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INSUNEWS - WEEKLY E-NEWSLETTER

1ST TO 7TH JULY 2023

QUOTE OF THE WEEK

"Keep your face always toward the sunshine - and shadows will fall behind you."

WALT WHITMAN

Insurance Term for the Week

Dividend Policy

A dividend policy is a policy a company uses to structure its dividend payout. Put simply, a dividend policy outlines how a company will distribute its dividends to its shareholders. These structures detail specifics about payouts, including how often, when, and how much is distributed. There are three different types of dividend policies—stable, constant, and residual—each with its own benefits. Dividend policies aren't mandatory, as some companies choose not to reward shareholders with dividends.

KEY TAKEAWAYS

- A dividend policy dictates the structure of a company's dividend payout.
- Dividends are often part of a company's strategy.
- Stable, constant, and residual are the three types of dividend policy.
- Even though investors know companies are not required to pay dividends, many consider it a bellwether of that specific company's financial health.

INSIDE THE ISSUE

INSURANCE INDUSTRY

Insurance Law (Amendment Bill) 2023 expected to be tabled in monsoon session | Why is it a game-changer for healthcare? – The Print – 5th July 2023

There has been a lot of buzz around the Insurance Law (Amendment Bill) 2023 that the government is likely to introduce in the Parliament in the monsoon season.

The bill, with proposed amendments to the Insurance Act 1938 and Insurance Regulatory and Development Authority Act 1999, is going to be a game-changer for large entTerprises as well as insurance players in the market. The implementation of the Insurance Law (Amendment Bill) 2023 will not only stimulate economic growth but also contribute to the overall development of the insurance and healthcare sectors in India. It is expected to introduce groundbreaking changes in the delivery of health insurance, revolutionising the industry in India.

The proposed bill encompasses four key amendments that aim to reshape the insurance landscape:

Reducing the Rs. 100 Cr minimum capital requirements for the launch of an insurance company: This will enable higher participation & entry of new players into the market. It will foster competition and innovation, as smaller companies can now enter the industry and offer their unique products and services. Opening up registration to various classes, sub-classes, and types of insurers is also proposed, thereby permitting composite, stand-alone or other types of insurers to seek a license. A composite license would mean an insurer can offer both life cover and the whole/any part of non-life insurance like motor or health insurance. This flexibility will expand the options available to policyholders and promote comprehensive coverage. If the proposal for composite insurance registration is passed, there would be a change in solvency margin and capital requirement for these companies. Currently, the solvency ratio is pegged at 150 per cent while paid-up capital is Rs 100 crore as per the existing law.

Introduction of captive insurers: The amendments suggest allowing industrial houses to establish their own insurance companies that cater specifically to their business needs. This provision will empower enterprises to have greater control over their insurance coverage and ensure tailored policies that align with their specific requirements.

Health-related products and services by insurance companies: Perhaps the most impactful amendment, this provision allows insurance companies to offer health-related products and services directly to policyholders. By collaborating with healthcare providers, insurers can enhance the value of their insurance products by providing access to high-quality, value-added healthcare services. While the implementation of such a notion of insurance + healthcare is a novel step for India, it is not entirely unprecedented. New-age health insurers have collaborated with large healthcare providers globally like Livongo, Omada, and Optum in the US, Oviva and Liva in the UK, and Medibuddy and Zyla Health in India to provide their policyholders with the gift of good health alongside security.

Health coverage in India currently stands at ~36% (520 million people covered), with ~310 million lives covered under government schemes and ~210 million under retail & group insurance. The retail & group insurance market is expected to grow at a compound annual growth rate of 20% from 2023 to 2030. At present, India is home to 24 life insurance companies and 31 non-life or general insurance firms. This count also includes specialized entities such as the Agriculture Insurance Company of India Ltd and ECGC Ltd. Notably, the government made an amendment to the Insurance Act last year, allowing foreign holding in insurers to increase from 49% to 74%.

Furthermore, the General Insurance Business (Nationalisation) Amendment Bill, 2021, recently passed by the Parliament, grants the central government the authority to reduce its stake to less than 51% in specified insurers. This paves the way for the privatisation of certain insurance companies. Since the privatisation of the insurance sector, various amendments have been introduced to foster growth. For instance, in 2015, the Insurance Act was amended to raise the foreign investment cap from 26% to 49%. All these amendments collectively have contributed to the exponential growth of the insurance sector in India.

These amendments reflect the government's commitment to fostering a favourable business environment and promoting the well-being of its citizens by improving policyholders' returns, facilitating the entry of more players into the insurance market to boost economic growth and employment, enhancing operational and financial efficiencies within the insurance industry, and enabling a favourable environment for conducting business operations. We are excited to partake in the new-age vision wherein all the stakeholders benefit from a collaborative ecosystem, and most importantly, the citizens of India are able to lead healthier and happier lives with secure health.

TOP

New Laws to Usher in Insurance Reforms – Live Mint – 3rd July 2023

The government plans to introduce legislation during Parliament's monsoon session to implement comprehensive reforms, including provisions for a composite insurance licence, relaxed entry barriers for companies, and simplified investment rules, in the insurance sector, two people aware of the development said. In the monsoon session starting 20 July, the Centre is expected to introduce two pieces of legislation—the Insurance Laws (Amendment) Bill, 2023, and the Insurance Bill, 2023, the people said on condition of anonymity. The first legislation would be aimed at reforms to boost insurance penetration, improve efficiency, and enable product innovations. The Insurance Bill, 2023, on the other hand, is being drafted to simplify and update the legal framework governing the sector. It entails the repeal and re-enactment of the Insurance Act, 1938, aiming to simplify pre-constitutional enactments by renumbering and eliminating obsolete British-era provisions.

"The draft of the Insurance Laws (Amendment) Bill, 2023, has already been sent to the Union cabinet for approval before it is introduced in Parliament. The draft Insurance Bill, 2023, is being finalized, and stakeholder consultation is being completed so that this Bill could also be placed in the coming session. If the Bills secure parliamentary approval this year, some of the newer provisions, including changed licensing norms, could be made operational later this year or early FY25," one of the two people cited earlier said. While queries sent to the finance ministry's spokesperson remained unanswered, a government official said the insurance sector reforms were a priority and that progressive legislation would be introduced. The draft Insurance Laws (Amendment) Bill, 2023, will introduce changes, including easier minimum capitalization requirements for insurers. Currently, the law mandates minimum capital of ₹100 crore for life, general, and health insurance businesses and ₹200 crore for reinsurance businesses.

The proposed amendments will provide flexibility to the Insurance Regulatory and Development Authority of India (Irdai) to set varying minimum capital based on the classes/sub-classes of insurance businesses the insurer engages in. This would enable micro-insurers, which are now deterred by high capitalization needs, to offer affordable insurance cover in rural areas and to low-income people. The new law may also include a provision for granting composite licences to insurers where a single entity could offer life and non-life products, excluding reinsurance operations. Composite insurers are also allowed in jurisdictions such as Singapore, Malaysia, and the UK. The draft Bill has also proposed allowing insurers to provide ancillary services related to the insurance business to policyholders. There is also a proposal to permit insurers to distribute other financial products as may be specified by regulations issued by the insurance regulator. It has also introduced the concept of a "captive insurer", a general insurance company undertaking business exclusively for its holding/ subsidiary/ associate companies. This move will likely allow conglomerates and corporate groups to incorporate an insurer to cover business-related risks within their groups.

The amendments also bring several other changes, including simplified investment conditions, reduced net-owned fund requirement for foreign reinsurers, differential solvency margin, and bringing insurance companies on par with banks regarding share-transfer approval. Furthermore, the Bill proposes to remove limits on commission payments. The Bill also aims to maintain the independence of general and life insurance councils, with no plans to change their composition by including government representatives. Industry executives emphasized the importance of wider representation in the councils, advocating against any changes that compromise their autonomy, the official said. The draft Bill incorporates several recommendations made by the insurance regulator and submitted to the government.

(The writer is Subhash Narayan.)

TOP

Integrating insurance offerings into digital platforms: embedded insurance – Businessworld – 1st July 2023

In a country where general insurance penetration is less than one per cent and life insurance penetration is just over three per cent, there is a significant opportunity for embedded insurance to make a difference. Embedded insurance, which involves integrating insurance offerings into digital platforms and fintech solutions, has the potential to enhance customer experience and drive financial inclusion in India. While speaking at 3rd edition BW Businessworld Festival Of Fintech, experts explored the potential of embedded insurance In India.

Prasad Krishnamorthy, VP – Products at Perfios, discussed how digital platforms and fintech companies can leverage embedded insurance to enhance customer experience and promote financial inclusion. While embedded finance has been successful in small-ticket items like insurance for booking an Ola cab, it has not yet penetrated larger-ticket items with a point-of-sale need for insurance. Digital platforms can provide financial institutions with a better customer profile, enabling insurers to have more information about customers' financial profiles, identity, and employment status. The availability of data and open APIs will be crucial in driving insurance adoption on embedded platforms.

Hemant Tathod, COO of Bimaplan, highlighted the challenges and opportunities in scaling embedded insurance within India's digital economy. Challenges include customer awareness and trust, integration of insurance APIs into core products, and data protection. However, there are also opportunities for increased reach to customers, improved customer experience through instant policy issuances and digital claim processing, and product innovation for different demographics. Collaboration between stakeholders is essential to overcome these challenges and capitalise on the opportunities presented by embedded insurance.

Moreover, the experts discussed the driving force behind embedded insurance adoption in India. Hemant Tathod mentioned that for the top of the pyramid, consisting of white-collar and business people, insurance products are already well-known. The bottom of the pyramid is covered by government policies and schemes. However, the "missing middle" of the population, around 400 million people, needs to be educated about the importance of insurance. Creating the right insurance products and raising awareness among this segment will drive the adoption of embedded insurance.

Ankur Agrawal, representing Fi Money, highlighted the role of digital technologies in creating customised and tailored insurance products and solutions for diverse segments in India. Data-driven insights can help in offering the right products to customers, reducing mis-selling. Technology can also improve policy comprehension by facilitating conversations and simplifying the claims process. Providing customers with a great claims experience can lead to long-term customer loyalty.

Karn Thakuria, Head of Partnerships at Riskcovry, emphasised the importance of collaboration between traditional insurers and digital platforms to foster the adoption of embedded insurance. Understanding each other's contexts, including the user journey and regulatory framework, is crucial for successful partnerships. The insurance being offered should be contextually appropriate, and the product delivery should be frictionless for customers to adopt it seamlessly.

Embedded insurance has the potential to revolutionise the insurance industry in India by leveraging digital platforms and fintech solutions. By addressing challenges, exploring opportunities, and promoting collaboration between stakeholders, embedded insurance can enhance customer experience, drive financial inclusion, and increase insurance penetration in the country. With the right approach and focus on customer needs, embedded insurance can unlock its true potential and benefit both insurers and customers alike.

(The writer is Kanishka Biswas.)

TOP

How embedded insurance is accelerating insurance penetration in India - The Economic Times – 2nd July 2023

The digital revolution in India, fast-tracked by the pandemic, has led to the rise of Insurtech companies that use advanced technologies like AI, IoT, and big data to provide fast and seamless insurance coverage. Insurtech has transformed the insurance industry in India by introducing convenience, security, and choice to consumers, making new insurance covers like embedded insurance more mainstream. Embedded insurance is a convenient solution that bundles insurance products or services in real time when a consumer purchases a product. It is integrated into various travel, health, and delivery apps, making insurance more accessible to the masses. According to estimates, the convenience and personalisation embedded insurance offers will ensure India's embedded finance industry can grow by 46 percent to reach Rs 1,61,442 Cr by 2029.

How does it help?

Embedded insurance provides affordable solutions to customers. For insurers and Insurtech firms, it offers a way to differentiate and attract users and generate new revenue sources. Big tech platforms are looking at solutions in a market where insurance is not a very popular tool. Embedded insurance provides customers with simpler and more affordable solutions and helps insurers access a large market with low customer acquisition and low distribution costs. By embedding insurance into other products, insurers can leverage existing customer touchpoints and data to offer customers personalised and relevant insurance solutions. It reduces the risk of errors and is more secure. For businesses and insurance firms, it reduces customer acquisition costs as the customer is already purchasing the main product, and embedding the insurance product tends to enhance the portfolio.

For the customer, It comes as an add-on with an existing product and can be serviced for a nominal fee. For instance, a car dealership can get consumers a low rate on auto insurance with the vehicle. Travel websites can do the same with the travel insurance offered on the ticket.

Embedded insurance is a great tool that can increase insurance penetration. For instance, an insurance company can partner with a mobile network operator to offer mobile insurance plans to customers with basic feature phones. The plans can be affordable and offer insurance coverage for risks such as accidental damage or theft. Insurance companies can also partner with microfinance institutions and NBFCs and offer insurance plans for low-income households.

Reducing paperwork

It reduces the volumes of paperwork and time spent during the onboarding process in accessing traditional insurance tools. Embedded insurance makes the process much easier since the insurer can access most of the customer's information via the parent product. For instance, a customer books tickets. With personal and contact details available for the tickets, there is no need to fill out additional forms and provide more information.

An insurance company, for instance, can partner with a ride-sharing company and offer insurance plans to drivers. The insurance premium is deducted automatically from the driver's earnings, ensuring a captive audience and reducing CAC. For insurers, it also offers a cost-effective and scalable solution. It allows them to leverage distribution infrastructure, customer base, and brands to reach a wider audience and reduce distribution costs. Partnerships and collaborations with banks, NBFCs and fintechs can offer insurers the ability to harness the potential of digital channels.

Data for a personalised experience

Embedded insurance allows insurers to get more data on customer behaviour and preferences. By using analytics, AI, and other technologies, insurers can tailor their insurance offerings to the specific needs, behaviour and factor in risks of different customer segments, such as micro-entrepreneurs, gig workers, farmers, and students. By leveraging data, the insurer can offer tailored plans with coverage for specific risks. However, the transition to embedded insurance does not often work with complex products such as life insurance, which require a deeper understanding of customer behaviour. The integration of insurance products into non-insurance products can make purchases complex. Insurance companies and manufacturers must iron out these issues for a fluid and happy consumer experience.

The road ahead

Embedded insurance is poised to revolutionise the Indian insurance market by enabling insurers to reach new customers, especially those who have not been tapped by insurers due to demographics or geographic location. By integrating insurance into everyday products and services, embedded insurance can offer a convenient and affordable insurance experience to millions of Indians. It can help insurers leverage the power of data analytics and digital platforms to offer customers personalised insurance solutions, which will drive innovation and competition in the market.

Indian insurers, insurtech companies and the government should work towards creating a regulatory environment that encourages the growth of embedded insurance products. India can become a global leader in the embedded insurance products. India can become a global leader in the embedded insurance market and unlock the tremendous potential that it holds.

(The writer is Mayank Gupta.)

TOP

INSURANCE REGULATION

Irdai asks private insurers to frame pay norms for top brass within 3 months - Financial Express – 1st July 2023

Issuing revised guidelines applicable for remuneration payable to key managerial persons (KMPs) of private sector insurance companies from the current financial year, insurance regulator Irdai on Friday directed the insurers to complete the framing and reviewing of their remuneration policies based on this guidelines within three months. The regulator said the primary objectives of the Insurance Regulatory and Development Authority of India (Remuneration of Key Managerial Persons of Insurers) Guidelines, 2023, are to ensure effective governance of compensation, alignment of compensation with prudent risk taking, effective supervisory oversight and stakeholders engagement and safety of interest of policyholders and other stakeholders.

Irdai said insurance companies should formulate and adopt a “comprehensive board approved” remuneration policy covering all KMPs. And, the policy should not encourage key managerial persons to take inappropriate or excessive risks for their performance-based variable remuneration. "The board shall ensure and document that in structuring, implementing and reviewing the remuneration policy, members of the board shall not placed in a position of actual or perceived conflict of interests with respect of remuneration decisions," the revised guidelines said.

According to the revised guidelines, the minimum parameters which an insurance company should take into account for determination of performance assessment of all KMPs for payment of variable pay or incentives are overall financial soundness such as net-worth position, solvency, growth in AUM and net profit, compliance with expenses of management (EoM) regulations, claim efficiency in terms of settlement and outstanding, among others. These parameters should constitute at least 60% of the total weightage in the performance assessment matrix of MD/CEO/WTDs (whole time director), and at least 30% of the total weightage in the performance assessment matrix of other KMPs individually.

"Variable pay shall be at least 50% of the fixed pay for the corresponding period and shall not exceed 300% of the fixed pay. Where variable pay is up to 200% of the fixed pay, a minimum of 50% of the variable pay shall be via non-cash instrument. The same limit would be 70%, in case the variable is above 200% of the fixed pay," the guidelines said, adding a minimum of 50% of the total variable pay must invariably be under deferral arrangements and the deferral period should be a minimum of three years.

Annual remuneration of KMPs will be the aggregate of fixed pay (including monetary and non-monetary perquisites) and variable pay, for a particular financial year. In May this year Irdai issued an exposure draft on the revised guidelines to replace the extant guidelines, which came into effect from October 1, 2016. The regulator had asked comments and suggestions on the exposure draft by May 15, 2023.

(The writer is Mithun Dasgupta.)

TOP

LIFE INSURANCE

Life insurance: Investors bet on single premium plans; Amount paid under these is lower than regular premium plans - Financial Express – 3rd July 2023

Individuals are preferring to buy single premium life insurance policies because of higher interest rates, convenience and flexibility the plans offer. The share of single premium to total premium has grown to 70% in May this year as compared to 55% in December last year. For private insurers, the share rose to 53% from 43%, and for Life Insurance Corporation, it grew to 82% from 70% during the same period.

The one-time payment options seem to be ideal for those who do not have a regular income. It gives them the flexibility to invest the investible surplus in one shot, choose the amount of coverage and get an associated life cover. The single premiums are fixed payments and do not change as per inflation which otherwise would be the case in regular payment options.

Rakesh Goyal, director, Probus Insurance Broker, says single premium policies provide a sense of financial security by allowing policyholders to lock in their coverage and potential growth upfront. "The growing awareness and understanding of the benefits associated with single premium policies have contributed to their increased sales, as individuals recognise the value they offer in terms of immediate coverage and potentially higher cash values or death benefits.

Similarly, Ashish Lath, business head, InsuranceDekho, says when interest rates are rising, it makes sense to lock in a high rate of return on your investment. "Single premium policies offer this option, as the entire premium is invested upfront," he says.

Word of caution
While buying a single premium policy may be convenient, individuals must note that once they have purchased a single premium policy, they cannot change the amount of coverage or the investment options. The high upfront cost of single premium policies can be expensive and there is also the risk of outliving the money. "If you live a long life, you may eventually outlive the money in your single premium policy. This means that you will not have any death benefit to leave to your beneficiaries," says Lath. Experts say individuals should avoid buying single premium unit-linked insurance plans (Ulips). These plans are market-linked investment products with a thin crust of life insurance. As market volatility in the short run can sharply affect the fund's net asset value, spreading the money across a period will save the policyholder from extreme market conditions. Moreover, single premium Ulips have higher fees as compared with regular premium Ulips, which can eat into your investment returns.

Benefits of rupee-cost averaging
Opting for a regular premium payment plan provides individuals with more liquidity and flexibility in accessing their invested funds if needed before the completion of the lock-in period. Regular premium payment plans allow for cost-averaging and enable individuals to take advantage of market fluctuations. By investing a fixed amount at regular intervals, individuals can potentially benefit from buying more units when the markets are down and fewer units when the markets are up. This strategy of rupee-cost averaging can lead to better long-term returns compared to a lump-sum investment in a single premium Ulip, where the entire amount is invested upfront.

Shailesh Kumar, co-founder and insurance head, Insurance Samadhan, says Ulips bought under an SIP route would give better returns because of simple logic of averaging. "In a single premium you are buying units at current net asset value. Moreover, the maturity amount can be taxed if the sum assured is not more than 10 times of the single premium," he says. So, if an individual is looking for an affordable, flexible, and low-risk investment, then a regular premium Ulip may be a good option. However, if he has a large lump sum of money available and is willing to take on more risk, then a single premium Ulip may be a better choice.

What to look for
Before buying a single premium policy, an individual must assess the coverage offered by the policy, including the death benefit, maturity benefit, and additional riders, to ensure that they align his protection needs. "To determine the influence on the total returns, evaluate the different charges related with the policy, particularly premium allocation fees, mortality fees, fund administration charges, and surrender prices. If it is an Ulip, examine the available fund options, historical performance, and whether the risk profile suits your investment preferences," says Goyal.

LOOK OUT
* Individuals must assess their coverage carefully
* This includes the death benefit, maturity benefit, and additional riders
* They must evaluate the different charges related with the policy as well
* This includes premium allocation fees, mortality fees, fund administration charges etc.

(The writer is Saikat Neogi.)

TOP

GENERAL INSURANCE

Gross premium of non-life insurers grows 18% in Q1 - The Hindu Business Line – 6th July 2023

The gross direct premium underwritten for general insurance companies reported an increase of 15 per cent year-on-year to ₹20,452 crore in June this year, compared to ₹17,809 crore in the same period last year, according to data from the General Insurance Council. Gross direct premium of 24 non-life insurance companies grew 13 per cent at ₹17,638 crore in June 2023, against ₹15,639 crore in June 2022, while for the five standalone health insurers, it grew 24 per cent at ₹2,475 crore against ₹2,003 crore. Two specialised insurers — Agriculture Insurance Co of India Ltd and ECGC — more than doubled their combined gross premium at ₹339 crore (₹167 crore in June 2022). For the first quarter of FY24, the collective gross written premium of general insurers grew 18 per cent y-o-y at ₹64,263 crore, compared to ₹54,489 crore for the same period in FY23.

Gross written premium for 24 non-life players grew 16 per cent y-o-y at ₹56,917 crore (₹48,860 crore in Q1 of FY23), while for the five standalone health insurers, premium rose 27 per cent at ₹6,657 crore (₹5,261 crore in Q1 of FY23). In Q1 of this fiscal, barring two PSU players — New India Assurance Co Ltd and United India Insurance Co Ltd — most of the other non-life players reported double-digit growth in their gross director premium underwritten (GDPW). Navi General Insurance and Raheja QBE reported a decline in GDPW.

However, PSU firm New India remained the non-life segment market leader with a wide gap, and saw its GDPW gross at ₹10,000 crore in Q1 of this fiscal. The company's GDPW grew 9 per cent at ₹10,378 crore, compared to ₹9,550 crore in Q1 of FY23. The second big PSU player, United India's GDPW grew 7 per cent at ₹4,593 crore (₹4,309 crore). ICICI Lombard General Insurance was the second largest player after New India in Q1, and its GDPW grew 19 per cent y-o-y at ₹6,387 crore (₹5,370 crore). Bajaj Allianz grabbed the Number two position among the private non-life players and its GDPW saw an increase of 22 per cent at ₹3,789 crore (₹3,100 crore). HDFC Ergo, the third big player in the private sector category, reported a 11 per cent increase in its GDPW at ₹3,422 crore (₹3,073 crore).

Star performer

Star Health retained its top position in its health insurance sector, and its GDPW was even much higher than several private non-life players. Star Health's GDPW stood at ₹2,948 crore in Q1 of this fiscal, when compared to ₹2,464 crore in the year-ago period, an increase of 20 per cent. Star Health's market share increased to 4.59 per cent in the overall non-life segment, up from 4.52 per cent last year. In the health category, its market share was 44 per cent. Care Health was the second big health player and its GDPW grew 33 per cent at ₹1,454 crore (₹1,096 crore).

All five health players managed to increase their market share during April-June 2023 period and the combined market share of all health players touched double digits at 10.36 per cent from 9.66 per cent in Q1 of last fiscal. The combined market share of all non-life players (excluding health players) saw a marginal decline to 88.57 per cent from 89.67 per cent during the period. "Indian non-life insurance market would grow by 13-15 per cent over the medium term. The health insurance segment is on track to breach the ₹1-lakh crore mark, while motor insurance premiums are to cross Rs.85,000 crore in FY24, said a recent report of CareEdge.

TOP

Cyber insurance rates drop 10% in June: Report - The Economic Times – 5th July 2023

Cyber insurance rates dropped around 10 percent in June compared with a year earlier, reversing recent sharp rate rises, as claims proved smaller than expected, broker Howden said in a report on Wednesday. Cyber insurance rates more than doubled in 2021 during the COVID-19 pandemic, driven by a rise in so-called ransomware attacks, Howden said.

Ransom software works by encrypting victims' data and typically hackers offer victims a pass code to retrieve it in return for cryptocurrency payments. But the number of global ransomware attacks fell by 20 percent in 2022 from a year earlier following the start of the conflict between Russia and Ukraine, as hackers in those countries focused on the military effort, Howden said.

Insurers have also demanded their clients do more to protect themselves against attacks, lessening the risks and encouraging underwriters into the market, after a period of nervousness. "Everybody is back with appetite for writing cyber insurance," said Shay Simkin, global head of cyber at Howden.

Increased competition has contributed to lower rates, Howden said. Cyber insurance premiums totalled more than $12 billion in 2022 versus $10-11 billion in 2021, Simkin said, and Howden forecasts the market to increase to around $50 billion by 2030, given the size of cyber crime. Ransomware attacks rose 47% in the first quarter from a year earlier, as hackers focus once more on commercial gain. "At the end of the day, they need to make money," said Simkin.

TOP

Insurance – Personal accident cover: A must for frequent travellers - Financial Express – 5th July 2023

In the recent Balasore train accident, close to 300 people lost their lives. Almost none of them had purchased an accidental insurance coverage of Rs 10 lakh at the time of buying the tickets. This speaks volumes about the level of risk awareness in the country. There was a silver lining, though. Many of them had been insured under Jan Suraksha schemes of the government and that fetched some money for the family members of the deceased passengers. So, people are ready to pay a very small premium — Rs 426 for Pradhan Mantri Jeevan Jyoti Bima Yojana and Rs 20 for Pradhan Mantri Suraksha Bima Yojana — for an insurance coverage of Rs 2 lakh each.

Low insurance awareness
Indians need to look for more comprehensive insurance products that ensure better coverage. Only 8- 10% rural Indians are in possession of insurance policies. Even in the bigger cities, not more than 60% of insurable Indians are insured. So, 40% of those who are capable of buying insurance are either delaying purchase of insurance or have preferred to do away with it. The question is not of income but of mindset. The insurance intermediaries are happy to push products at their old clientele again and again. Those who need to be made aware of their risks through persistent efforts are forgotten after a couple of visits.

The root cause of the low insurance penetration is that people fail to consider money management skills as a major life skill that can help attain greater success and stability in life. When it comes to buying insurance, they keep on delaying the purchase under one pretext or other. The knowledge workers earning very well in tech and tech-enabled sectors are also suffering from the lack of knowledge of financial products in general and life insurance in particular.

Insurance is never unaffordable
Insurance is never too unaffordable, certainly not for the youth. Problem is, we are living in an age of instant gratification. We have developed a habit of beginning consumption of a product without even paying anything for it. Insurance, on the other hand, is a product which will give benefits in the future but regular investments have to start now. People have to understand that to get anything worthwhile in life, the sacrifices have to be made now.

If we want a better life for our future selves, we have to do certain things which may not be too gratifying today. The people who died at the tragic Balasore accident will leave very little for their families, in the form of Jan Suraksha money and government support. The lesson for us is that we have to make the right investment and risk management decisions today so that we can get a better future tomorrow.

(The writer is Nirjhar Majumdar.)

TOP

General insurers face tough choice on pushing growth and sustaining margins - The Economic Times – 3rd July 2023

The country's general insurance companies are currently grappling with a crucial dilemma between pursuing growth and maintaining profitability at a time when they are allowed to spend more on operating expenses even as their margins have been narrowing. In the fiscal year 2023, the combined ratio - an indicator of profitability, which is calculated by measuring the sum of incurred losses and operating expenses as a percentage of earned premium - rose for almost all general insurers. If the combined ratio is below 100 percent, it indicates that the insurer is making an underwriting profit; if it's above 100 percent, then the firm could be spending more in claims than it is earning through premiums. The insurer could still be profitable because the combined ratio does not take into account investment income.

ICICI Lombard's combined ratio stood at 104 percent last fiscal while that of and Acko General was 155 percent. At the same time, in its latest expense of management (EOM) guideline, the insurance regulator has removed the 30 percent cap on operating expenses of insurers, thus aggravating their confusion. "General insurers in India are facing a growth versus profitability conundrum," ICICI Securities said in a report. "This is at crucial crossroads in FY24 against the backdrop of increasing combined ratio for all players in FY23 and room for increasing opex ratios basis the EOM guideline where we see 10 out of top 18 multi-line players in the industry operating under the 30 percent benchmark and two out of four SAHIs (stand-alone health insurers) operating below the 35 percent mark." Now, there is a concern about whether pricing discipline can be maintained among insurers.

Eight insurers breached the expense cap last fiscal with Acko reporting EOM of 55 percent, and Niva Bupa 40 percent. Public sector insurers Oriental and United Insurance, too, had reported EOM of above 30 percent. ICICI Securities believes that competitive pressure can continue as many players may strive to gain market share, especially those that are unlisted, and more players would settle for lower returns on equity (RoEs) - in the 15 percent range. Meanwhile, public sector undertakings (PSUs) in the general insurance industry continue to face market-share erosion. Their combined market share declined to 37 percent in FY23 from 38.4 percent in the previous fiscal even as their gross direct premium income (GDPI) grew 12 percent Y-o-Y, according to ICICI Securities report. "Market share in retail is a function of 3 things - product attractiveness, distribution strength and service quality, and PSUs are medium in first, good in second and possibly below the private sector in the third," said Joydeep Roy, partner, India financial services advisory leader at PwC. "Hence, unless the service quality is improved, transparency increased, and response times accelerated, market share is bound to go to the large number of private companies in retail."

TOP

Insider's guide to overseas travel insurance: key factors to consider – The Economic Times – 2nd July 2023

In the past, traveling was often associated with inconveniences such as long waits at airport security, lost luggage, and unforeseen expenses. It was a realm reserved for the privileged few, filled with uncertainties that could dampen the joy of exploration. However, those days are now distant memories, replaced by a travel landscape that beckons adventurers from all walks of life. Nowadays, the dynamics have changed for good, as travelling has become more accessible, comfortable, and enticing than ever before. It offers an escape from the mundane, an opportunity to explore the beauty and diversity of our world. From picturesque landscapes to vibrant cultures, travel promises unforgettable experiences and memories that will last a lifetime.

With the onset of the Covid-19 pandemic, our perception of travel has undergone a profound transformation, reshaping our outlook and approach to embarking on journeys. The global health crisis has brought health and wellness to the forefront, emerging as paramount concerns that influence our travel decisions, particularly when venturing into unfamiliar territories where healthcare systems and protocols may vastly differ from our own.

In the aftermath of the pandemic, there has been a notable surge in travel loans, witnessing a remarkable increase of 20%-25%, as the global tourism sector gradually rekindles after the long hiatus caused by Covid-19. This shift in the travel landscape necessitates a meticulous reassessment of our travel mindset. We must adapt to the "new normal" and embrace proactive measures to safeguard ourselves and mitigate risks that may arise during our journeys. In the midst of this ever-evolving scenario, the significance of travel insurance has taken center stage, rising in prominence as an indispensable safeguard for travelers. Understanding the Dynamics of Travel Insurance.

Travel insurance is of paramount importance while traveling, especially in foreign territories. It serves as a safeguard, providing financial protection and tranquility in the face of unforeseen circumstances. A notable advantage of travel insurance lies in its coverage for medical emergencies. In unfamiliar lands, where healthcare systems and language barriers may pose challenges, medical expenses can become exorbitant. Travel insurance ensures access to quality healthcare without the burden of financial strain. Whether it is a minor ailment or a severe injury necessitating hospitalization or medical evacuation, adequate coverage can determine the timely and essential care received.

Another vital aspect of travel insurance is its inclusion of trip cancellation and interruption coverage. Life's unpredictability and uncontrollable factors can force changes in travel plans. Sudden illnesses, family emergencies, or natural disasters can result in substantial financial losses due to canceled trips. Travel insurance offers reimbursement for pre-paid expenses such as flights, accommodations, and tours, alleviating the full weight of these unexpected alterations. Furthermore, travel insurance encompasses protection against lost baggage and personal belongings, averting distress during travels. Losing luggage or experiencing theft of valuables can disrupt the enjoyment of a trip. With travel insurance, compensation is provided for the loss or damage of belongings, minimizing the impact on the journey.

In times of emergencies, travel insurance also offers invaluable assistance. Many policies feature round-the-clock emergency services, connecting travelers to a network of professionals who provide guidance, support, and coordination during challenging situations. Whether it entails locating nearby medical facilities, arranging emergency transportation, or facilitating communication with loved ones, this assistance proves invaluable, particularly when navigating unfamiliar surroundings.

Unraveling Key Aspects for Comprehensive Coverage

Understanding the intricacies of a travel policy is crucial to ensure all-encompassing protection and tranquility throughout your journey. So, keep a check on the specific details, encompassing crucial elements like medical expenses, trip cancellations, lost baggage, and personal liability. Pay utmost attention to the extent of medical coverage, encompassing emergencies, hospitalizations, and potential medical evacuations. Understand the precise circumstances for trip cancellation or interruption eligibility, along with the requisite documentation and claims procedures.

Thoroughly examine baggage and belongings coverage, noting limits and filing details. Be aware of exclusions like high-risk activities or pre-existing conditions. Check coverage duration and geographical restrictions and inquire about extensions or renewals. Keep policy documents safe, with emergency contacts accessible. Understand the claims process. Those with pre-existing conditions should seek clarity or consider additional insurance. Confirm emergency assistance services. Understanding these policy elements empowers informed decisions, ensuring suitable coverage for a journey with unwavering protection.

(The writer is Akash Dahiya.)

TOP

Why Companies Should Include Home Insurance in their Corporate Insurance Policies - Deccan Chronicle – 1st July 2023

The Insurance industry is growing at a decent pace of 32% y-o-y. Health, Life and Motor are considered the most essential insurance policies. Home insurance penetration is at the lowest level despite so many disrupting factors in one’s life. When considering financial planning, earthquakes, fire, theft and floods are wholly ignored. Home insurance is significant today as an individual’s lifetime savings are invested in their house. Home insurance protects the house from accidents, perils, damages, and thefts. If the house gets damaged, the emotional and financial pain of rebuilding or reinstalling its contents is painful, challenging, and expensive. Consumers urgently need to protect their home investments through insurance, as the changing climatic condition today is getting unpredictable with the day.

While there were multiple natural calamities worldwide, India faced the fury of floods across many cities like Uttarakhand, Bengaluru and Chennai, which has become a yearly affair. Bengaluru met with an unusually wet monsoon last year; a similar situation is expected this year; over 600,000 people are affected by floods in North-Eastern India almost yearly. These grave instances draw our attention to the vital need for consumers to protect their houses and assets. While general insurance companies offer home insurance, a small part of the population opts for it. As per reports, barely 3% of houses are insured in India, which leaves a huge gap and an opportunity for insurers to reach out to consumers with this kind of insurance. Companies today have become a massive catalyst in providing insurance policies to people. Many people depend on corporate/ group insurance policies as the only source of financial protection. Even SMEs can provide home insurance as a part of their corporate/ group insurance policy and gain the confidence and loyalty of their employees.

Here are a few reasons why companies should provide home insurance as a part of their corporate insurance policy:

Coverage for tenant insurance: Many people have been moving from smaller towns and cities to metro cities over the years. With changing dynamics of employment opportunities in cities, the influx of people in metro cities is increasing tremendously yearly. India is expected to add 416 million people to its urban population by 2050. The current growth rate and futuristic numbers leave a massive opportunity for companies to protect their employees with home insuranceconcerning their personal belongings and contents.

Companies can help employees get protected against liabilities: Companies can provide home insurance policies to provide liability coverage that covers personal injuries and property damage due to guests and other third parties (that they might have incurred while residing in the insured house). There could also be loss and damage caused to third parties for which the policyholder or their family members may be legally responsible. Hence, companies can provide home insurance coverage and protect the policyholder and their house from possible legal problems.

Huge financial protection in case of any natural calamity: In 2022, India witnessed natural disasters almost every day in the first nine months, which destroyed close to 4,50,000 lakh houses.Thus, companies should provide home insurance policies and protect employees'houses against losses and damages caused due to natural calamities like earthquakes, floods, lightning, storms, typhoons, etc.

The insurance policies can also protect the house from human-made hazards and anti-social activities, such as vandalism, thefts, strikes, riots, and other activities caused by malicious intent. People incur substantial monetary losses in the form of post-catastrophe destruction. Home insurance can protect valuable assets and precious personal belongings: Besides covering the house's structure, house insurance also offers policies to provide coverage against loss/ damage to articles/contents kept inside the insured home. These could include valuable, expensive, and essential belongings like documents, jewellery, clothing, appliances, furniture, etc. One can imagine the financial assurance any corporate house can give its employees by securing these valuable possessions by providing corporate home insurance policies.

Prudent financial planning usually requires financial protection for valuable assets, and companies today can play a crucial role in offering home insurance as a significant part of the group insurance policy. Home insurance is becoming important like health and life insurance in today’s scenario.

(The writer is Aftab Chaz.)

TOP

Going for an international trip? 10 critical benefits your travel insurance plan must have - The Economic Times – 1st July 2023

People have started travelling again. In fact, the numbers are nearing those seen before the Covid-19 pandemic. However, every trip still comes with some risks. There are many untoward incidents that can happen during a journey and cause severe mental trauma and financial losses. Travel insurance is an effective tool to manage the uncertainties related to international travel. These schemes have many features that people are often unaware of but can prove to be extremely useful in an adverse situation.

So, what are the features a traveller must have in a travel insurance policy? The first and foremost is an adequate amount of insurance cover. "Before flying internationally, it is critical to have enough travel insurance," says Rakesh Goyal, Director of Probus Insurance Broker. If the trip can stretch into weeks or months, take a policy that is active for the duration of the journey. "Make sure to purchase an insurance that covers the entire trip, as well as one that covers medical expenditures and emergency evacuation if necessary," says Goyal.

Must-have features in travel insurance for international trips
When you are in a foreign country, handling even a simple problem can become daunting. You can feel helpless if confronted with a difficult situation. International travel needs careful planning so that you not only have a support system to get guidance during an emergency, but can also get physical assistance on the ground. A proper insurance scheme can alleviate at least some of the problems and tension during an emergency. "While going overseas, people must have travel insurance on their checklist. It is a big saviour for all travel woes like medical crises; loss of luggage, cash or passports; trip delays; flight cancellations and so on," says Manas Kapoor, Product Head-Travel Insurance, Policybazaar.com.

He suggests the following as must-have features when buying a travel insurance policy:
Medical emergencies: Travel insurance shields the policyholder from expenses incurred due to medical emergencies. It covers costs such as hospital bills, ambulance charges, etc. In addition, beneficiaries can file a claim for medical costs incurred in cases of death or disability.

Trip cancellation: Travellers these days book their flight tickets, hotels, etc, in advance to avoid last-minute hassles. Travel insurance can provide a cover if you have to cancel your trip due to a medical emergency, unfavourable weather conditions or political unrest. Some insurance schemes will even refund your costs in such cases.
Trip delays and interruptions: Travel insurance is helpful if you encounter a delay during your journey. For instance, if your flight is delayed or there is an unexpected interruption due to bad weather, you can seek reimbursement of the expenses you incurred because of the delay.

Personal liability cover: A domestic travel insurance plan covers any damage or injury caused to a third party. This gives a policyholder some cover in case his actions injure another person or cause damage to a property.

Baggage loss: The probability of misplacing or losing luggage is high when travelling, especially to a foreign land. A travel insurance policy would reimburse the cost of replacing your checked-in baggage and its contents, within the limits mentioned in the policy document.

Cover for pre-existing diseases: If you have a life-threatening condition due to a pre-existing disease, it would be extremely irresponsible on your part to make any travel plans without having adequate coverage in the travel insurance.

Emergency trip extensions: You may have to stay longer than required in a foreign country if there is a medical emergency, natural disaster or political unrest, among others. In such cases, a traveller can use the emergency trip extension cover to cover expenses like changing or rescheduling flights, booking hotels and so on. Susheel Tejuja, Co-Founder and Managing Director at PolicyBoss suggests travellers looking for additional protection from such events to opt for add-ons while buying an insurance policy.

Coverage of fraudulent charges: In case a traveller loses the notified payment card, or it gets stolen, this add-on can help the person get reimbursement for the unauthorised charges.

Refund of visa fee on rejection: Certain insurers today offer an optional add-on benefit of refund of visa fee in case the visa application gets rejected.

Adventure sports coverage: A person can separately opt for coverage of illness, injury or death while participating in adventure sports. It works on a reimbursement basis, as specified by the insurer. A 24/7 emergency assistance and support service for emergency passport issuance is of great help in handling situations like loss of travel documents. Talking about the other features to look for in a travel insurance scheme, Goyal says: “Additional features include coverage for stolen items, aircraft or luggage delays, and trip disruption. Road trip coverage, medical tourism coverage, and car rental collision coverage are some of the extras to look for.”

Bundled vs standalone policy: Which one is better?
Most travel booking websites offer a bundled policy. It is often affordable as well. But should one depend only on such a bundled policy or go for a standalone policy, especially when going abroad?

Kapoor of Policybazaar.com says a decision has to be taken after studying the requirements. A bundled travel insurance available while booking flights is not tailored to an individual's needs; it offers the same benefits to all. “For example, there are specific family floater plans that come at a discounted price. However, these have benefits that some users might not require. But it comes as a bundled product. It is advisable to do research, understand the benefits that a travel insurance plan offers, and buy the policy that best suits your needs,” adds Kapoor.

Travellers looking for greater protection should take a stand-alone policy to get adequate cover. “Policyholders can also choose to have additional riders in the policy for international travel. It's better to have a stand-alone travel insurance instead of a bundled coverage,” says Goyal. According to Tejuja, stand-alone travel insurance may be a wise decision in a variety of situations. He points out some scenarios where a person would want to take additional protection:.

Travelling to high-risk locations: If you are visiting a region where there is a higher likelihood of natural catastrophes, political upheaval or health problems, standalone travel insurance can provide comprehensive protection that is suited to those risks. It may also include travel cancellation/interruption benefits, medical evacuation costs, and emergency medical expenses, depending on the likely hazards at the location.

Extended or multi-country trips: If you are embarking on a long journey or visiting several countries, stand-alone travel insurance can offer coverage for the whole journey. This way, you can be certain that you are protected throughout, regardless of itinerary changes or additions.

(The writer is Naveen Kumar.)

TOP

HEALTH INSURANCE

India health insurance market set to skyrocket as key players take the lead - Wexford Echo – 6th July 2023

New Industry Report on India Health Insurance Market Status and Prospects [2023-2030] has been released. The report is 100+ pages long and provides an overview of the business with key types and applications along with the industrial chain structure. It includes information about the global market, such as development trends, competitive landscape analysis, key regions, and their development status. The report also examines advanced approaches and plans, as well as manufacturing processes and cost structures. It analyzes import/export utilities, market figures, cost, price, revenue, and gross productivity of the market. If you are interested in the report, Ask for a Sample Report.

The health insurance market was valued at INR 1,886.25 Bn in FY 2021. It is expected to reach INR 2,517.90 Bn by FY 2027, expanding at a CAGR of 5.12% during the FY 2021 – FY 2027 period. Since government-subsidized schemes are expected to cover the eligible population, the potential health insurance coverage is of 70% (based on the existing landscape).

Market insights
Nearly 950 million individuals (or 215 million families) are eligible for health insurance. However, the actual coverage is low since not all households eligible for government-subsidized insurance are covered at present. Also, there are overlaps between different health insurance schemes.

Technology insights:
Technology can help in optimizing processes, reducing costs, and expanding the customer base of market players. Health insurance firms have invested in innovative technologies such as automation, AI, and big data. Internet of Things (IoT) helps in deriving extensive data and insights to curate risk management tools and systems. Furthermore, it helps in strengthening customer information repository, enabling firms to offer timely and pertinent coverage based on individual needs. As IoT can generate large volumes of client data, brokers also offer additional value-added services through data analysis and management.

Competitive insights:
Emerging health insurance companies occupy the highly competitive health insurance space. With high demand, at present public and private players are aiming at increasing their offers and improve the quality of service, to dominate the market. The players are focusing on scaling up their businesses and portfolios to address the high potential of the market.

On June 8th, 2022, the Bureau of Economic Analysis and U.S. Census Bureau released a report detailing the recovery of the U.S. market and international trade. The report highlighted the significant growth in exports and imports, with exports reaching $300 billion in April 2022, an increase of $13.4 billion, and imports amounting to $294.5 billion, increasing by $17.4 billion. Despite the impact of COVID-19 on the global economy, the U.S. market is showing signs of recovery.

However, the Healthcare/ICT/Chemical industries are still feeling the effects of the pandemic, which is creating a large market for India Health Insurance. As the recovery of the U.S. market continues, there will be a direct impact on these industries, and the demand for India Health Insurance is likely to increase. The report highlights the need for businesses to stay informed about market trends and adjust their strategies accordingly to take advantage of emerging opportunities in this evolving landscape.

COVID-19 Impact Analysis
The pandemic of COVID-19 has also reduced the availability of and demand for non-COVID-19-related medical treatment. A wide range of treatments, including emergency care for acute diseases, routine check-ups, and recommended cancer screenings, are being postponed or avoided by patients. Undiagnosed illnesses and a failure to intervene early will have serious long-term health consequences. COVID-19 has accelerated a variety of existing and emerging healthcare trends, including changing consumer attitudes and habits, the convergence of life science and health care, rapid advances in digital health technologies, and new talent and care delivery models, to name a few.

Russia-Ukraine War Impact Analysis:
Global industries were impacted by the Russia-Ukraine War, which started in February 2022. There have been widespread announcements of strict travel restrictions over Ukrainian airspace. The market in 2022 has been damaged by the Russia-Ukraine War.

The conflict between Russia and Ukraine raises defense spending and fortifies NATO nations' armed forces. Due to Russia's invasion, the majority of European nations have raised their defense budget. Germany earmarked USD 109 billion, which is more than the whole cost of the military in 2021, increasing its defense spending above 2% of GDP.

Some Questions Answered in the India Health Insurance Market Report:

- What is the projected size of the India Health Insurance market in 2030, and what growth rate is expected?
- What are the primary drivers of growth in the India Health Insurance industry?
- What are the major market trends that are affecting the expansion of the India Health Insurance market?
- What obstacles must be overcome in order to achieve sustained growth in the India Health Insurance market?
- What opportunities and threats do vendors in the India Health Insurance market face?
- What are the raw materials and manufacturing equipment used in the production of India Health Insurance, and what is the manufacturing process?
- What are the different types and applications of India Health Insurance, and what is the market share of each type and application?
- What factors, such as trends, challenges, and risk factors, are currently shaping the growth of the India Health Insurance market?
- What factors are driving the growth of the India Health Insurance market in the top regions worldwide?
- Who are the major players in the India Health Insurance market, and what strategies are they employing to succeed?
- What industrial trends, drivers, and challenges are influencing the expansion of the India Health Insurance market?
- What are the main findings of a five forces analysis of the India Health Insurance market?

To gain a better understanding of market conditions, a Five Forces analysis is conducted, which includes an assessment of the Bargaining power of buyers, Bargaining power of suppliers, Threat of new entrants, Threat of substitutes, and Threat of rivalry. Additionally, a PESTLE analysis is performed to evaluate the external factors that may impact the market:

Political factors: This includes political policies and stability, as well as trade, fiscal, and taxation policies. Economic factors: Interest rates, employment or unemployment rates, raw material costs, and foreign exchange rates are all considered under this category. Social factors: Changing family demographics, education levels, cultural trends, attitude changes, and changes in lifestyles are taken into account when analyzing the social factors that may affect the market.

Technological factors: Changes in digital or mobile technology, automation, research, and development are evaluated to determine the potential impact on the market. Legal factors: Employment legislation, consumer law, health and safety regulations, and international trade restrictions are among the legal factors that may affect the market. Environmental factors: Climate, recycling procedures, carbon footprint, waste disposal, and sustainability are all taken into consideration when assessing the potential impact of environmental factors on the market. Our India Health Insurance Market Report is a comprehensive analysis of the market, providing valuable insights for businesses looking to invest in this industry.

TOP

Best health insurance for diabetes secures your health and wealth - The Economic Times – 5th July 2023

As lifestyle diseases are on the rise, many people nowadays live at risk of developing diabetes. Diabetes is a metabolic disease characterised by the blood glucose (blood sugar) level. Research findings indicate that diabetes is one of the key causes of blindness, kidney failure, heart attack, stroke, etc. According to the World Health Organisation (WHO), Diabetes is a growing challenge in India with an estimated 8.7 percent diabetic population in the age group of 20 and 70 years.

Diabetes occurs when the blood glucose level increases in the body. The condition is further divided into two categories. Type 1 diabetes occurs because of the impairment of the pancreas to produce insulin. Whereas in type 2 diabetes, the body does not use the produced insulin. Quality healthcare, regular health check-ups, doctor consultation, etc, are necessary to manage blood sugar levels to prevent or to get diabetes treatment.

Does your existing Health Insurance policy cover diabetes? If so, what is the need for a separate Health Insurance policy for diabetes? Without a doubt, a standard Medical Insurance policy will cover diabetes and related expenses. Let us understand the ground rule of how far a standard Health Insurance policy covers diabetes.

Across the health insurance industry, Diabetes falls under the pre-existing disease (PED) category. And we are well aware of the fact that all pre-existing diseases are always bound with a waiting period, which ranges between 12 months to 48 months. The waiting period varies depending upon the opted health insurance plan and the insurer. Moreover, the insured becomes entitled to PED coverage after the completion of the same. For your reminder, to tide over the waiting period, continuous renewals are necessary, failing which, the waiting period will start all again.

The monthly expenses spent on medication and insulin might go unnoticed, but they might drain your savings and cause financial troubles. Additionally, the incurred outpatient expenses become eligible for a claim only if the outpatient expenses fall under the inclusion of the policy document. If not, the insured becomes liable to pay the outpatient expenses out-of-pocket.

Being mindful of society and addressing the needs of every individual, health insurance firms are offering specially crafted health insurance policies for diabetes. These uniquely designed policies are for people diagnosed with diabetes (both type 1 and type 2) to cover the treatment costs and hospitalisation expenses of diabetes and other related expenses. Therefore, they offer wider coverage for diabetes and related expenses and secure your savings as well. The benefits and coverage of diabetes health insurance policies are unique to the health insurance provider. Some make it as an individual health insurance plan, while some entitle the insured to add their spouse, which upgrades the policy as a family health insurance policy.

TOP

What is keeping Indians away from health insurance? – Live Mint – 5th July 2023

Higher premiums and lack of urgency along with high complexity are the prime reason for many Indians not buying health insurance, find a survey on the trend among insurance buyers in India. Lack of affordability, higher premiums, difficulty in understanding health insurance clauses, and insufficient funds, emerged as the main obstruction for people who are willing to buy health insurance, according to the policybazaar.com's report, titled 'How India buys Insurance'.

As per the survey, 43 per cent of all the respondents who didn't take any health insurance cited high premiums as the main reason for not doing so. Out of the total people who participated in the survey, 19% didn't even understand how a health insurance policy works. 33% of the respondents didn't find any urgency in buying health insurance.

Notably, higher premiums were one of the main reasons for lapse among health insurance lapsers. 47% of the health insurance lapsers cited higher health insurance premiums as the main reason.

The report also mentions that health insurance premiums became a highly expensive post-COVID pandemic. "In 2021, the country registered the highest medical inflation rate among the Asian countries at 14 percent," said the report.

2020 witnessed highest number of Health Insurance purchases in the last 5 years
In the report, it was found that most of the respondents in the survey purchased their health insurance in 2020. Out of the total insurers, 22% purchased their insurance in 2020. On the other hand, 5% of the insurers who participated in the survey bought their health insurance in 2022.

93% of people know about health insurance, but only 43% of them own one
The report presented a stark gap between the people who are aware of the importance of health insurance and people who end up buying one. 93% of the people who took part in the survey were aware of the availability of health insurance policies, and 73% rated health insurance as "very important" to have. However, only 43% of them had an active health insurance policy. The report received inputs from 3327 respondents coming from 27 cities across India. The fieldwork was conducted from February to March 2023.

(The writer is Sharmila Bhadoria.)

TOP

What are the life and health insurance benefits for LGBTQ community? Sajja Praveen Chowdary explains - The Economic Times – 5th July 2023

"So from an insurance company's perspective, the risk at this point of time is almost the same. The only thing that was required to change is that earlier, whenever you were nominating a same-sex partner or a spouse or anything, the system did not allow it or there was no third gender that was mentioned and so on and so forth," says Sajja Praveen Chowdary, Policybazaar. Edited excerpts:

Today we are going to focus on life and health insurance benefits for LGBTQ plus same-sex marriages and live-in relationships. Although we know homosexuality has been decriminalized, a lot of work needs to be done for same-sex marriages. Although live-in relationships have got the thumbs up from the Supreme Court, yet there are still things which are not as simple and easy as it is for the rest of the crowd. So let us talk about the availability of life insurance for same-sex marriages, LGBTQ community and live-in relationship. What is the structure like? What has changed? A lot needs to be done but then so far, what is a step that has been taken already from the industry side?

So basically, as you have said in the earlier discussion as well, the only thing that has changed is the recognition of it. The life remains the same, the members remain the same, the beings remain the same. So from an insurance company's perspective, the risk at this point of time is almost the same. The only thing that was required to change is that earlier, whenever you were nominating a same-sex partner or a spouse or anything, the system did not allow it or there was no third gender that was mentioned and so on and so forth. It is majorly systemic changes. That is the basis which has changed. And that is predominantly from a life insurance perspective when you speak about it because there is nothing beyond that from a risk perspective that's different or from a pricing perspective that is still done. Once again, the reason behind it is in life insurance today, there is a pricing that is done basis gender, one of the important factors whether it is male or female. Now there is a third gender which you say as a transgender. Now there is not enough data available to kind of price it around it but then you know today it is generally taken as a generic kind of thing. The majority changes is only about systemic changes as I mentioned, the rest remains the same at this point of time.

And this is this is life insurance you are talking about specifically that too at a corporate level?
No on a regular life insurance kind of thing. On a corporate level I think you know primarily this is spoken of from a health insurance perspective.

I think health insurance is slightly a tricky space and a lot of grey area over there as to what can be covered and what not but then I think floater getting yourself covered through a floater policy is still is still doable now?

Absolutely. So on a corporate level right on the regular employer employee policy all the employees get covered as usual. Now as part of that what started happening is the specific cover which is called by the name of LGBTQ cover which is which has got started to get added to that policy kind of thing. Now what does this cover? The basic thing is as I said the premise is the person is the same there is no change in the person or there is no change in risk at this point of time that the insurance companies see. So it is predominantly about accepting when you have a life year policy for employee who is stating that his spouse is also the same sex allowing that to be covered instead of rejecting it and similarly covering them as usual for regular hospitalization is there in the policy.

That is the only thing that changes allowing same sex partner kind of thing. Now apart from this there are certain things which the community specifically undergoes in terms of hospitalization or certain treatment which is basically say a general reassignment surgery or certain stuff related to it which is a series of consultation plus hospitalization plus surgery kind of thing. Now this is a kind of these surgeries are generally not covered in regular policy and these require a certain add-on coverage kind of thing because the corporate policies are generally a tailor-made policies where any kind of covers can be tailor-made from corporate to corporate kind of thing.

These are taken very less in number at this stage but these are something which are available and can be tailor-made at any point of time and can be taken by corporates as an add-on. So basic cover remains as usual the add-on cover if they want to in terms of you know covering extra hospitalization which is specific to this category it is up to the corporates which can take in under the tailor-made policy.

I also want to understand the underwriting part which I think is not needed when you take a life insurance for these specific communities. How would you explain that?

See no, that is not how it is. The underwriting is going to happen as usual for anyone, it is not going to be that-- but then at this point of time what we are saying is there is no separate risk that is being seen and hence there is nothing different that is happening as such from a perspective of underwriting or any other risk.

When we talk about health insurance we discussed about the corporate level which is more about a group policy but then is it possible at an individual level also that if you declare that you are a part of a specific community you can be denied or maybe any kind of a waiting period or any stringent rules that one might have to face or that option is still not available at all?

I don't think at this point of time anything of that sort is there, it is just that you can take a regular policy as usual which covers your hospitalization of minimum 24 hours and as I said right that is covered.

The only thing is the specific surgeries which we are referring to here in this case those are general part of the general exclusions kind of a list, that is the only thing and that is something which is not a occurrence by accident which would generally hospitalization would happen right or something over a period of time that the health deteriorates, it is something by choice someone is wanting to get hospitalized and get a surgery done so those are those are part of regular exclusions otherwise the regular health insurance policies are as usual available for the individuals to take and they can very well opt for them without any challenge.

Specifically even in the same sex marriages?
Absolutely, yes absolutely. There is a bit of difference here that you have to look at it. What happens is there are a lot of people in this category when you say same sex marriage you speak of the same sex marriage but there are not a lot of registrations that happen in that way now which means it is not that a lot of people are actually officially married kind of thing it is an unofficial kind of live in partner kind of a status and so on so forth and generally these kind of coverages are more there the corporate side where as an additional you know coverage that is added as a LGBTQ cover or a same sex partner kind of thing or live

in partner kind of thing these kind of coverages are allowed kind of a thing. Otherwise regular thing you would need to add them as a spouse itself and there is no other option otherwise generally available.

What about same sex community people buying a joint life insurance or that option is not available for them is that possible?
I think more clarity is required, awaited there as I see at this point of time, not much that we could discuss at this stage.

TOP

Medical insurance premiums surge by 10-25% due to rising costs, increased demand - The Hindu Business Line – 3rd July 2023

Premiums of medical insurance policies have risen by 10-25 per cent over the last year, led by medical inflation, technological innovation, and increased awareness for better healthcare facilities. The increase by standalone health insurers has been much higher at 15-20 per cent, whereas for general insurance companies has been slightly lower at 10-15 per cent due to their relatively diversified portfolios, industry players said.

"The cost of healthcare services has increased year-on-year driven by technology enhancements and other costs like medicines, medical treatments, and procedures due to inflation. Medical inflation in India is around 15 per cent against CPI inflation of 6 per cent which has increased the costs of claims significantly for the insurance companies," said Parthanil Ghosh, President, Retail Business, HDFC ERGO General.

"Additionally, private health insurance is predominantly availed by citizens from top tier cities wherein the increase in treatment costs are much higher. This typically results in higher insurance premiums," he added. Pressure on medicare pricing started during Covid because of a huge outgo of claims. While insurers expected this to subside post the pandemic, costs have remained elevated given the improved hospitalisation demand, deferred planned procedures, and rise in hospitalisation expenses due to advancements in medical technology and procedures.

"During Covid, medical inflation shot up tremendously. But even after Covid subsided, we have not seen healthcare costs coming down. There was an inflection point in 2019-2020 when there was a massive increase in average claim sizes, and this has not come down," Dr. Bhabatosh Mishra, Director- Products, Underwriting and Claims, Niva Bupa Health Insurance. He added that health insurance, unlike life or fire insurance, is a high (claims) frequency business, even though average claim sizes tend to be lower compared to other lines of business.

While most insurers chose to not hike premiums substantially during the period due to the public health crisis and regulatory prudence, the impact is now being felt due to sustained pressure on insurers' profitability. "Awareness is going up so people are going to more and better hospitals, resulting in higher costs such as room rent, doctor charges, etc. Because of this ticket size has also gone up and the number and frequency of claims have increased," said Raghavendra Rao, Chief Distribution Officer, Future Generali India Insurance, adding that costs of treatment have also multiplied significantly due to new technology and specialised treatments.

Thus, despite higher premiums, insurers are seeing strong demand for health products, especially in the premium customer segment, where customers today are looking for more comprehensive coverage rather than for specific illnesses. Insurers peg the increase in average ticket size at 10-15 per cent led by increased awareness about under-insurance, rise in healthcare costs and the preference for more coverage and features, with most policyholders opting for at least a ₹10 lakh sum assured.

"We are seeing growth in the younger demographics compared to older and family floater than individual policies. There is a steady shift from normal Mediclaim to plans which provide benefits like restoration of sum insured, wellness and homecare," said Jagjeet Siddhu, Chief Distribution Officer, Kotak Mahindra General Insurance.

Insurance companies now expect premiums to stay at the current levels for about 1-2 years before another round of hikes, and more policyholders possibly opt for payment options such as EMI or choose covers with smaller deductibles to off-set some of the impact of the rise in premiums. With changing consumer behaviour towards personal health, insurance, fitness and nutrition, well-being and health monitoring and check-ups, insurers now expect accelerated adoption of digital technologies, including telemedicine. Going ahead, growth is likely to be led by comprehensive product offerings, which provide higher sum insured considering the underlying medical inflation, cover for costs such as OPD, and other wellness benefits within a single product.

(The writer is Anshika Kayastha.)

TOP

India's health insurance sector is booming, and it's not just due to pandemic - The Federal - 3rd July 2023

India's growing health insurance industry seems to be undergoing a sea change in its style of functioning. With a market size of ₹82,019 crore in 2023, the medical insurance sector has been witnessing a burgeoning growth after the pandemic. A report by CareEdge says the segment is on track to breach the ₹1 lakh-crore mark in FY24.

And, it is not just the pandemic that triggered this growth. Santosh Puri, Senior Vice-President – Health Product and Process, Tata AIG General Insurance, said: "Although the pandemic triggered the need for health insurance, there are other factors that have led to the steady growth in demand in the years that have followed. For one, both the government and the industry have been working continuously to increase health insurance penetration. Also, high healthcare costs, enhanced access to quality healthcare facilities, advancements in the medical field, and high medical inflation rates have contributed substantially to this growth."

What the numbers suggest

As per the report, standalone private health insurers (SAHI) continued to display growth as May 2023 numbers touched ₹2,098.2 crore, up from the ₹2,084.2 crore in April 2023, and ₹1,706.6 crore in May 2022. This year-on-year growth of 22.9 per cent in May 2023 was lower than the 23.4 per cent reported in May 2022. However, the first two months of FY24 – April and May — reported a greater growth rate of 28.4 per cent as compared to the corresponding period in the previous year (growth rate of 26.1 per cent).

Retail and group health insurance witnessed growth of 18.2 per cent and 26 per cent, respectively. For May 2023, private companies reported growth of 21 per cent, while public sector non-life insurance companies posted growth of 13.2 per cent.

Dynamics changes

The surge in the industry's market size has been accompanied by a few changes in the dynamics. For one, the customer profile seems to have changed.

Jagjeet Siddhu, Chief Distribution Officer, Kotak Mahindra General Insurance Company, told The Federal: "One key trend we have noticed is that customer awareness has increased, and the pitch for health insurance is easier as compared to the pre-pandemic period. Also, we have seen greater interest in the younger populace, as compared to earlier when health insurance largely appealed to a 35-plus audience."

Correspondingly, there has been a substantial increase in the number of policies sold. "We have seen a year-on-year growth of around 50 per cent in policies sold in the last three years," said Siddhu. The younger health insurance buyers are also tech savvy and prefer digital modes of purchases. Puri of Tata-AIG health insurance said: "Customers are now increasingly aligned to digital modes of purchase and prefer do-it-yourself (DIY) platforms to purchase policies, track claims and post other service requests."

Health insurance products have also become diversified and technology has been upgraded. "We have launched multiple products to cater to different segments and consumer needs. There is a strong focus in terms of digital business and online outreach, while strengthening our D2C presence," he added. Technologies such as Artificial Intelligence, Machine Learning, Big Data Analytics, and the Internet of Things (IoT) are being used to improve the risk assessment and insurance processes today. Some industry players have also launched 'customised' health insurance plans that can be specifically made to address the customer's profile and requirements.

Hike in premium amounts

Explaining the reason for the increase in premium amounts, Puri said: "The factors that impacted costs in health insurance premiums are the significant influence of the pandemic on all business segments, including health insurance, the adoption of new-age methods of treatment and diagnosis, and the increase of non-communicable diseases (lifestyle diseases)."

Moreover, there will be closer monitoring of the industry soon, he added.

Siddhu pointed out that price is a function of underwriting risk and the huge surge in claims during the pandemic put pressure on pricing. "High-claim instances like the pandemic pushed prices upwards. The industry is trying to balance risk and prices, since price hikes will affect demand," he added.

(The writer is Aartie Rau.)

TOP

Critical illness standalone covers or riders: Which one to pick? – Moneycontrol – 3rd July 2023

The rise of lifestyle diseases on account of stress and a fast-paced life has given rise to the need to have a critical illness cover in your health insurance portfolio. To make things easy—and to pack in as much as they can—life insurance companies offer critical illness riders along with base life insurance policies.

And then, there are standalone critical illness policies and disease-specific covers.

CRITICAL ILLNESS ADD-ONS BOLSTER PROTECTION

Company	HDFC Life	Tata AIA Life	ICICI Prudential Life	Kotak Life Insurance
Product	Critical Illness Rider	Critical Illness Rider	Critical Illness Rider	Critical Illness Rider
Sum insured (Rs)	10 lakh	10 lakh	10 lakh	10 lakh
Illnesses/treatment procedures covered*	20	40	35	37
Total Premium (Rs)	2,614	2,608	3,385	3,859

The question is: Must you buy a separate policy just for critical illnesses or does a single, holistic insurance cover with an add-on benefit work better?

The importance of critical illness covers

A health insurance policy comes in handy if you were to be hospitalised for treatment. To financially secure your family in case of your death, you can rely on your pure risk term insurance policy.

But what if you were to be diagnosed with a critical illness such as stroke resulting in paralysis where treatment could continue for years and require recurring expenses that would render your health insurance policy inadequate? Moreover, it might lead to prolonged loss of income, which again your health insurance will not cover.

Enter critical illness plans. These specialised plans pay out a lump sum upon diagnosis, irrespective of whether you have made a claim under your health insurance policy or not. These are defined benefit plans, where you know the amount you will get, irrespective of the actual cost of treatment. You can not only use the sum to pay your hospitalisation bills but also to fund any loss of income, lifestyle modification costs, purchase of equipment, long-term physiotherapy sessions and so on.

They cover dreaded diseases such as heart attacks, cancer, cardiovascular ailments and renal disorders, apart from organ transplants, loss of sight and even Parkinson's disease and Alzheimer's disease. The list of illnesses covered vary as per the insurance company and the plan variant chosen—the more 'premium' the variant, the wider the coverage. Typically, a lump-sum amount (the entire sum assured) is paid out once the ailment is diagnosed and the policyholder completes the survival period, which can range from nil to 30 days post-diagnosis, depending on the insurer and the product.

STANDALONE CRITICAL ILLNESS COVERS OFFER LIFELONG COVERAGE

Company	ICICI Lombard General	Aditya Birla Health	Niva Bupa Health	HDFC ERGO General
Option	Criti Shield Plus	Activ Secure-Critical Illness Plan-3	Criticare	Critical Illness-Platinum
Sum insured (Rs)	Rs 10 lakh	Rs 10 lakh	Rs 10 lakh	Rs 10 lakh
Survival Period	0 days	15 days	30 days	15 days
Initial Waiting Period	90 Days	90 days (180 days for certain conditions)	90 days	180 days
Illnesses/treatment procedures covered*	90	65	20	15
Total Premium (Rs)	4,489	4,609	3,268	5,428

Notes: For a 25-year-old Delhi resident; list is not exhaustive; *approximate

Source: Securenow.in

The policy ceases to exist once the payout is made, unless your product comes with clauses where, say, the payout can be restricted to 25 percent in case of certain listed (under the product) 'minor' illnesses such as loss of hearing in one ear. In such cases, the balance sum assured will be available for other listed illnesses. There could be caps on the sum assured that will be released for certain procedures such as angioplasty—the maximum claim payout could be limited to, say, 50 percent or an ad-hoc amount of Rs 12 lakh.

While choosing a policy, ensure that the coverage is adequate to cover major illnesses and treatment procedures. The cost of a liver transplant, for example, can easily go upwards of Rs 25-30 lakh. "Critical illness sum assured should be sufficient to cover the entire cost of a critical illness, including taking a second opinion from international experts, if required. Taking a sum assured of Rs 1-2 lakh would be grossly insufficient. HNIs (high net-worth individuals) should consider a sum assured of Rs 50 lakh or more," says Abhishek Bondia, principal officer and managing director of insurance broking firm Securenow.in.

Types of critical illness plans

Before identifying the right cover amount and the insurer, decide whether you want to opt for critical illness riders—offered primarily by life insurers—or a standalone critical illness policy sold typically by general insurance companies. "While a few health insurance companies also offer such rider benefits to go with their base plans, they are not as popular, and the uptake is limited," says Bondia. "Both work on the same principle, in the same way. They essentially provide income replacement if the policyholder is incapacitated due to a critical illness listed in the policy. However, on the life side, you can usually buy a rider only at the time of buying the base life insurance policy. Some do allow you to add the rider at renewal, but most do not," says Rhishabh Garg, head, term insurance, Policybazaar, an insurance aggregator firm.

Critical illness riders—premiums could be cheaper, but linked to base life cover

Riders add heft to your protection portfolio. While the life policy secures your family financially, a critical illness rider can help you and your family should you be faced with a dreaded disease and the prospect of income loss during recuperation. As per Insurance Regulatory and Development Authority of India (IRDAI) guidelines, a critical illness rider's premium cannot be higher than that of the base life insurance policy. The maximum benefit amount paid out has to be lower than the base policy's sum assured. So, if you are buying a life insurance policy of Rs 50 lakh, it will also be the upper limit for the critical illness benefit.

"A rider cover can be beneficial if bought together with a base policy for ease of maintenance of policy and payment of premiums together with base policy. Sometimes, rider cover may come at a cheaper cost compared to standalone policy," says Bikash Choudhary, chief actuarial and governance officer, IndiaFirst Life Insurance.

So, if you are convinced of a critical illness cover's importance, ensure that the rider benefit is substantial—at least Rs 25-30 lakh—and choose your life insurance policy's base sum assured accordingly. Do not settle for a rider benefit that is just a small fraction of your life insurance cover. However, if you do not need such a large life cover, you should consider buying an independent critical illness policy. "Critical illness riders attached to life insurance policies come with coverage that is a percentage of the larger base sum assured. If your term insurance policy's premium is low (as is the case for younger buyers), the critical illness rider's premium will be even lower and the coverage that you get at that price may prove to be inadequate," says Bhabatosh Mishra, director, products, underwriting and claims, Niva Bupa Health Insurance.

Also, a critical illness rider's term is equivalent to that of the base policy. So if your term insurance cover's tenure ends with your retirement, which is typically the case as it is meant to replace your income, you will not be able to enjoy the rider's benefits after this date, when the need could be greater.

Standalone covers—renewable for lifetime, but premiums can increase

Standalone covers offer greater flexibility to choose or even switch insurers. With the rider, you are tied to the cover as it will be linked to the base term insurance policy. "The comprehensive, standalone critical illness cover is better. The number of illnesses covered makes up for the higher cost," says Bondia. A third choice—disease-specific policies such as cancer covers—offers more in-depth coverage for that particular ailment. For example, the cancer specific policy may cover early-stage cancers as well, as opposed to advanced-stage cancers in a comprehensive critical illness policy. "Such plans can be recommended if there is a family history of such illnesses, else comprehensive critical illness covers are preferable," says Bondia.

Like other health policies, these are renewable for lifetime. "A standalone critical illness policy will come with a regular tenure of one year (or two to three years if you choose to pay multi-year premiums at one go). You also have the option of covering your parents, spouse and children under family floater variants, which is not the case with critical illness riders," says Garg of Policybazaar. However, unlike a rider add-on where the premiums will be fixed throughout the tenure, standalone covers' premiums could be reviewed periodically based on the insurance company's claim experience and healthcare inflation, among other things. "There is also the affordability aspect to this choice. Full-fledged, standalone critical illness covers are generally more expensive than riders," points out Choudhury.

(The writer is Preeti Kulkarni.)

TOP

Group health insurance emerging as a top employee benefit; here's how – Live Mint – 3rd July 2023

India, the world's fastest-growing major economy, is witnessing a paradigm shift in the arena of employee benefits and insurance. As companies scramble to attract and retain top talent in an increasingly competitive market, a compelling benefits package has become a critical factor in the employee value proposition.

Historically, companies have focused their benefits offerings on mandatory statutory benefits such as Provident Fund (PF) and Employees State Insurance (ESI). However, today's employees yearn for more comprehensive packages that cater to their holistic wellbeing. A central pillar of this evolution is group health insurance.

Group health insurance has emerged as one of the most sought-after employee benefits in the Indian corporate landscape. This is not surprising considering the COVID-19 pandemic's profound impact on our collective health consciousness. Offering health insurance shows a company's commitment to its employees' welfare, and in turn, increases job satisfaction, productivity, and overall morale.

A key trend influencing the insurance landscape is the growing demand for wellness and preventive care. Employees, especially the younger demographic, are placing an increasing emphasis on preventive health measures and lifestyle management. Consequently, organisations are now incorporating wellness initiatives such as gym memberships, yoga classes, health screenings, and nutritional counselling into their benefits packages. This not only promotes a healthier workforce but also aids in reducing long-term healthcare costs.

The role of tax-saving benefits in an employee's compensation package is also evolving. Traditional components like HRA, LTA, and Section 80C deductions remain important. However, employees now appreciate benefits that provide innovative tax-saving opportunities, such as the National Pension Scheme (NPS) and meal cards. Inclusion has also become a defining factor in shaping benefits packages. Benefits that were earlier restricted to the employee alone are now extended to cover families, recognizing the importance of the familial unit's financial and health security in an employee's well-being. For instance, parental insurance, child education support, and spouse employment support are gaining traction in the corporate space.

In this evolving scenario, the companies that succeed will be the ones that can adapt to these changing needs and preferences. They will need to build flexible and inclusive benefits packages that not only address the employees' financial security but also their overall well-being. In essence, what employees truly deserve is a benefits package that acknowledges and appreciates their holistic needs. It's time to redefine employee benefits from being mere statutory obligations to becoming strategic tools for driving employee satisfaction and engagement. The evolving landscape of employee benefits and insurance in India signals a promising and inclusive future, where the health, wellbeing, and financial stability of employees are valued and prioritised.

(The writer is Abhishek Mahato.)

TOP

Medical insurance scenario in India - The Times of India – 1st July 2023

In India, medical insurance has become increasingly important as healthcare costs continue to rise. The government has taken several initiatives to ensure that every citizen has access to affordable medical insurance. In this article, we will explore the current state of medical insurance in India, the government's role in it, and the role of Third-Party Administrators (TPAs). We will also discuss the next steps that can be taken to improve medical insurance in India.

Medical Insurance in India
Medical insurance in India is still in its early stages. According to the National Health Profile 2020, only 27 percent of the population has some form of medical insurance. This means that a vast majority of citizens pay out of their pockets for medical expenses, which can be financially burdensome. The cost of healthcare in India is increasing rapidly, and without insurance, it is becoming increasingly difficult for people to afford quality healthcare.

Government Initiatives
The government has taken several initiatives to ensure that every citizen has access to affordable medical insurance. The two main initiatives are the Pradhan Mantri Jan Arogya Yojana (PM-JAY) and Ayushman Bharat. PM-JAY is a health insurance scheme that provides medical insurance to vulnerable sections of society, including economically weaker sections and socially deprived people. It provides coverage of up to Rs. 5 lakhs per family per year for secondary and tertiary care hospitalization. Ayushman Bharat is a scheme that aims to create a network of health and wellness centers that provide comprehensive primary healthcare services.

TPAs Role
TPAs play a crucial role in medical insurance in India. They are intermediaries between insurance companies and policyholders and are responsible for processing claims, managing policy documents, and providing assistance to policyholders. TPAs also play a role in educating policyholders about the benefits of their policy and how to use it effectively.

Next Steps
While the government has taken several initiatives to improve medical insurance in India, there is still a long way to go. Here are some of the next steps that can be taken:

1. Increase Awareness: There is a need to increase awareness about the benefits of medical insurance. Many people in India are still unaware of the importance of medical insurance and how it can help them financially in case of a medical emergency.

2. Increase Coverage: The coverage provided by PM-JAY and Ayushman Bharat should be increased to cover more people. The government should also consider providing medical insurance to the middle class, who are currently not covered by these schemes.

3. Improve Healthcare Infrastructure: The government should invest in improving healthcare infrastructure to provide quality healthcare services to all citizens. This will reduce the burden on insurance companies and policyholders.

4. Reduce Premiums: The government should work towards reducing insurance premiums to make medical insurance more affordable for all citizens.

Conclusion
Medical insurance is crucial in today's world, and it is important that every citizen has access to it. The government has taken several initiatives to improve medical insurance in India, but there is still a long way to go. Increasing awareness, expanding coverage, improving healthcare infrastructure, and reducing premiums are some of the steps that can be taken to improve medical insurance in India. With concerted efforts from the government, insurance companies, and policyholders, we can ensure that every citizen has access to affordable medical insurance.

(The writer is Rajnish Sharma.)

TOP

SURVEY AND REPORTS

Study Shows 80 percent Indians Rely on Personal Recommendations for Insurance - The Economic Times – 5th July 2023

Online insurance marketplace, Policybazaar.com on Wednesday launched a consumer insights report titled 'How India Buys Insurance', which provides a comprehensive view of consumer awareness, needs and frictions when it comes to the purchase of health and life insurance. The research examines the buying behaviour of 3,300+ respondents from 27 cities across India, including metros, tier II and tier III cities. With this study, Policybazaar intends to build a deeper understanding of the changing consumer needs, thereby helping the industry in improving its low insurance penetration.

According to the report, personal recommendation from friends and family or a known agent is the top trigger for insurance consideration for approx. 80 percent of the respondents. For 56 percent, a recommendation from friends and family was the main trigger for purchasing health insurance, while the number stood at 54 percent for life insurance. Apart from this, brand familiarity and vintage seemed to play a key role in trust building. 58% and 64% respondents said that they trust the brands they are familiar with or the brands that have been around for a long time, both while purchasing health insurance and life insurance respectively.

“Policybazaar’s efforts to maximize insurance penetration are in alignment with the IRDAI’s vision of a fully insured India. In order to achieve that objective, we need to deeply understand the changing consumer needs," said Sarbvir Singh, CEO, Policybazaar. The report also highlighted the two key reasons that deterred the purchase of both health and life insurance- affordability issues and difficulty in understanding the product. While more than 40% respondents cited high premiums as the reason for not purchasing health and life insurance, around 53% found the products/ process difficult to understand and thus, dropped out. This indicates a clear need for education in the category along with simpler, more affordable options. The earlier this education starts, the easier it will be to hit the message home. it said.

The public also feels that the convergence of online and offline mediums seems to be the way forward for insurance. Around 80% respondents across health and life insurance looked online for information before purchasing the policy. However, over 85% ended up purchasing offline primarily through an agent they knew or was recommended by friends and family. "With a detailed series of face-to-face interactions, we have gone beyond tier-I and tier-II cities in this research and also explored the perspectives of tier-III India. We hope that the insights from our research will pave the way for more relevant and consumer-centric solutions from the insurance industry." Singh added.

TOP

Life insurance adoption: lack of funds & understanding are top barriers, says report - News18 – 2nd July 2023

While securing their family against future financial challenges remains the main driver for 83% of the respondents in a latest study, more than 70% of life insurance consumers believe that they could secure their child’s education and medical emergencies expenses with adequate insurance coverage.

These are the findings of Future Generali India Life Insurance Co. Ltd., based on a study on the perceptions and preferences surrounding life insurance. The report highlighted key hurdles consumers face when purchasing life insurance or enhancing their coverage, especially the rising discontent amongst Gen-Z policyholders who remain unenthused by the lack of transparency, trust and commitment displayed by life insurers during the policy period.

According to the study, lack of funds (44%) and lack of knowledge/understanding (40%) are the top barriers to life insurance. 48% of males stated insufficient funds compared to females. While, 18% of respondents believe that premiums are very expensive. The company said that the study is based on responses collected from 1300 respondents belonging to different age groups, income groups, genders, and key markets. Across age groups, respondents believe they can’t expect ‘better returns’ from life insurance products.

Also, despite 89% of the participants viewing life insurance as an instrument to achieve future financial security, more than 50% believe it to be an appealing savings product that also offers superlative tax benefits. 61% of the population in Tier 1 & 75% of the population in Tier 2 plan to invest in Life Insurance.

More than a third (39%) of those in the 45+ yrs age group have opted for life insurance to secure lump sum or regular pay-outs, indicating changing purchasing preferences as consumers age. Across the younger respondents though, aspects such as income protection and the potential to generate better returns than traditional saving instruments remain the top drivers to purchase life insurance products.

Gen-Z population has poorer perceptions of life insurance companies’ trustworthiness, transparency, and commitment. Around 70% of participants feel the need to increase their life insurance coverage, particularly males and those aged 27-34.

Bruce de Broize, MD and CEO, Future Generali India Insurance, said, "For a country that is pegged to become the third largest economy by 2027-28, improving life insurance penetration can act as an important driver for overall economic development."

To bring India on par with the global average, addressing the top barriers preventing the country's citizens from securing themselves with life insurance is pertinent. Unsurprisingly, 44% of our survey's respondents confessed to not having sufficient funds to invest, while nearly 40% cited their lack of knowledge about the benefits of life insurance and the increasing product complexity as the top reasons for not investing in a suitable life insurance cover," Bruce de Broize added.

The study emphasised the growing popularity of online channels like websites and mobile applications amongst the intended target group, mainly due to the increased transparency and benefits on offer. Moreover, with ~70% of existing life insurance purchasers inclined to increase their coverage, insurers need to improve their customer outreach initiatives and capitalise on the immense opportunities presented by the country's booming working population.

(The writer is Namit Singh Sengar.)

TOP

Healthcare bill is over 10% of total spend for 90m Indians - The Times of India – 1st July 2023

Over 90 million Indians live in households where spending on healthcare accounts for more than 10 percent of their total expenditure. Of these, 31 million live in families where the health spend is more than a quarter of household expenditure. The proportion of households spending over 10 percent or 25 percent of their expenditure on healthcare has gone up between 2017-18 and 2022-23.

MEDICAL BILL

Proportion of population with large expenditure on health as a share of total household expenditure

States	2017-18		2022-23	
	>10%	>25%	>10%	>25%
Kerala	11.1	3.9	16.1	6.1
Maharashtra	6.2	2.1	8.5	2.9
Uttar Pradesh	6.1	2.6	8.3	3.4
Andhra Pradesh	5.7	1.8	8.1	2.9
Himachal Pradesh	6	2.1	7.8	3
Odisha	4.7	1.6	7.7	2.7
Karnataka	4.5	1.1	7.3	2.1
Telangana	4.5	1.3	6.9	2.4
Haryana	4.2	1.2	6.8	2.2
West Bengal	4.3	1.4	6.6	2.1
Punjab	4.7	2	6.5	2.4
Rajasthan	3.8	1.4	5.6	1.8
Tamil Nadu	3.3	1.2	5.4	1.9
Chhattisgarh	3.5	1.6	5.3	2.4
Bihar	2.7	0.7	5.1	1.3
Jharkhand	2.7	1	4.8	1.4
Madhya Pradesh	3.5	1.5	4.5	1.8
Delhi	3.1	0.6	4.4	1.1
Uttarakhand	2.5	0.7	4.3	1.1
Gujarat	2.5	0.8	4.3	1.1
Jammu & Kashmir	2	0.3	4.1	0.7
Assam	1.3	0.4	2.6	0.7
All-India	**4.5**	**1.6**	**6.7**	**2.3**

Source: NSS, Ministry of Statistics and Programme implementation

This was revealed in the Sustainable Development Goals National Indicator Framework Progress Report 2023, released recently by the statistics ministry. Catastrophic health expenditure is defined as health spending exceeding 10 percent of household consumption expenditure. The third of the United Nation's Sustainable Development Goals (SDG) is to provide universal health coverage (UHC) and to improve financial protection, thus preventing catastrophic spending. UHC includes securing access to quality healthcare and safe, affordable medicines and vaccines for everyone.

According to the progress report, the proportion of households where more than 10% of expenditure was on health went up from 4.5% to 6.7% while that of those spending over 25% on healthcare went up from 1.6% to 2.3%.

In 2022-23, the highest proportion of people spending more than 10% or 25% of household expenditure on health were in Kerala, 16% and 6% respectively, followed by Maharashtra where it was 9% and 3% respectively. Kerala also saw the biggest jump in this proportion between 2017-18 and 2022-23. Other states which saw a significant increase are Karnataka, Odisha and Telangana in that order.

According to the National Health Accounts 2019-20, out of pocket expenditure (OOPE) as a proportion of the total health expenditure (68%) was the second highest in Kerala, just below Uttar Pradesh where it was 72%. Uttar Pradesh is among the five states with the highest proportion of households spending more than 10% or 25% of their expenditure is the lowest among the bigger states (31.8%), the state is among those which have witnessed the highest increase in the proportion of households using more than 10% and 25% of the expenditure on healthcare.

In June 2021, the Niti Aayog estimated that at least 400 million people or about 30% of the population did not have any financial protection for health, leading to high out-of-pocket expenditure and impoverishment. It also estimated that the actual uncovered population would be higher due to existing coverage gaps in PMJAY and overlaps between schemes.

Govt fixes prices of 53 popular drugs
TheNational Pharmaceutical Pricing Authority has fixed the ceiling price of two anti-coagulant and 51 other drug formulations, including medicines used to manage diabetes, in a notification dated June 28. NPPA has set the retail prices for the Dabigatran formulation — an anti-coagulant used to treat and prevent blood clots — at Rs 35.6 for a 150-gram capsule. Prices of 24 anti-diabetic formulations containing dapagliflozin, another 14 with vildagliptin and two with sitagliptin molecules have also been set. Paroxetine controlled release and Clonazepam capsules for the treatment of depression will be priced at Rs 15.8per capsule. The ceiling price is the amount fixed by the government for 'Scheduled Formulations' in accordance with the provisions of the Drugs (Prices Control) Order, 2013. It is the maximum price for retailers (excluding GST, if any) for a given product.

In case the retail price of any of the above formulations is not complied with, as per instant price notification, then the manufacturer/marketing company shall be liable to deposit the overcharged amount along with interest thereon under the provisions of the DPCO 2013, read with the Essential Commodities Act, 1955, the notification said. In 2022, the health ministry had notified the inclusion of coronary stents in the National List of Essential Medicines (NLEM), 2022, to make the life-saving medical devices more affordable. Doctors say the inclusion of stents in NLEM will help reduce the cost of angioplasty — a minimally invasive procedure to open up blocked arteries — and thus make it more accessible.

(The writer is Rema Nagarajan.)

TOP

INSURANCE CASES

'Insurer cannot decide on implants for patient' – The Times of India – 5th July 2023

The Gujarat State Consumer Dispute Redressal Commission has pulled up an insurance company for unnecessarily deducting Mediclaim amount for the lenses used in cataract surgery and observed that it cannot decide on the medical implants required by a patient.

The case involved an orthopaedic surgeon from Vadodara, Dr Rikesh Majmundar, who underwent cataract surgeries for both eyes in 2016, and paid Rs 70,000 for each. He had a health cover of Rs 5 lakh from the United India Insurance Co Ltd. While he claimed Rs 1.40 lakh, the insurer paid only Rs 58,000.

The company deducted Rs 41,000 each for both the claims, saying that the unifocal lenses that were implanted cost Rs 51,000 each whereas the patient required lenses only worth Rs 10,000 each. The doctor approached the district consumer commission after Rs 82,000 was deducted by the insurer. The commission ordered the company to pay Rs 20,000. This led the doctor to approach the state commission, where its members R N Mehta and P R shah ordered the insurer to pay the remaining Rs 62,000 with interest to the complainant. It said that the treatment was not for cosmetic purposes.

"The selection of the type of implants cannot be decided insurer… the respondent (insurer) has decided what type of lens is necessary, completely overlooking the doctor's decision of implanting the multifocal lens," the commission said. tnn

TOP

Deadline over, insurance firm fails to release relief to farmers - The Tribune – 4th July 2023

A private insurance company has allegedly failed to disburse compensation of over Rs 4 crore among farmers for their crop losses that occurred due to the incessant rain in September last year, while the deadline set by Deputy Commissioner (DC) Monika Gupta to release the relief ended on Monday. Taking a serious view of it, the DC has written to the state headquarters to blacklist the company for the bidding process so that it did not get the contract of crop insurance for the financial year 2023-24.

"Bajra and cotton crops had suffered losses due to the rain that lashed the district in September 2022. Scores of villages, under Narnaul, Mahendragarh, Satnali and Kanina blocks of the district, were badly affected by the natural calamity. A total 16,917 farmers applied to get the crop loss compensation under the Pradhan Mantri Fasal Beema Yojana," said sources. The sources maintained at the insurance company, along with local officials of the Agriculture Department, conducted the survey at that time to assess the losses and also completed other formalities, but the compensation was not released to the farmers even after several months, even though the local office of the Agriculture Department also sent many reminders to the company in this regard.

"The DC held a meeting over the issue on June 28 and told the company officials to disburse entire compensation by July 3, but the latter released merely Rs 1.02 crore compensation to 1,078 farmers," said an official of Agriculture Department. Meanwhile, the DC said the contract of Reliance General Insurance Company for crop insurance had ended on March 31 and the bidding to release the tender for the financial year 2023-24 was scheduled this week.

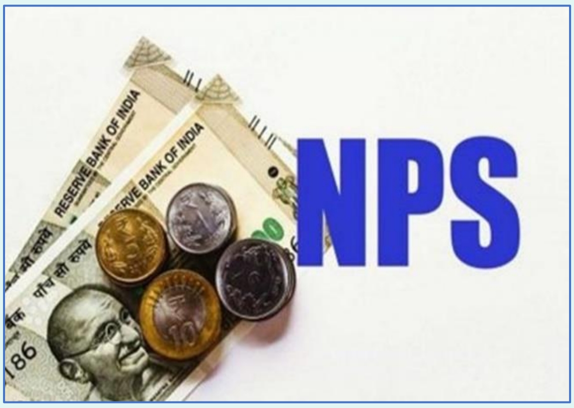
"Since the company has failed to disburse the compensation among all 16,917 farmers despite getting many opportunities, I have written to the headquarters to blacklist it for the coming bidding process. When the state government can release the compensation to all uninsured farmers for the same crop losses on the basis of special girdawari, why not the company has so far disbursed the relief to insured farmers? It's a gross negligence on part of the company and getting the compensation is a legal right of the farmers," said the DC.

(The writer is Ravinder Saini.)

TOP

PENSION

NPS is an attractive product because of its low cost: PFRDA chairman Deepak Mohanty – Live Mint – 5th July 2023



The National Pension Scheme (NPS) will soon offer its subscribers the option of systematic withdrawal plan (SWP) for the 60 percent corpus disbursed at the time of retirement instead of the lump sum payment that they usually get, said Deepak Mohanty, chairman, Pension Fund Regulatory and Development Authority. Mohanty, who assumed charge in March, said in an interview with Mint that the SWP option is slated to be rolled out in October. Edited excerpts:

Intermediaries earn very low commissions from NPS and so they sell other products more. What is your plan to counter this?

NPS is an attractive product because of its low cost. Having said that, the intermediaries should be reasonably remunerated and hence, the fee structure was reviewed and revised in early 2022. As of now, that is quite adequate

There has been a slowdown in enrolments in the last couple of months. Is it because of the new tax regime, which allows no benefit for NPS under section 80CCD

Yes, we saw a dip but that's because the NPS subscriptions have a seasonality. A section of people who do tax planning during the last quarter of the year come to NPS. The new tax regime is neutral to saving instruments, and, NPS, by its own merit, would also fit the bill in that whole process. So I don't think removing tax benefit under the new tax regime will slow down the process of NPS enrollment. What was seen in the last few months was temporary and I think we will see reasonable growth now

Are you thinking of broadening the investment avenues, such as stocks that pension funds can invest in and other products, for example private equity or something similar in nature, that allows longer tenure? The investment guideline is subject to periodic review and we have reviewed and expanded to 200 companies on the equity side. Our interaction with pension funds doesn't suggest the need to do any kind of revision at this stage. But we always interact and take a view on the investment pattern. On the debt side, we have given limits on infrastructure bonds and green bonds. We are open to the newer instruments but at the same time, we also do due diligence in terms of the rating and other things that need to be done. In the case of pension, what you see is what you get as it follows mark-to-market accounting on a daily basis. With all the precautions and guidelines, in the short quantity that we offer, we are open to new instruments coming in. Isn't it strange that foreign pension money is funding a lot of India's infrastructure development and even startups, whereas our own pension money is mostly locked up in the largest companies. I won't say it's like that. We can't say the money is locked in large companies as the bulk of it is in the central government securities. Yes, there is opportunity but the size of the pension fund is not big right now. The corpus that we are sitting on is about ₹9.65 trillion, which is not a big corpus. In terms of GDP, the NPS corpus would be around 3.5 percent of the GDP, whereas globally, the pension assets in OECD countries are on an average 80-90 percent, some even 200 percent of the GDP. There's a lot of potential for the pension sector to grow. But currently, the pension sector is quite small and there is adequate space for investment domestically.

(The writers are Neil Borate and Shipra Singh.)

TOP

Public Provident Fund (PPF) Interest Rate for July-September 2023 is out. Check details here - Financial Express – 1st July 2023

Public Provident Fund (PPF) Interest Rate July-September 2023: The PPF interest rate for the July-September quarter of FY 2023-24 was announced today (June 30). The Finance Ministry has once again kept the PPF interest rate unchanged. Earlier, PPF account holders were expecting a hike in the interest rate as it has remained unchanged since April 2020 (See PPF interest rate history).

In the April-June quarter of FY 2023-24, the PPF interest rate was 7.1%. The account allows investors to deposit up to Rs 1.5 lakh in a year and claim tax deductions under Section 80C of the Income Tax Act. The interest earned from PPF deposits and the amount withdrawn on maturity are also tax-free.

In the last two quarters, the Government has increased interest rates for Senior Citizen Savings Scheme (SCSS), National Savings Certificate (NSC), Sukanya Samriddhi Yojana (SSY) account, Kisan Vikas Patra (KVP), and Post Office deposit schemes like Post Office Time Deposit, Post Office Monthly Income Scheme (POMIS) and Post Office Recurring Deposit (RD). As the Reserve Bank of India (RBI) has increased the repo rate by 2.5% since May 2022, depositors were hoping that the PPF interest rate may be increased further.

The interest rates of various post office small savings schemes, including PPF, are linked to yields of 10-year Government Securities (G-Secs). The Finance Ministry reviews the interest rates of small savings schemes like the Public Provident Fund every quarter of a financial year. The review is done basis G-Secs yields of the previous three months, as per recommendations of the Shyamala Gopinath Committee, 2011. This exercise ensures the interest rates for small savings schemes are linked to the market.

Between March and June 2023, the G-Secs yield averaged between 7.3%. As per the set formula for small savings interest rate calculation adopted by the Government, the PPF rate should be 25 basis points higher than the average 10-year G-sec yield of the corresponding maturity. However, there has been a gradual decline in G-Secs yield, which means there was a very low possibility of a hike in the PPF interest rate. During the January-March quarter, 10-year G-Secs yield ranged between 7.3% to 7.5%. But it gradually declined to 7- 7.1% in the April-June quarter. The interest rates of most of the small savings schemes are already at par with long-term fixed deposits offered by banks. Moreover, in view of RBI's repo rate hike pause and falling inflation, experts believed there was not much room for an upward revision of the PPF interest rate.

TOP

Low annuity returns? Opt for systematic withdrawal - Financial Express – 1st July 2023

Subscribers of National Pension System (NPS) will soon get the option to opt for systematic lump sum withdrawal (SLW) on a periodical basis — monthly, quarterly, half-yearly or annually till the age of 75 years. The facility will be available for both Tier I and Tier II accounts and will be available only for normal exit and not for premature exit or exit due to the death of the subscriber.

Experts say the staggered withdrawal process will help subscribers to earn higher returns as corpus will continue to remain market-linked for another 15 years. Moreover, the smart withdrawal facility will make NPS more popular as annuity returns are low. The SWL will be applicable only for the lump sum portion and subscribers can either opt for annuity immediately or defer annuity till 75 years.

At present, subscribers on superannuation or reaching the age of 60 can defer availing of annuity and withdrawing the lump sum till the age 75 years. On retirement, subscribers have to withdraw 60% of the corpus and the remaining amount will have to be invested in annuities. Life insurers offer five types of annuity plans such as annuity for life for the subscriber, annuity for life of the subscriber and then to the spouse after the subscriber's death, annuity for life and purchase price returned after the death of the subscriber, etc.

How to opt for SLW

For subscribers, SWL will be provided in the subscriber login with eSign or dual factor OTP authentication as a separate functionality. The facility to modify, cancel & redeem SLW will be provided in the login only. In case of modifications, subscribers will be able to modify the mandate. Subscribers will have to select the frequency, amount and the start date. The end date will be derived based on the total corpus, amount and the frequency of the withdrawal.

After attaining 75 years, units available will be redeemed and the balance will be transferred to the subscriber's bank account. The SWL will start at least after 30 days of creation of a mandate in the system. If on the scheduled SLW, sufficient balance is not available in the lump sum category then withdrawal will be executed only for the available amount and lump sum category will become zero, all remaining SLW requests will be auto-cancelled.

During the SLW, subscribers can opt for scheme preference or change of pension fund manager. However, it will be applicable only for the lump sum portion. The annuity portion, if not already withdrawn will remain as per existing scheme choice and no changes will be applicable in the corpus. If a subscriber wants to change a bank account in which funds are getting credited, then he will have to update the bank details through existing bank account updation option in the subscriber login where penny drop bank details verification will be applicable. The central record agencies will send regular alerts to the subscriber on set up, modification, cancellation of SLW through email and SMS.

Benefits of NPS

One of the major benefits of NPS for private sector employees is that there is no upper cap on the amount of investment. Regular investments and step-up contributions periodically will result in a larger annuity corpus, which can be used for generating a higher pension.

Individual subscribers get a tax deduction of up to Rs 1.5 lakh under Section 80C of Income Tax Act and an additional deduction of Rs 50,000 under section 80CCD 1(B). The 60% of the corpus withdrawn is exempt from tax. However, the regular annuity income received will be taxed at the marginal rate of the taxpayer. In case the accumulated corpus is below Rs 5 lakh at the time of maturity, then the subscriber can withdraw the entire corpus. In such a case, the IT- exemption will not extend beyond 60% of the corpus and the remaining 40% of the corpus would be taxable upon withdrawl.

(The writer is Saikat Neogi.)

TOP

GLOBAL NEWS

Vietnam: Govt issues regulations on cross-border insurance services provided in the country – Asia Insurance Review

The Vietnamese government has issued a decree governing cross-border insurance services from foreign providers.

Under the new regulation, those providing cross-border insurance and insurance brokerage services are foreign insurance companies and insurance brokerages with headquarters in countries or territories with which Vietnam has signed international treaties on trade, including agreements on the supply of cross-border insurance services in Vietnam, reported Vietnam News.

Users of those services are foreign-invested economic organisations and foreigners working in Vietnam.

The decree stipulates that to be allowed to provide cross-border services in Vietnam, a foreign insurance or insurance brokerage company must have a licence from a state management agency in charge of foreign insurance where the company is headquartered and must provide proof that it has been operating legally for at least 10 years until the time it begins to provide cross-border insurance services in Vietnam.

It also must have a document certifying that it has not violated legal regulations on insurance business and brokerage operations, and other legal regulations during the three consecutive years preceding the year it begins providing cross-border insurance services in Vietnam.

The regulations also require the total assets of a foreign insurance company to be at least $2bn and those of a foreign insurance broker to be at least $100m in the fiscal year preceding the year of providing cross-border services in Vietnam.

Ratings

Foreign insurers have to be rated at least "BBB" by Standard & Poor's or Fitch, "B " by AM Best, or "Baal" by Moody's, or have equivalent ratings in the previous fiscal year; and have gained profits in the three consecutive fiscal years preceding the year they begin to provide cross-border insurance services in Vietnam.

Foreign insurance companies are required to provide cross-border insurance services in Vietnam through an insurance brokerage company licensed and operating in Vietnam, while foreign brokerage firms must provide brokerage services for foreign insurers or branches of foreign insurers licensed and operating in Vietnam.

TOP

COI PROGRAM CALENDAR

FOR REGISTRATION, PLEASE CONTACT TO COLLEGE_INSURANCE@III.ORG.IN

COLLEGE OF INSURANCE CALENDAR PROGRAMME FOR THE YEAR 2023- 2024 (Mumbai)							
Sr. No.	**Programs Name**	**Program Start Date**	**Program End Date**	**Prog. Mode**	**Fees for Online**	**Fees for Residents**	**Fees for Non-Residents**
1	Managerial Skills for Insurance Industry	13-Jul-23	14-Jul-23	Offline		Rs. 10000/- + G.S.T.	Rs. 7200/- + G.S.T.
2	Digital Edge/Age in Life Insurance Marketing and Operations	13-Jul-23	14-Jul-23	Offline		Rs. 10000/- + G.S.T.	Rs. 7200/- + G.S.T.
3	Basics of Health Insurance and Preventive Care	17-Jul-23	18-Jul-23	Offline		Rs. 10000/- + G.S.T.	Rs. 7200/- + G.S.T.
4	Familiarisation Programme for Board Members of Life insurance Companies	19-Jul-23	19-Jul-23	Online	Rs. 3000/- + G.S.T.		
5	Workshop on Team Dynamics and Interpersonal Relationships	19-Jul-23	20-Jul-23	Offline		Rs. 10000/- + G.S.T.	Rs. 7200/- + G.S.T.
6	Reinsurance Management Intermediate Level	20-Jul-23	21-Jul-23	Offline		Rs. 10000/- + G.S.T.	Rs. 7200/- + G.S.T.
7	Enterprise Risk Management (ERM)	24-Jul-23	25-Jul-23	Offline		Rs. 10000/- + G.S.T.	Rs. 7200/- + G.S.T.
8	Wealth Accumulation through ULIPS and Guaranteed Return Products	25-Jul-23	25-Jul-23	Online	Rs. 3000/- + G.S.T.		
9	Financial and Investment Management in Life Insurance Companies	25-Jul-23	25-Jul-23	Online	Rs. 1500/- + G.S.T.		
10	Corporate Governance and Regulatory Compliance in Insurance	26-Jul-23	27-Jul-23	Offline		Rs. 10000/- + G.S.T.	Rs. 7200/- + G.S.T.
11	Challenges in Fighting Fraud – Motor Third Party Insurance	26-Jul-23	27-Jul-23	Offline		Rs. 10000/- + G.S.T.	Rs. 7200/- + G.S.T.

12	Regulatory Compliance for Insurance Brokers	01-Aug-23	02-Aug-23	Offline		Rs. 10000/- + G.S.T.	Rs. 7200/- + G.S.T.
13	Data Analytics and Data Interpretation	02-Aug-23	03-Aug-23	Offline		Rs. 10000/- + G.S.T.	Rs. 7200/- + G.S.T.
14	Communication as a Tool for Customer Engagement and Retention	03-Aug-23	03-Aug-23	Online	Rs. 3000/- + G.S.T.		
15	Financial Planning and Retirement Solutions	03-Aug-23	03-Aug-23	Online	Rs. 1500/- + G.S.T.		
16	Basics of Reinsurance	07-Aug-23	08-Aug-23	Online	Rs. 3000/- + G.S.T.		
17	Enhancing the Productivity of Specified Persons in Bancassurance	08-Aug-23	10-Aug-23	Offline		Rs. 15000/- + G.S.T.	Rs. 10800/- + G.S.T.
18	Challenges in Miscellaneous Insurances	10-Aug-23	11-Aug-23	Offline		Rs. 10000/- + G.S.T.	Rs. 7200/- + G.S.T.
19	Listing of Life Insurance Companies	10-Aug-23	11-Aug-23	Offline		Rs. 10000/- + G.S.T.	Rs. 7200/- + G.S.T.
20	Liability Insurance: Focus-Event and Film	11-Aug-23	11-Aug-23	Online	Rs. 1500/- + G.S.T.		
21	Branding through bonding	24-Aug-23	25-Aug-23	Offline		Rs. 10000/- + G.S.T.	Rs. 7200/- + G.S.T.
22	Marine Cargo Claims and Fraud Management	24-Aug-23	25-Aug-23	Offline		Rs. 10000/- + G.S.T.	Rs. 7200/- + G.S.T.

COLLEGE OF INSURANCE CALENDAR PROGRAMME FOR THE YEAR 2023- 2024 (Kolkata)

Sr. No.	Program	Program Start Date	Program End Date	Prog. Mode	Fees for online	Fees for Residential	Fees for Non-Residential
1	Financial Planning and Life Insurance Solutions CVT-Kolkata	19.07.2023	19.07.2023	Online	Rs. 1500/- + 18% GST		
2	Marine Cargo Insurance Management: Underwriting and Claims	26.07.2023	28.07.2023	Online and Offline	Rs. 9000/- + 18% GST	Rs. 15000/- + 18% GST	Rs. 10800/- + 18% GST
3	Life Insurance Underwriting - New Era, New Vista	04.08.2023	04.08.2023	Online	Rs. 1500/- + 18% GST		

4	Raising Effectiveness of Business Development Executives & Managers	11.08.2023	11.08.2023	Online and Offline	Rs. 3000/- + 18% GST	Rs. 5000/- + 18% GST	Rs. 3600/- + 18% GST
5	Annuities as a Distinct Marketing Tool	17.08.2023	18.08.2023	Offline		Rs. 10000/- + 18% GST	Rs. 7200/- + 18% GST
6	Enterprise Risk Management (ERM) and Key Roles of the Risk Owners and CRO	23.08.2023	24.08.2023	Online and Offline	Rs.6000/- +18% GST	Rs. 10000/- + 18% GST	Rs. 7200/- + 18% GST