. Studies indicate 70% of all vehicles will be EV by 2030. We have been observing a mind-set shift from consumerism to minimalism and increased accountability towards environment conservation. At ICICI Lombard, we are proactively addressing these trends by developing innovative insurance solutions tailored to meet the unique needs of EV owners, providing comprehensive solution covering traditional risks as well as specialized benefits like battery replacement and 24/7 roadside assistance," said Sheena Kapoor – Head Marketing, Corporate Communications & CSR, ICICI Lombard.

(The writer is Sunainaa Chadha.)

)**TOP**

Healthcare provision in India: Challenges and opportunities - Healthcare Digital – 03rd June 2024

A leading healthcare retail chain MedPlus reports healthy profits, we profile the healthcare system in India, the world's most populous country. With news one of India's biggest retail pharmacy chains has seen a 25% rise in Q4 profits, we explore the wider healthcare system in India. India is a vast country, and with 1.428 billion citizens, is home to approximately 17.5% of the world's total population, meaning nearly one in every six people on Earth is Indian. The sheer scale of the country poses some equally large healthcare challenges, and opportunities. On the retail side, business is booming. This week, MedPlus Health Services, employs 22,000 people, reported a 25% rise in Q4 profits, driven by retail sales. MedPlus runs a chain of retail pharmacies, and offers prescription medicines, and products around nutrition and healthcare, as well as diagnostic lab services for the prevention, detection and management of various illnesses.

Analysts expect the retail pharmaceutical sector to see strong growth in India in the near term and an increasing market share for organised players such as MedPlus. But what about the wider healthcare network in India? What does this look like, and what does the future hold for it, and the huge number of people whose health it has in its hands?

The Indian healthcare system is a diverse and complex network of public and private sectors that provide a wide range of medical services.

Public health provision is undertaken by a raft of schemes and services. One is the Ayushman Bharat scheme. Launched in 2018, this aims to provide health coverage of up to ₹5 lakh (US\$6) per family annually to 100 million poor households. As of June 2023, over 230 million people have been issued health cards, and 47 million hospital admissions have been funded. The public sector is managed by the Ministry of Health and Family Welfare, and caters to approximately 30% of the population. In the 2023-24 budget, the government allocated ₹89,155 crore (\$US 11bn) to healthcare, an increase on the previous year.

The National Health Mission is another public health body. It was started in 2013, and focuses on improving healthcare in rural areas and smaller cities. It has contributed to increased institutional deliveries and immunisation rates, but challenges remain in reducing maternal and infant mortality. Urban areas and southern states like Kerala and Tamil Nadu have better healthcare infrastructure compared to rural

regions and northern states. Overall, India faces some serious health challenges, including heart disease, diabetes, tuberculosis and malnutrition.

Private healthcare dominates across India

It is private healthcare that dominates in India, serving 70% of the population. Major players include Apollo Hospitals, Fortis Healthcare, and Max Healthcare. Health insurance costs vary widely. A basic plan for a 30-year-old might cost ₹5,000 (\$63) annually, while comprehensive coverage could exceed ₹25,000 (\$313).

India's pharmacy sector is fragmented, with over 800,000 retail outlets. Chains such as MedPlus and Apollo Pharmacy are gaining market share, while E-pharmacies including 1mg and PharmEasy are growing rapidly. The country's pharmaceutical industry, meanwhile, is robust, with India being a major global supplier of generic drugs. Leading companies include Sun Pharma, Dr Reddy's Laboratories and Cipla. The industry's market size is expected to reach \$130bn by 2030.

Despite seeing significant changes and improvements in recent years, the system continues to face some serious challenges. Among these are:

- Inadequate infrastructure
- A shortage of healthcare professionals
- Urban-rural disparities
- Limited health insurance coverage
- Insufficient public healthcare funding
- A fragmented healthcare system

In recent years India has emerged as a leading destination for medical tourism, due to the relatively low cost of medical procedures, the availability of skilled doctors, and advanced technology. Factors such as cost-effective treatment, advanced technology, a wide range of specialities, alternative medicine, English language proficiency, and ease of travel have contributed to India's growing medical tourism industry.

(The writer is Sean Ashcroft.)

TOP

Why health insurance with OPD covers are growing popular in India? Check top plans with OPD cover – Live Mint – 2nd June 2024



More people opting for health insurance prefer an additional Outpatient Department (OPD) cover. This feature's popularity has significantly increased over the years, with the percentage of customers opting for plans with OPD covers quadrupling to 20% in the last three years, according to Policybazaar data.

Why are more people opting for OPD covers?

The main reason behind the growing popularity of health insurance plans with OPD covers and riders is the increasing preference for comprehensive coverage that extends beyond conventional inpatient services. Eighty

percent of customers cite the accessibility to doctor consultations and diagnostic tests as one of the main reasons behind opting for OPD benefits in insurance plans.

How much an OPD cover is relevant?

The Policybazaar data suggests that millennials constitute a large share of health insurance holders looking for additional OPD cover as an inbuilt feature or a rider in their plans. Of all the customers who opted for an OPD rider or an insurance plan with OPD cover, 50% have actively utilised the OPD services.

Limited number of health insurance plans like Care Supreme, Tata Medicare Premier, etc offer OPD coverage as a part of their base plan. People can opt for riders like Star OPD rider if a preferred plan lacks OPD coverage. **(Policybazaar.com)**

Delhi, 35 years old, male with base cover of Rs 10 lakh							
Policies with in-built or optional OPD							
	ManipalCigna ProHealth Prime-Advantage Plan	Care Supreme	ReAssure 2.0	Aditya Birla Activ Health: Platinum Enhanced Plan	Tata Medicare Premier	Star Health Comprehensive	Star OPD Rider
Premium	Rs. 12876	Rs. 10592	Rs. 19425	Rs. 12976	Rs. 16,368	Rs. 11476	Rs. 4685(Gold Plan)
OPD Amount	Rs. 30,000	Rs. 500 Per Consult	Option to choose Rs. 5K to 20K	Unlimited cashless physical and virtual outpatient consultations with empanelled general medical practitioners.	Rs. 5,000	Rs. 5000	Option to choose from Rs. 25K to 1lac
Doctor Consultation (Tele)	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Doctor Consultation (Physical)	Yes	Yes	No	Yes	Yes	Yes	Yes
Diagnostic tests	Yes	No	Yes	No	Yes	No	Yes
Prescribed Medicine	yes	No	Yes	No	No	No	Yes

Despite the growing popularity of OPD coverage in health insurance, only a limited number of health insurers provide this feature in their basic plan. However, customers can still opt for OPD coverage with the help of an additional rider. According to PB data, 47% of customers opting for this feature fall within the 31-45% age bracket, whereas 34% of the customers are in the 18-30 segment.

Insurance plans with OPD benefits are most popular in Tier 1 cities

Most of these insurance plans are popular in Tier 1 cities, as nearly 45% of people opt for health insurance policies with OPD benefits from Tier 1 cities. Second is the tier-3 category. Whereas, people living in these cities make up 35% of customers opting for health insurance with OPD benefits. Certain cities exhibit a higher concentration of customers opting for plans with OPD benefits, with Vellore (12.3%), Tiruvallur (10.9%), and Mathura (10.2%) leading the trend. Disclaimer: The views and recommendations made above are those of individual analysts, and not of Mint. We advise investors to check with certified experts before taking any investment decisions.

(The writer is Sharmila Bhadoria.)

TOP

INSURANCE CASES

Insurance firm directed to settle medical expenses of client, fined Rs 35K over deficiency in service - The New India Express - 3rd June 2024

The District Consumer Disputes Redressal Commission in Srivilliputhur recently directed an insurance company to settle the medical expenses of a Sivakasi resident, a health insurance policyholder of the firm, and slapped a fine of Rs 35,000 for deficiency in service. The verdict was pronounced by President SJ Chakkaravarthy and member M Muthulakshmi in a petition filed by J Madhanagopal against the general manager of the insurance company in Chennai and the branch manager of the company in Sivakasi.

According to the petition, Madhanagopal, along with his wife Yasodha and daughter Vishnupriya took a family health insurance policy from the aforesaid company for a period from July 19, 2022 to July 18, 2023. Owing to deterioration of health, Yasodha was admitted to a hospital in Sivakasi from July 14 to July 17, 2023. A total of Rs 41,836 was spent for the medical expenses.

However, when the petitioner approached the company to claim the insurance money, they refused to release the amount citing errors in the discharge summary, and also sought the petitioner to submit some documents.

Observing a deficiency in service, the consumer's panel directed the respondents to settle the medical expense of Rs 41,836 as per the insurance policy, and further slapped a fine of Rs 25,000 for causing mental agony and material loss to the petitioner and Rs 10,000 as litigation expenses.

TOP

PENSION

EPFO rolls out software facility for online updation of member profiles - The Indian Express - 02nd June 2024

The Employees' Provident Fund Organisation (EPFO) has operationalised a software for online filing of the changes in know-your-customer (KYC) details, the Ministry of Labour & Employment said in a statement on Saturday. It added that around 40,000 claims have been approved by the field offices on the revamped online portal for changes, such as name, gender, date of birth, parent name, marital status, nationality, and Aadhaar.

In the first two months of the current financial year, the EPFO has overall settled around 87 lakh claims in the form of advances for housing, post matriculate education of children, marriage, illness, final provident fund settlements, pension, insurance, it said.

At present, around 7.5 crore members are active contributing members to the provident fund, pension and insurance schemes each month, it said.

"The members claim these benefits online which has been made possible through a robust computer software application, which validates the data of the member in the Universal Account Number (UAN). Therefore, the consistency of the data of the member in the records of the EPFO is of paramount importance to ensure that the services are provided online seamlessly and to the correct member duly avoiding any risk of erroneous payments or frauds," it said. For the EPFO's online portal for KYC changes, all requests are getting routed to the PF offices across the country through the employers.

"Members have started filing their requests using this new facility out of which around 40,000 are already approved by the field offices of EPFO. The requests land at the employers' end, who after verification recommend it for approval. They have received around 2.75 lakh such requests till now," it said.

(The writer is Aanchal.)

TOP

National Pension System assets surge 28 percent to ₹12.16 lakh crore - The Hindu Business Line - 04th June 2024

Assets of National Pension System up by over ₹2 lakh crore in nine months

National Pension System's (NPS) assets under management (AUM) have touched ₹12.16 lakh crore as of May 25, the latest data from the Pension Fund Regulatory and Development Authority (PFRDA) showed. The AUM is up by 28 percent from ₹9.52 lakh crore a year ago. The overall AUM, including Atal Pension Yojana (APY), was also higher than the March 2024 level of ₹11.73 lakh crore.

In August last year, the NPS assets had touched ₹10 lakh crore. In nine months, it jumped by ₹2 lakh crore, PFRDA data showed. NPS took six years and six months to reach the milestone of ₹1 lakh crore AUM after its implementation in 2009. It then took four years and 11 months to reach ₹5 lakh crore.

New subscribers

The number of new NPS and APY subscriber registrations till June 2 stood at 1,26,023, PFRDA data showed. The number of subscribers in the non-government sector, as of May 25, grew by 8.79 lakh year-on-year, while in the government sector it grew by 7.18 lakh.

In 2023-24, as many as 9.47 lakh new subscribers joined NPS from the non-government sector, including 8.10 lakh from 'all citizen model' and 1.37 lakh corporate employees. The NPS assets growth in recent years has been driven by buoyant equity markets and a widening subscriber base.

The non-government corporates and retail sector saw 38.65 percent year-on-year growth in NPS assets as of May 25, to touch ₹2.38 lakh crore. On the other hand, NPS assets of the government sector were up 25.09 percent at ₹9.35 lakh crore. As many as 7.10 lakh new government employees joined the NPS in fiscal 2023-24.

Equity returns

Bull markets in equities helped pension funds record an average annual return of 35.06 percent as of May 24, surpassing corporate bonds fourfold and outperforming government securities and state government schemes, the PFRDA data showed. Over the past three years, pension funds achieved an average return of 18.62 percent in equities, with returns since NPS inception coming in at 13.78 percent for equity investments. As of May 24 this year, corporate bonds recorded annual return of 7.12 percent, while government securities saw a return of 7.83 percent. The annual return from central and state government schemes stood at 10.78 percent and 10.77 percent, respectively, data showed. The total number of NPS and APY subscribers, as of May 25 this year, stood at 7.45 crore, up 16.11 percent over 6.42 crore a year ago.

(The writer is Kr Srivats.)

)TOP

EPFO further eases claim settlement process in these cases! No more uploading of... - Financial Express - 03rd June 2024



The Employees Provident Fund Organisation (EPFO) has further relaxed norms for the settlement of claims in certain cases. The retirement fund body in a recent circular said that EPFO members will be exempt from the requirement of uploading an image of a validated bank passbook or cheque leaf in some eligible cases.

“With a view to facilitate the speedy settlement of claims filed online and to reduce the rejection of claims due to the reason of non-uploading of the image of cheque leaf/attested bank passbook while filing claims online, it has been decided with the approval of the CPFC to relax the requirement of mandatory uploading of the image of cheque leaf/ attested bank passbook for certain eligible cases based on certain validations which include Online Verification of the Bank KYC by concerned Bank/NPCI, Verification of Bank KYC by the employer using DSC, Seeded Aadhaar Number verified by UIDAI among others,” according to the EPFO circular dated May 28, 2024.

Citing reasons for giving this relaxation, the EPFO said that the bank KYC has been online verified by bank and has been digitally signed by the employer for this case among other validations and therefore, mandatory uploading of the image of cheque leaf/attested bank passbook is not required.

The retirement fund body has already sent communications in this regard to its field offices last month on May 9 and sent an email notification to its zonal offices on May 13, 2024. “The claims being eligible for this relaxation would be soon color coded for ease of identification of such claims by the ‘dealing hands’ to prevent any inadvertent returning of such claims due to the reason of non-uploading of the image of the cheque leaf/bank passbook, alone”, the EPFO circular said.

Here are some frequently asked questions (FAQs) regarding EPFO claim settlement process:

Q: What are the requirements from the member to be for filing online claims?

Ans: Member should fulfil following conditions: a) The member should have activated his/her Universal Account Number

And the mobile number used for activating UAN should be in the working conditions. b) Member's AADHAAR details should be seeded in EPFO database and he should avail OTP based facility for verifying eKYC from UIDAI while submitting the claim. c) Member's Bank Account along with IFSC code should be seeded in EPFO database. d) Permanent Account Number (PAN) should be seeded in EPFO database for PF final settlement claims in case his/her service is less than 5 years.

Q: What are the service requirements for online filing of PF final settlement claims (Form-19)?

Ans: Member should fulfil following service conditions: a) Date of Joining and Date of Exit of Member should be available in the EPFO Database. b) Member should not be working presently under any establishment coverable under PF Act. c) The Claim should be submitted not before two months after leaving establishment.

Q: What are the additional service requirements for online filing of Pension Withdrawal Benefit Claim (Form-10C)?

Ans: Member's total service should be more than 6 months and less than 9.5 years in addition to the conditions mentioned above for filing pension withdrawal benefit claim.

Q: What is the process for online claim submission?

Ans: Steps in Brief would be as follows:

- a. Login to the member interface using UAN credentials.
- b. Satisfy oneself that KYC and service eligibility conditions as mentioned against his UAN are correct and complete.
- c. Select the relevant claim.
- d. Authenticate using OTP received against the mobile registered with UIDAI to complete the online claim

TOP

Want to change/update your PF details online: EPFO has made it easier - Business Standard - 03rd June 2024



The Employees' Provident Fund Organisation (EPFO) has introduced a software functionality allowing Provident Fund (PF) members to conveniently update and correct their profile information online. This new feature, operationalised on the EPFO website, empowers members to modify crucial details such as their name, gender, date of birth, parent name, marital status, nationality, and Aadhaar information.

Since the launch of this facility, a significant number of PF members have already availed this service. EPFO has approximately approved 40,000 requests through EPFO's field offices. Employers play a crucial role in the verification process, ensuring the accuracy of the updated information before recommending it for approval. Notably, EPFO has received around 2.75 lakh requests till now through this new system. The new facility is part of the EPFO's efforts to enhance its services and improve the overall experience for its members.

The organisation currently maintains around 7.5 crore active members who contribute to the provident fund, pension, and insurance schemes each month. In the first two months of the current financial year, the EPFO has settled around 87 lakh claims in various forms, including housing advances, post-matriculate education, marriage, illness, final provident fund settlements, pension, and insurance.

How to correct your EPFO profile data online?

Log in to the EPFO member portal using your UAN and password.

Click on 'Manage' and then 'Modify Basic Details' to update your profile information like name, gender, date of birth, parent name, marital status, nationality and Aadhaar.

Enter the correct details as per your Aadhaar card. The system will verify the details entered with UIDAI Aadhaar data.

Click 'Update Details' to submit the request to your employer for approval. You can also withdraw the request by pressing 'Delete Request'.

Your employer will receive the request and can view it by clicking 'Member>Details Change Request' on the Employer Interface. They can approve the request after verification.

Once approved by the employer, the request will be forwarded to the concerned EPFO office for final approval.

After verification, the EPFO will approve or reject the request. You will be able to see the updated profile once approved.

(The writer is Ayush Mishra.)

TOP

PFRDA reviews strategies for expansion and distribution of NPS – The Economic Times – 1st June 2024

The pension sector regulator Friday reviewed strategies for expansion, comprehensive coverage and distribution of the national pension system or NPS through point of presence or PoPs. In a statement, the Pension Fund Regulatory and Development Authority (PFRDA) said that in 2023-24 the total enrolments under NPS stood at 940,474. Almost 63% of the enrolments in the voluntary segment (UoS-All Citizen) were sourced through the extensive efforts of PoPs, which include banks, NBFCs, stockbroking firms, fintech companies and pension funds, it said.

"During the year, 3,112 corporates got registered under the NPS corporate model, which has been the highest number so far," the statement said. Under NPS private sector there are 5.512 million subscribers, of which 75% are males. Around 65% of the subscribers fall in the age group of 31-50 years. The data also indicated that private banks enrolled 227,218 subscribers in FY24 and assets under management or AUM for NPS corporate stood at ₹1,66,729 crore. PFRDA chairman Deepak Mohanty appreciated the efforts of PoPs, the statement said, adding that during the strategy review meeting with the distribution channel, various approaches envisaged and carried out by the PoPs to ensure wide pension coverage were also discussed.

TOP

GLOBAL NEWS

Japan: Life insurers' capitalisation and earnings to remain robust in FYE25 – Asia Insurance Review

Japan's life insurers' capital adequacy will remain appropriate for their ratings for the foreseeable future, thanks largely to consistent accumulation of core capital, forecasts Fitch Ratings.

Fitch, in its report, "Japanese Life Insurance Dashboard: FYE24 Results", also projects that the credit fundamentals of Japanese life insurers will stay strong in the financial year ending March 2025 (FYE25).

The agency believes most life insurers will continue working to mitigate interest-rate risk in anticipation of a new regulatory framework set to be implemented in Japan from FYE26. The overall statutory solvency margin ratio was a robust 934% at end-March 2024, only slightly down from 955% a year earlier.

Fitch thinks the easing of pandemic-related restrictions by the government in May 2023 will contribute to robust overall profitability in FYE25, boosted by solid underwriting performance. The strong earnings will also be supported by Japanese life insurers' efforts in reinforcing their sales force and agency channels to revive sales to pre-pandemic level.

The combined core profits of the nine traditional Japanese life insurers surged to JPY2,080bn (\$13.3bn), marking a 35% year-on-year increase in FYE24, primarily due to the significant reduction in insured losses related to the pandemic.

Fitch believes the life insurers continue to face significant risks from the financial markets. A clear negative impact may arise if there is a flattening of yen bond yields, an appreciation of the Japanese yen against the US dollar, a widening of foreign credit spreads, or a Japanese equity market crash in FYE25.

TOP

Thailand: General insurers form group to study EV insurance - Asia Insurance Review



The Thai General Insurance Association (TGIA) has established a working group to study insurance for electric vehicles (EVs), according to Dr Somporn Suebthawilkul, president of the TGIA and CEO of Dhipaya Group Holdings. He said that the TGIA would issue the results of its analysis to association members for them to exercise caution in offering EV insurance, according to local media reports. EV insurance is considered a new risk in the general insurance arena in Thailand.

With insurers facing expensive claims for repair costs, many insurers are beginning to be cautious about the new insurance line, Mr Wasit Lamsam, SVP of Muang Thai

Insurance and chairman of the TGIA's Motor Insurance Committee, says that the growth of EV sales took off with China-manufactured EVs. He adds that the insurance industry can see that the EV trend will rise more and more. In addition, EV manufacturers are beginning to set up production bases in Thailand. "And insurers don't want to be left behind."

To boost sales, the business model of several EV manufacturers is characterised by free insurance for car buyers in the first year, and in some instances even up to two years. The insurance is sold in partnership with the manufacturer. It can be said that almost every brand has free insurance for the first year of the new brand, except Tesla. During this period, the premiums are paid for by the EV manufacturers. EV buyers can pick their insurer from a list of insurance companies with the insurers selected on the basis of the lowest insurance premiums. Every insurance company competes to be on the preferred list of EV car manufacturers.

Mr Wasit said, "Because most EV cars are new cars, insurance companies have not yet seen the claim rates. So I understand that there is still enough profit. But now, there are clear signs that the loss ratio of EVs in the market has increased significantly, reaching the level of 90-100%, which is close to a loss." The costs of repairs and spare parts for EVs are 50-60% higher than for combustion vehicles. After the free-premium period is over for an EV, insurers have to renew or sell their EV insurance products through normal channels, such as agents or brokers, There are increased sales costs, such as commissions payable at rates of 18%. Other risks are that the value of an EV depreciates rapidly, leading to a reduction in the insured sum. Mr Wasit says that currently, there are 120,000-130,000 insured EVs in Thailand. However, this number rises to 150,000 when electric motorcycles are counted. The 150,000 vehicles, represent a total premium income of THB4bn (\$109m) to THB5bn.

TOP

Australia: Govt to establish Insurance Affordability and Natural Hazards Risk Reduction Taskforce - Asia Insurance Review

The Australian government is establishing the Insurance Affordability and Natural Hazards Risk Reduction Taskforce as part of the federal budget to develop an integrated, cross-government approach to minimising the impacts of disaster on the community and help address insurance costs driven by more frequent and intense weather events.

Assistant Treasurer and Minister for Financial Services Stephen Jones said in a statement last week, “The government is committed to working with insurers and local communities to improve insurance affordability. We want Australians to earn more and keep more of what they earn. “We know household budgets are under pressure and insurance costs are contributing. Natural hazard risk is a key factor impacting insurance affordability, and contributing to cost of living pressures, for communities across Australia.”

Mr Jones also noted that different Australian government agencies play a role in reducing natural hazard risk and the taskforce would work closely with these agencies to ensure a comprehensive, whole of government approach on a range of issues, including:

- Community level risk reduction
- Hazard risk reduction
- Economic impacts of underinsurance
- Standardising natural hazard definitions
- Other near-term solutions to improve affordability

The Taskforce will be led by the Department of Prime Minister and Cabinet in order to coordinate a whole of economy view of the issues impacting insurance affordability and solutions to reduce risk from natural hazards. This work will be informed and complimented by work already underway through the Hazards Insurance Partnership, which was established by the Albanese Government in the 22–23 October Budget.

TOP

Asia: Market sees moderation in 1Q in general except for Nat CAT-exposed property risks – Asia Insurance Review



Across Asia, market conditions were mixed, with renewal outcomes varying by line of business. Natural catastrophe property risks remained challenged. Financial Lines saw a general softening, says Aon in its "Q1 2024 Global Insurance Market Insights Report" released last week.

On Asia, the report says that despite a robust international insurer presence in the region, opportunities remained for new entrants, particularly in niche products such as Cyber, Crypto, and Transaction Solutions. Capacity was sufficient as new insurers began writing specialty products either directly or through MGAs (which allowed insurers to reduce their entry costs).

Reinsurers sought premium and retention increases through the January 2024 renewal cycle with increased treaty costs driving increases in the direct market.

Mr Paul Young, Aon’s head of Commercial Risk Solutions in Asia, said, “Market conditions remained challenging for natural catastrophe exposed property risks, where insurers continued to seek rate increases, as they are not positioned to absorb higher treaty reinsurance costs. The market for property risks that are not natural catastrophe exposed, and much of the balance of the market in general, has moderated or softened.

On 3 April 2024, a 7.4 magnitude earthquake struck the east coast of Taiwan. Damage assessments are still being undertaken. Taiwanese corporates, particularly in the technology and life sciences sectors, generally tend to purchase property damage and business interruption insurance. Due to the location of the quake, Aon anticipates moderate Property losses for insurers (and their reinsurers); these come after significant COVID pandemic claims and will further negatively impact profitability. If Business Interruption coverage is triggered, these losses could be significant given the tightness of supply chains and global demand.

Aon's comments on market dynamics in Asia in the report include:

Pricing

Pricing varied widely based on product line and geography, with competition tending to pressure pricing downward, especially for risks with favourable loss histories. Flat renewal pricing was generally available except where exposures leaned toward property in natural catastrophe zones; in such cases, insureds experienced rate increases.

Capacity

Across the region, capacity was generally sufficient for most risks; however, challenging risk types and some geographies experienced capacity limitations, particularly for natural catastrophe-exposed property risks. Singapore saw new international market entrants focused on growth.

Underwriting

Underwriting was prudent as underwriters sought to differentiate risk quality, offering favourable terms mostly to preferred risk types. Underwriting was more conservative and stringent for US exposures and higher-risk profiles.

Limits

Overall, expiring limits were available on most placements. Some client-selected decreases were observed as clients sought premium savings. In scattered cases where insurers reduced limits, coinsurance was leveraged to fill the resulting gaps. Limit increases were available on preferred risks.

Deductibles

Overall, most placements renewed with expiring deductibles, with the notable exceptions of natural catastrophe property risks and client-selected deductible increases (to achieve premium savings). Deductible increase options were often declined by insureds because the premium savings were deemed incommensurate with the additional risk.

Coverages

Overall, expiring terms and conditions were available on most placements and in some geographies and products, broader coverages were available, often for no additional premium. Per-and polyfluoroalkyl substances (PFAS) exclusions were imposed on liability risks regardless of confirmed PFAS exposures

TOP

Motor: EVs are a growing opportunity for insurers, but pose near-term challenges - Asia Insurance Review

Global sales of electric vehicles (EVs) are growing fast and emerging as a new risk pool for the motor insurance industry, according to an "Economic Insight" report published by Swiss Re Institute.

The market for EV insurance is growing rapidly in line with the sales of EVs. Estimates place the insurance market size at over \$200bn globally by 2030 versus \$51bn in 2022. EV driving behaviours, repair costs and vehicle risks are impacting underwriting profitability and may require closer links between carmakers and re/insurers, note the report's authors. Ms Xin Dai, chief economist (China) and Mr Roman Lechner, P&C economic research lead, both of Swiss Re Institute.

Close to 14m EVs were sold globally in 2023, up 35% year-on-year and accounting for 18% of all car sales. The International Energy Agency (IEA) expects EV sales to grow at an average ~30% annually from 2022-30. EVs are expected to be half of all new car sales globally by 2035, with 73m units estimated to be sold in 2040.

Risks

EV adoption is establishing new driving behaviours, vehicle risks and repairability that create new risk features for insurers.

The key new driving behaviour is that EVs accelerate very abruptly from a stationary position compared with internal combustion engine (ICE) cars. This can create a higher probability of accidents and collisions

causing own damage in crash tests. In China, an insurer has stated that the EV accident rate is nearly double that of ICE vehicles, attributed partly to a higher share of EVs in commercial use. EV vehicle risks centre on charging infrastructure installation and operation, and battery-as-a-service solutions such as battery swapping. Accumulation of fire and explosion risks also raise property- and liability-related exposures.

EV repair costs are generally being found to be higher than ICE cars. A US study in 2022 found total repair costs were on average 26.6% more for EVs. This is confirmed by a study in Germany, which exhibited 30%-35% higher costs, and UK data showing 35% higher EV accidental damage costs.

There are several reasons: the main engine plant and battery are at the front of the car; EVs have more digital sensing or laser/radar devices that create higher costs for repairs. EVs typically need more labour time for diagnostics and calibrations due to their high use of embedded software and driver assistance systems, and many EVs are highly integrated, so harder to repair.

To support sales, EV producers are acquiring their own insurance licences, and some are partnering with insurance companies to offer risk covers. However, the new risks and repair costs associated with EVs can lead to challenges for the insurance industry.

Deeper co-operation between re/insurers and EV producers may help to overcome the near-term underwriting challenges. EV producers know their vehicles' risk features and are accumulating driving data, while insurers are accumulating claims experience. Joint innovation could support EV insurance that integrates insureds' driving behaviour, or provides customised or added-service solutions to insureds, for example on repairs and maintenance.

TOP

Nepal: Non-life insurers to continue farm insurance after govt pledge - Asia Insurance Review



Non-life insurers have agreed to resume farm insurance business after the government gave them its commitment to settle NPR970m (\$7.3m) in premium subsidy arrears as soon as possible.

The government owes insurers a total of NPR2bn in premium subsidies for insurance policies purchased by farmers, reported MyRepublica.

Insurers met representatives of Nepal Insurance Authority and the Ministry of Agriculture and Livestock Development (MoALD) on 30 May to discuss the issue.

Ms Sabnam Siwakoti, spokesperson for the MoALD, said that the ministry had assured insurers that it would settle the remaining arrears before the end of the current fiscal year, which is 15 July.

Since March this year, the non-life insurance companies have suspended issuing farm insurance policies after the government failed to settle dues for premium subsidies of the last fiscal year. To exert pressure on the government to clear the due amount, the insurers also stopped settling claims from farmers in the last one month.

The government introduced crops and livestock insurance in January 2013. Under the scheme, the government provides a subsidy amounting to 50% of the insurance premium. The subsidy was later increased to 80%.

TOP

COI TRAINING PROGRAMS

Mumbai – June - July 2024

Sr. No	Program Name	Program Start Date	Program End Date	Details	Registration Link
1	Motor OD Insurance - Underwriting and Claims	26-Jun-24	27-Jun-24	ClickHere	Register
2	Liability Insurance: Focus Cyber & Crime	27-Jun-24	28-Jun-24	ClickHere	Register
3	Forensic Science in Insurance Investigations	27-Jun-24	27-Jun-24	ClickHere	Register
4	Compliance 2.0 – An upgrade for Principle based Regulatory Regime	27-Jun-24	28-Jun-24	ClickHere	Register
5	Life Insurance Financials and Use of Z-Score Analysis	02-Jul-24	03-Jul-24	ClickHere	Register
6	Engineering Operational Policies: Underwriting and Claims	04-Jul-24	05-Jul-24	ClickHere	Register
7	Competitive Product Positioning in Life Insurance Marketing	08-Jul-24	08-Jul-24	ClickHere	Register
8	Marine Cargo Insurance -Underwriting & Claims	08-Jul-24	09-Jul-24	ClickHere	Register
9	Achieving Excellence in Customer Experience	08-Jul-24	09-Jul-24	ClickHere	Register
10	Cutting Edge Marketing Strategies for Branch/Unit Leaders of Life Insurance	10-Jul-24	10-Jul-24	ClickHere	Register
11	Project Insurance	11-Jul-24	12-Jul-24	ClickHere	Register
12	Strategic Selling in Life Insurance	15-Jul-24	15-Jul-24	ClickHere	Register
13	Health Insurance and Preventive Care	15-Jul-24	16-Jul-24	ClickHere	Register
14	Management of Fire Insurance	18-Jul-24	19-Jul-24	ClickHere	Register
15	Managerial Skills for Insurance Executives	18-Jul-24	19-Jul-24	ClickHere	Register
16	Digital Marketing in Life Insurance	22-Jul-24	22-Jul-24	ClickHere	Register
17	Understanding ESG and its implications for Insurance companies	22-Jul-24	23-Jul-24	ClickHere	Register
18	Enterprise Risk Management (ERM)	25-Jul-24	26-Jul-24	ClickHere	Register
19	Corporate Governance and Regulatory Compliance in Insurance	29-Jul-24	30-Jul-24	ClickHere	Register
20	Reinsurance Treaty Designing	30-Jul-24	31-Jul-24	ClickHere	Register
21	Challenges in Fighting Fraud – Motor Third Party Insurance	30-Jul-24	31-Jul-24	ClickHere	Register

Kolkata - June - July 2024

Sr. No	Program Name	Program Start Date	Program End Date	Details	Registration Link
1	Renewable Energy Insurance - The emerging opportunities-CT Kolkata	27-Jun-24	28-Jun-24	ClickHere	Register
2	Paradigm Shift in Life Insurance Underwriting-CVT Kolkata	28-Jun-24	28-Jun-24	ClickHere	Register
3	Managing Motor TP Claims and Controlling Frauds	18-Jul-24	19-Jul-24	ClickHere	Register
4	Leveraging Social Media for Life Insurance Selling	19-Jul-24	19-Jul-24	ClickHere	Register

TOP

Courses offered by COI

CC1 - Certificate Course in Life Insurance Marketing

Course Structure -

Particulars	Details
Date	20 th July 2024
Duration of the course	4 months
Mode of Teaching	Self-study + 3 days Online Contact Classes
Total hours of Teaching	18 hours for Online Contact Classes (to solve queries)
Exam pattern	MCQ pattern + Assignments
Target Group	Graduate / Post Graduate, Freshers as well as employees working in Insurance Companies
Fees for the course	Rs. 5900/- (Rs. 5000/- + 18% GST)

CC2 - Advanced Certificate course in Health Insurance

Course Structure -

Particulars	Details
Date	20 th July 2024
Duration of the course	4 months (3 hours on weekends)
Mode of Teaching	Virtual Training – COI, Mumbai
Total hours of Teaching	90 hours
Exam pattern	MCQ pattern
Target Group	Graduate / Post Graduate, Freshers as well as employees working in Insurance Companies
Fees for the course	Rs. 11,800/- (Rs. 10,000/- + 18% GST)

CC3 - Certificate Course in General Insurance

Course Structure -

Particulars	Details
Date	20 th July 2024
Duration of the course	3 months (on weekends)
Mode of Teaching	Virtual Training - COI, Kolkata
Total hours of Teaching	100 hours
Exam pattern	MCQ pattern
Target Group	Fresh graduates/Post Graduates, Broking Companies, Insurance Companies, Freelancers
Fees for the course	Rs. 14,160 /- (Rs. 12,000/- + 18% GST)

CC4 - Certificate Course in Investigation and Fraud Detection in Life Insurance

Course Structure -

Particulars	Details
Date	21 st – 23 rd August 2024
Duration of the course	3 Days
Mode of Teaching	Virtual Training sessions
Total hours of Teaching	15 hours for online classes
Exam pattern	MCQ pattern
Target Group	Employees working in Fraud cells/ Claims Department/ Audit functions of the company
Fees for the course	Rs. 10620/- (Rs. 9,000/- + 18 % GST)

Please write to college_insurance@iii.org.in for further queries.

Post Graduate Diploma in Collaboration with Mumbai University

Post Graduate Diploma in Health Insurance (PGDHI)

Particulars	Details
Duration of the course	one year (2 semesters)
Mode of Teaching	Weekend Class Room sessions (Saturdays and Sundays (full day)) and Research Project
Eligibility	Graduates in any faculty are eligible. Students appearing in their final year degree examination are also allowed to apply*. Fresher's, working professionals (including medical doctors) in the health insurance sector can join this course to upgrade their professional

	qualifications, knowledge and for career advancement [*subject to their passing the examination].
Fees for the course	Rs.45,375/-
Cash Award Prize Scheme	Rs.15,000/- for the best performing candidate of III-PGDHI
Contact Email id	pgdhi@iii.org.in

Post Graduate Diploma in Insurance Marketing (PGDIM)

Particulars	Details
Duration of the course	one year (2 semesters)
Mode of Teaching	Weekend Class Room sessions (Saturdays and Sundays (full day)) and Research Project
Eligibility	Graduates in any discipline are eligible. Students appearing in their final year degree examination are also allowed to apply*. Fresher, working professionals in life/general insurance sector can join this course to upgrade their professional qualifications, knowledge and for career advancement [* subject to their passing the examination].
Fees for the course	Rs.45,375/-
Cash Award Prize Scheme	Rs.15,000/- for the best performing candidate of III-PGDIM
Contact Email id	pgdim@iii.org.in

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