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INSUNEWS - WEEKLY E-NEWSLETTER

10TH - 16TH FEBRUARY 2024

Insurance Term for the Week

Ambulance Cover

Ambulance cover is a Common feature in many health insurance plans that provide coverage for the cost of transportation of the Insured patient to a hospital or medical facility in the event of an emergency. This feature aims to ensure that policyholders have access to quick and efficient medical care in case of an emergency.

This can be especially important for people living in rural or remote areas, where the nearest hospital or medical facility may be far away. With ambulance cover, policyholders can be transported to the nearest hospital or medical facility as quickly as possible, giving them the best chance of receiving appropriate medical care.

Important aspect is to check the limit of coverage provided under Ambulance cover. Some insurance providers may have a cap on the amount of coverage provided for ambulance services, while others may offer unlimited coverage. It is important to understand the terms and conditions associated with the coverage offered before purchasing the policy.

QUOTE OF THE WEEK

"When we do the best that we can, we never know what miracle is wrought in our life, or in the life of another."

HELEN KELLER

INSIDE THE ISSUE

INSURANCE INDUSTRY

Composite licence for insurers can be a game-changer – Financial Express – 14th February 2024

A parliamentary panel has suggested introducing a composite licence for insurance companies which will enable them to offer both life and non-life insurance products. Saikat Neogi explains how it will give insurers economies of scale and benefit customers at the same time

Composite licence for insurers

A parliamentary panel headed by BJP leader Jayant Sinha has recommended that insurance companies should be allowed a composite licence to offer life and general insurance products, including health, under one entity. Prospective insurers can even apply for sub-class of business such as accident, health and motor insurance. However, reinsurers are prohibited from seeking registration of any other class of insurance business.

Current regulations prohibit insurers from selling general and life insurance policies to customers through a single entity. So, to enable composite licensing, the government will have to bring amendments to the existing Insurance Act, 1938 and Insurance Regulatory and Development Authority Act, 1999. The composite licence will help increase the overall insurance penetration in the country, which currently stands at a mere 4%.

Advantages for insurance companies

A composite licence will reduce costs of insurance companies and reduce their compliance hassles as they can run different insurance lines under one roof. Insurance companies can innovate their product line, especially in life and health insurance, as they will be able to integrate and analyse data of people's life and health records.

With a composite licence in hand, life insurance companies will be able to sell indemnity-based health insurance products. At present, life insurance companies can sell only fixed benefit health plans and pay a fixed amount, which is the sum insured, following a claim. An integration will significantly benefit the underwriting process and insurers will be able to minimise risks and rationalise costs. Insurers can put in place an unified risk management and IT system in place for better compliance. A composite licence will also give insurance agents and the intermediaries the flexibility to sell both life and non-life products and be able to understand better the financial needs of their customers.

How it can help consumers

A composite licence can enable insurers to offer customers comprehensive insurance options. It can offer more choice and value and even a single policy that covers life, health and savings. It can help lower the premiums and make claims hassle-free. Customers can pay the renewal premium for various lines of policies at once instead of paying the premium at different points of time for various policies. Moreover, a simplified intermediary registration will increase the efficiency of insurance distribution and benefit both intermediaries and consumers. Experts say a composite licence will help to improve policyholders' financial security, increase returns from traditional life insurance policies and even reduce mis-selling.

Regulatory changes required

There are some issues that need to be addressed for a smooth rollover to a composite licence regime. The solvency margin and capital requirement for insurance companies will have to change as they will have to deal with different risks and returns from different types of insurance. For instance, under current rules a paid-up capital of `100 crore is required to set up a life, general, or health insurance company. Experts suggest that if the composite licence comes into place, the minimum capital requirements should be based on the solvency margin of the business in all the insurance segments. It should also depend on the scale and size of operations of the insurer.The accounting and reporting standards will also have to be changed as insurance companies will have to keep separate funds and records for different types of insurers.

The Insurance Act, 1938 specifies a minimum solvency ratio of 150%. A high solvency ratio instills confidence in the ability of the insurer to pay claims, meet future contingencies and business growth plans. As of March 2023, all life and non-life insurers have complied with the stipulated solvency ratio. To reduce the compliance burden, the insurance regulator has discontinued the filing of monthly solvency returns. However, the insurers whose solvency margin is less than 1.55 as at the end of any quarter, have to continue to report their monthly solvency position until the solvency position is restored to1.55.

(The writer is Saikat Neogi.)

TOP

Insurers face additional US$3bn tax bill over accounting treatment of extra commissions – Asia Insurance Review – 13th February 2024

The Income Tax Department is likely to send out demand notices for taxes totalling INR250bn ($3bn) to several insurance companies. The notices would relate to higher than allowed commissions and claimed deductions for the period before 1 April 2023, a senior government official said.

“Central Board of Direct Taxes (CBDT) is doing a reassessment of the tax paid by insurance companies in certain years before 1 April 2023. The income tax department is in the process of sending out tax notices. By March-end, all the income tax notices will be sent for a quantum of approximately INR25,000 crore,” an official told Moneycontrol.

The tax department said that commissions paid to intermediaries by insurers of amounts higher than the limit set by the Insurance Regulatory and Development Authority have been accounted for as “other expenses”. It alleged that the additional commission paid and deductions claimed were without any service having been provided. If the payment made was not an actual expenditure, insurance companies would have to pay direct tax on a higher amount of income than they had reported. CBDT would make tax adjustments, disallow expenses and may initiate some penalty proceedings, the official said.

TOP

Insurance industry needs a regulatory shake-up – The Hindu Business Line – 10th February 2024

The Reserve Bank of India and Securities and Exchange Board of India have been getting a lot of flak for ‘stifling’ the development of financial firms under their remit, with their hard-line stance on regulation and compliance. But India’s insurance industry offers a good case study on what happens when a financial regulator prioritises industry development over consumer interests. Amid strong growth in other financial assets, India’s insurance penetration has been flat-lining for a decade. Insurers have reported anaemic new business growth this year. The industry is attributing this to lack of consumer awareness, withdrawal of tax breaks, etc., and is clamouring for reforms. But the main reform that the industry needs is regulatory focus on ensuring that it delivers on its fundamental promise to its customer. For a financial asset that attracts less than a fifth of household financial savings, the Indian insurance industry has a lot of unhappy customers. According to Insurance Regulatory and Development Authority’s (IRDA’s) FY23 annual report, the centralised grievance portal received 2.02 lakh complaints last year. This apart, the department of administrative reforms received another 12,542 complaints that were passed on to IRDA.

More than the sheer number of complaints though, it is their nature that is worrying. The break-down of complaints against life insurers shows that 20 percent of them pertained to unfair business practices, while

22 percent dealt with survival claims. If one takes LIC out of the equation, over 50 percent of complaints against life insurers are about unfair business practices, which seems to be a euphemism for mis-selling. If being saddled with the wrong product is the issue for life insurance buyers, general and health insurance buyers have to reckon with insurers not settling claims after a medical emergency or calamity. Sixty-six percent of complaints against general insurers were about claims. But despite such evidence of insurers failing to fulfil their primary mandates, IRDA has displayed neither bark nor bite in dealing with customer protection issues. Insurers have been asked to look into the root causes of mis-selling and conduct awareness campaigns. But unlike the RBI or SEBI which pass a score of orders every month levying penalties on their constituents, IRDA seems to be rather shy of cracking the whip. Its annual report mentions that after conducting 48 inspections and producing 72 reports in FY23, it issued 506 'observations' to insurers and intermediaries. It did not levy a single penalty.

The world over, the raison d'etre of the life insurance industry is to provide protection to families on death of the bread-winner. Not so in India, where the life insurance industry thrives on selling savings products camouflaged as protection. Browse through the product menu of any insurer and you will find scores of participating, non-participating, market-linked and guaranteed return products, with pure term plans lost in the clutter. A financial presentation from LIC, which holds a two-third share of the industry, showed that nearly 95 percent of the policies it sold and 66 percent of the new business premiums it collected in FY23 came from participating products, which are savings plans. Pure-term plans accounted for 0.37 percent of LIC's new business premiums and 0.44 percent of policies sold. While numbers for private insurers are likely to be better, term plans are still a marginal product on their menu. This focus on bundled savings-cum-insurance plans allows insurers to dress up their products with truckloads of jargon on survival benefits, maturity benefits, guaranteed additions, loyalty additions, and so on. As a result, a majority of insurance buyers sign up without knowing what benefits they can expect. Many don't even know if they're buying a single or regular premium plan, market-linked or guaranteed return plan, traditional or pure term plan.

This reflects directly in high customer drop-out rates. Data from IRDA's Handbook of Statistics shows that the 60th month persistency ratio for life insurers averaged 44 percent in FY22, indicating that 56 percent dropped out by the fifth year. This is actually win-win for the industry, which pockets hefty surrender charges on the prematurely terminated plans and goes on to sell new products to the same customers. A recent IRDA proposal suggesting a formula for surrender value is being met with push-back, with the industry demanding a 'principle-based' regulation on this. Covid has been the trigger for Indian health insurers to double down on selling mediclaim policies as a panacea for cashless treatment in medical emergencies, with agents insisting that nothing less than a ₹1 crore cover will do. But most of us have personal experience of having to fork out cash to settle hospital bills despite having a large 'cashless' cover, thanks to last-minute disputes between the insurer and the hospital. IRDA's latest annual report has skipped presenting data on claims settlement for individual insurers. But an analysis of aggregate data from its Handbook for the last five years (FY17 to FY22) shows that health insurers paid only 73 percent of the claims filed with them in value terms. Apart from repudiating 8 percent of claims, they also disallowed about 10 percent. The absolute numbers are large, with 74 lakh of the 8.3 crore health claims filed between FY17 and FY22 being repudiated. The industry cites a variety of reasons, ranging from consumers ignoring fine print, to poor medical disclosures and over-charging by hospitals, to justify their high repudiation rates. But then the industry is also culpable for waiving medical check-ups, rushing through policy documentation and doing away with safeguard clauses on co-payment and sub-limits, when wooing customers to sign up. IRDA and the insurance industry are currently engaged in crafting an ambitious blueprint for 'Insurance for All' by 2047 that seeks to extend their products to citizens from the hinterland and low-income backgrounds. Focussing on serving the needs of existing customers better would be a more laudable objective.

(The writer is Aarati Krishnan.)

TOP

INSURANCE REGULATION

Irdai draft guidelines to safeguard insurance policyholder interests: 5 major changes proposed – The Economic Times – 16th February 2024

The Insurance Regulatory and Development Authority of India (IRDAI) has recommended several modifications to promote business ease, minimise stakeholder compliance obligations, and safeguard policyholder interests.

According to the IRDAI circular dated February 14, 2024, "Following further deliberation draft Insurance Regulatory and Development Authority of India (Protection of Policyholders' Interests and Allied Matters of Insurers) Regulations, 2024 is proposed to be issued which consolidates the provisions of the following regulations:

(i) The Insurance Regulatory and Development Authority (Manner of Receipt of Premium) Regulations, 2002;
(ii) The Insurance Regulatory and Development Authority of India (Places of Business) Regulations, 2015;
(iii) The Insurance Regulatory and Development Authority of India (Fee for registering cancellation or change of nomination) Regulations 2015;
(iv) The Insurance Regulatory and Development Authority of India (Fee for granting written acknowledgement of receipt of Notice of Assignment or Transfer) Regulations, 2015;
(v) The Insurance Regulatory and Development Authority of India (Issuance of e-Insurance Policies) Regulations, 2016;
(vi) Insurance Regulatory and Development Authority of India (Outsourcing of Activities by Indian Insurers) Regulations, 2017;
(vii) The Insurance Regulatory and Development Authority of India (Protection of Policyholders' Interests) Regulations, 2017;
(viii) (The Insurance Regulatory and Development Authority of India (Insurance Advertisements and Disclosure) Regulations, 2021.

"We are in the favour of making the free-look period to 30 days a standard for all the life insurance policies for the customers. We are confident that by extending the free look period to 30 days, it will allow ample time for policyholders to be thorough in their understanding given the pace of innovation in insurance products nowadays. Along with the 30 days period, we feel there should be a helpline of an expert panel given by insurance companies during those 30 days' time where customers can call and clarify their doubts. This will help the customers to understand the policy dynamics directly from the insurers and clarify as required," explained Apaar Kasliwal, Executive Director at PolicyBoss.com.

The following are some of the major changes proposed in the Irdai draft:

1. Free Look Period
The free look period for insurance purchased through any channel is 30 days from the date of receipt of the policy document.
2. Bank details
In order to facilitate electronic transmission of refunds and payment of claims, the insurer must gather the insured's bank account information during the proposal stage.
3. Nomination mandatory
No policy in case of life insurance shall be issued unless nomination is obtained.
4. Nomination provisions
Nomination provisions relating to general, wherever applicable and health insurance policies introduced.
5. Electronic form
Insurance policies meeting the defined criteria to be issued in Electronic form.

Other proposal include
(iii) Advertisement:
The requirement of filing of advertisement with the Authority has been dispensed with;
(iv) Opening of place of business:
a. no prior approval requirement for insurers meeting the specified criteria;
b. An insurer having specified solvency ratio, profitability in 3 years out of 5 years and having satisfactory track record can now open foreign branch including office at IFSCA.
c. The returns specified for foreign branch office are dispensed with.
(v) Outsourcing
a. Reporting Requirement: the existing requirement of reporting of outsourcing is dispensed with. Insurers are required to make necessary disclosures in this regard in its annual report.

(The writer is Sneha Kulkarni.)

TOP

Irdai proposes 30 days 'free look' period for policies from date of receipt – Business Standard – 15th February 2024

The Insurance Regulatory and Development Authority of India (Irdai), on Wednesday, proposed 30 days 'free look' period for policies sold physically or through digital channels from the date of receipt of the policy document. A 'free look' period is the length of time during which a policyholder can cancel the policy without paying for surrender charges. Also, the insurer will refund the first premium paid if the policyholder returns the policy within the period.

At present, for physical policies, the 'free look' period is 15 days while for policies sold online, it can be up to 30 days. In a draft circular released on Wednesday, the insurance regulator has consolidated several existing rules into a new regulation based on the recommendations from the Regulations Review Committee (RRC). 'The draft on IRDAI (Protection of Policyholders' Interests and Allied Matters of Insurers) Regulations, 2024' includes provisions on protecting policyholders' interests while also considering the operation and allied matters of the insurance companies.

As a measure that protects the interest of the policyholders, the insurance regulator has suggested mandatory collection of information about the policyholder or nominee at the proposal stage itself to enable electronic transfer of refund of premium. In case of life insurance, no policy will be issued unless the insurer obtains nomination which will be registered free of cost.

Iradi has also suggested the companies come up with a board-approved policy for electronic forms. The policies with the sum insured exceeding Rs 100 or those under which the single or annual premium is not less than Rs 10 will be made available to the customer in electronic form as well, irrespective of whether the policy was received in electronic or physical form. Meanwhile, the regulator has also revised conditions on opening of new places of business.

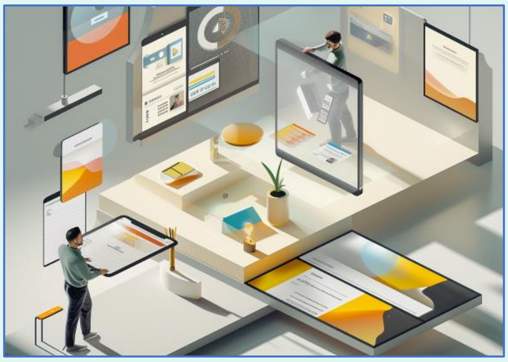
Insurance companies that have a minimum control level of solvency in the preceding three financial years and those that have been operating for five years with expenses of management (EOM) within the limits specified under the regulations in the preceding fiscal year and are working in lines with their business plan submitted through R1 and R2 applications can open new place of business without prior approval from the regulator.

Further, companies that have a specified solvency ratio, profitability in 3 out of 5 years of business, and a satisfactory track record can open foreign branches including offices at the International Financial Services Centres Authority (IFSCA) with the regulator also dispensing with the returns specified for foreign branches. Also, Irdai has suggested insurance companies make necessary disclosures on outsourcing, in its annual report. Feedback on these proposed norms can be submitted by March 4, 2024.

(The writer is Aathira Varier.)

TOP

IRDAI's draft regulations on one-stop online shop for all insurance policies – The Economic Times – 14th February 2024



The Insurance Regulatory and Development Authority of India (IRDAI) has released draft regulations for the electronic insurance marketplace, Bima Sugam, or a digital public infrastructure. The Irdai proposed to build "Bima Sugam - Insurance Electronic Marketplace" as a digital public infrastructure that will protect and empower policyholders' interests, increase insurance penetration in India, and enhance availability, affordability, and accessibility.

What is Bima Sugam?
According to the Irdai press release dated February 13, 2024, Bima Sugam shall be a one stop solution for all Insurance stakeholder's visa-vis customers, insurers, intermediaries or insurance intermediaries and insurance agents to promote transparency, efficiency, collaboration across the entire insurance value chain, technological innovation in insurance sector, universalize and democratize insurance and to achieve the vision of "Insurance for all by 2047".

"The draft regulations for Bima Sugam is a big step towards bringing this transformative initiative to fruition. The regulations focus on making insurance easy to access and affordable for everyone. It's towards streamlining the entire insurance value chain, from policy issuance to claim settlement, thereby promoting transparency and collaboration at every stage. These initiatives will play a huge role in driving penetration of insurance and enabling us achieve the vision of Insurance For All by 2047. The guidelines will enable the industry to also build collaborative eco-systems for the benefit of customers. It's an encouraging move and a welcomed one for Indians, as they can get better access to life insurance products designed for their long-term life goals," said Tarun Chugh, MD & CEO, Bajaj Allianz Life Insurance.

Regulatory framework for establishment, governance, functioning of the Bima Sugam - Insurance Electronic Marketplace with following is proposed to be laid down:-

a) Not for profit company shall be formed as per Sec 8 of Companies Act, 2013.
b) The company shall establish, facilitate, develop, operate and maintain the Marketplace for providing various services to the insurance stakeholders.
c) Shareholding of the company widely held amongst life, general and health insurers and no single entity having controlling stake. Shareholders shall contribute to capital as and when required.
d) IRDAI would nominate two members on the Board of Company.
e) Board to constitute a Risk Management Committee to mitigate various risks.
f) Prior approval of Authority for appointment of Chairperson & CEO of the Company.
g) Consent based architecture for the services.
h) Consumers shall not be charged for availing services of Bima Sugam.

In April last year, Regulator Irdai has requested that insurance businesses set social media policies for its staff members in order to make sure that no secret or unsubstantiated information about the company is shared online. "Social media should be used in a way that adds value to the organization's business," the Insurance Regulatory and Development Authority of India (Irdai) stated, emphasising the strong relationship between an organization's reputation and employee conduct.

(The writer is Sneha Kulkarni.)

TOP

Risk-based capital framework will lead to efficient capital utilisation for insurers: IRDAI chief – Moneycontrol - 13th February 2024

The Insurance Regulatory and Development Authority of India's (IRDAI) plan to transition to risk-based capital (RBC) framework in India will be beneficial for Indian insurance companies, IRDAI chairman Debasish Panda has said. The proposed framework will be a shift from the current factor-based solvency capital regime will in the insurance industry. "RBC will lead to significant improvement in capital utilisation efficiency," he said at the Global Conference of Actuaries in Mumbai on February 13.

Last year, the IRDAI had hired Toronto Centre, a global agency, to devise a risk-based supervision framework. "Traditionally, we have been looking at liquidity risk, capital risk…today, governance risk, management risk, operational risk and more importantly, geopolitical and climate change risks – everything has to be factored in. So, a macroeconomic outlook will have to be adopted to make sure that insurance companies are healthy and safe. We are working with a global agency called the Toronto Centre for a 360-degree risk-based supervision framework," Panda had said in June 2023.

The regulator wants the industry to migrate to the RBC regime over the next 2-3 years. Likewise, efforts are on to get insurers to adopt International Financial Reporting Standards (IFRS), he said. He also emphasised the need for insurance companies to optimise the use of machine learning, AI and big data to devise innovative products and solutions for customers.

India has over 850 million internet users and 750 million smartphone users, which has led to substantial digital footprints of potential customers. "Today's customers do not shy away from sharing personal information in exchange for personalised experiences," he said. Thus, any insurance company that sticks to traditional approaches will find it difficult to survive against the ones that can predict customer needs using market intelligence and offer the right product using the right channel to the right customers, he said. "The focus is on providing insurance solutions to all segments of society. Our goal is to empower customers with choices not only in terms of products but also in terms of how they access products and solutions," he added.

Even in the past, Panda has stressed on the importance of catering to newer customer segments such as gig workers, Gen Z, millennials and so on. He had urged insurance companies to look at designing specialised products for these categories. To keep pace with innovations in the insurtech space, the regulator has created a dedicated team for the purpose and also holds regular meeting with the stakeholders in this segment, he said.

(The writer is Preeti Kulkarni.)

TOP

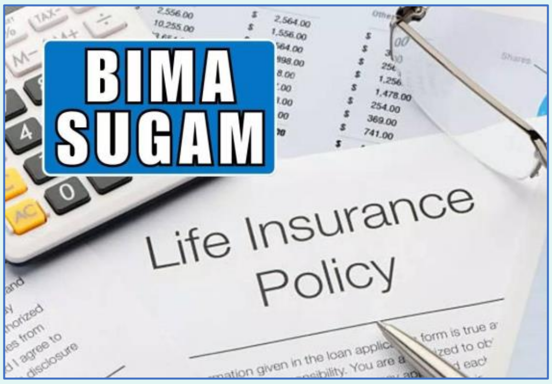
IRDAI chief asks insurance players to underwrite disruptions to improve market penetration – The Hindu – 13th February 2024

Insurance players need to underwrite disruptions to make the vision of 'insurance for all' a reality by 2047, regulator IRDAI's chief Debasish Panda said on February 13. The chairman of the Insurance Regulatory and Development Authority of India (IRDAI) also emphasised that the approach of 'one-size-fits-all' has become a thing of past due to the radical technology-driven changes taking place in the industry. It's time we retrieve our base, firm up our resolve and collectively underwrite disruptions in the insurance sector and make the vision of 'insurance for all' a reality by 2047. In this process, the role of the actuary becomes paramount. The disruptions in the insurance sector cannot happen without the support of actuaries, Mr. Panda said at the 23rd global conference of actuaries organised by the Institute of Actuaries of India in Mumabai. "There is a need to come out of the traditional and conventional roles and embrace dynamism and agility and also there is a need to see the sector from a different lens," he said, acknowledging the role of actuaries in designing the insurance products and drive the growth of the sector.

"With more than 850 million internet users and 750 million smartphone users in the country, every click, every keyboard button press, swipe or tap is generating data. These digital footprints are available and most importantly, today's customers do not shy away from sharing information in exchange of personalised experiences," he said. "Thus, any insurance company operating purely on the traditional sides will find it difficult to survive against the ones having predicted customer needs and offer the right product through the right channel to the right customer," he said. Today, he said, blockchain-enabled smart contracts have enabled the settlement of insurance debt within seconds and even fraud detection has become more effective with the help of data analytics. "Artificial intelligence, machine learning, big data, internet of things (IoT) and many more such new technologies are causing disruptions and changing the traditional fabric of the sector," the chairman said.

TOP

IRDAI issues exposure draft on Bima Sugam e-marketplace for insurance – The Hindu – 13th February 2024



Insurance regulator IRDAI has issued an exposure draft on electronic marketplace Bima Sugam or the digital public infrastructure it has mooted as a one-stop solution facilitating a range of services related to insurance policies--from purchase, sale, servicing and settlement of claims to grievance redressal. Pitched as the UPI moment for insurance by IRDAI chairman Debasish Panda in his interactions with media, and one arm of the Bima trinity, Bima Sugam seeks to empower and protect the interest of policyholders, increase insurance penetration and enhance availability, accessibility and affordability. A not-for-profit company, with its shareholding widely held amongst life, general and health insurers and no single entity having a controlling stake, is to be established for Bima Sugam. The revenue model will be self-sustainable and consumers will not be charged for availing the services of the marketplace. The shareholders will be required to contribute to the capital when required, the draft document said.

The Board of Life Insurance Corporation of India (LIC) at its meeting recently had given its approval for investments by the State-owned insurer in the company. The Insurance Regulatory and Development Authority of India (IRDAI) will nominate two members to the Board of the proposed company, which will establish, facilitate, develop, operate and maintain the marketplace for providing various services to the insurance stakeholders. It will be a one-stop solution for all insurance stakeholders--customers, insurers, intermediaries or insurance intermediaries and insurance agents--to promote transparency, efficiency, collaboration across the entire insurance value chain, technological innovation in the insurance sector, to universalise and democratise insurance and to achieve the vision of Insurance for all by 2047, the regulator said. It has set a March 4 deadline by which comments/suggestions on the proposed norms could be submitted. Insurers may facilitate availability of their insurance products for sale and provide all services related to insurance policy, including settlement of claims, grievance redressal in the marketplace on an ongoing basis, the exposure draft said.

(The writer is N Ravi Kumar.)

TOP

ET Now GBS 2024: Compliance burden set to be eased for insurance sector, says Debasish Panda, Chairman, IRDAI – The Economic Times – 10th February 2024

The insurance sector could be subject to just about 15-20 regulations from about 80 now, as India is adopting a "principle-based" oversight architecture that would slash the compliance burden and also replace 1,500-odd circulars with just two dozen to promote ease of doing business, the chief of the insurance watchdog said on Friday. The country has set its sights on taking insurance "to the last mile, last house and last person", Debasish Panda, chairman of Insurance Regulatory and Development Authority of India (IRDAI), said here Friday. Towards that goal, the country is working on a unique electronic market place that would act as a one-stop platform for buying, selling, servicing and settlement of insurance, Panda said. This will be a public digital infrastructure and "possibly be a UPI moment" for the insurance sector, he said. The platform aims to provide a bouquet of services at the door step of the customer. It will help democratise insurance, making it accessible across varied income levels and diverse sections of society, he said. It will herald a plug-and-play model for insurance agents, enhancing their accessibility, productivity and efficiency.

Panda said India could adopt, "sometime in 2025", a risk-based capital regime in insurance for efficient utilisation of resources and also align itself with the global standards of accounting and reporting in insurance. Citing estimates, Panda said India's insurance market will emerge as the world's sixth largest by 2032 from the 10th largest now. Given the diversity of the country, a one-size-fit-all policy won't work in India and insurers that don't innovate and remain stuck with only traditional products will eventually crumble to competitors that offer innovative options to customers, he cautioned. "Insurance is being reshaped and redefined around technology and big data," he said. He called on the industry to harness technology for product diversification, given the deep penetration of the internet and smartphones. Artificial intelligence and big data are changing the traditional fabric of the insurance sector and settlements can be fast-tracked using such technology, he said. The regulator has created a team to help with the industry's transformation in the fast-evolving digital era, he said. Panda said the regulator has approved the entry of five new players into insurance in the last few months and exuded confidence that more players will join the rush. "Our demography is favourable with a majority of young population. The middle class is widening and disposable incomes are rising. This presents an opportune moment to tap into the vast potential," Panda said. He said premium income has breached ₹10 lakh crore and assets under management have exceeded ₹60 lakh crore. The sector provides employment to more than six million people.

TOP

LIFE INSURANCE

Life insurers ask Irdai to charge surrender value on accumulated premia – Business Standard – 14th February 2024

Life insurance companies have asked Insurance Regulatory and Development Authority of India (Irdai) to charge surrender value on the accumulated policy value of customers instead of having the threshold value as an absolute amount, sources said on Wednesday. They said life insurance companies have put forth their recommendation, which will be submitted to the insurance regulator through the Life Insurance Council. “We understand the thought process behind Irdai’s exposure draft on the surrender value about safeguarding the interests of the customers. After due deliberations, the companies have suggested that the surrender value could be linked to the accumulated policy value of customers instead of having it as an absolute amount,” an insurance official told Business Standard.

The accumulated policy value in an insurance policy represents the ‘savings component’ of the policy, where a portion of the premium paid by the policyholder is allocated after subtracting the cost of insurance. The exposure draft by Irdai in December 2023 outlined the introduction of a defined premium threshold for each product, beyond which no surrender charges will be levied. The shift was believed to have a potential impact on the profit margins of non-participating products of these companies. Irdai suggested that there shall be a premium threshold defined for each product, wherein, there shall not be any surrender charges imposed on the balance of the premiums beyond such threshold limits, irrespective of the timing of the surrender. “If the surrender value is linked to the accumulated policy, the surrender charges will reduce in the long term for the customers whereas, it will remain higher during the short term deterring any disruptive behaviour among customers,” the official added.

Another industry official noted that insurance companies have understood the regulator's apprehension about customer protection. At the same time, Irdai realises the concerns raised by the companies as well and the impact that the decision could have on customer behaviour. "It understands that the decision should not affect either the manufacturers of the insurance policy nor the customer," the second official said. Analysts expected Irdai's decision to have an impact on the Value of New Business (VNB) Margin of the insurance companies will come down as it will affect the customer behaviour and lead to portability among insurers.

During the post earnings analysts' call, Amit Palta, chief distribution officer of ICICI Prudential Life Insurance, said: "Our exposure to products which will attract surrender value is relatively much lower. While the regulations are yet to be seen in totality, we do believe that the impact of the same will be relatively higher on non-participating guaranteed products, which actually at current levels is close to around 11 per cent to 12 per cent of our business." The insurance companies have also recommended additional measures which will help in reducing mis-selling of policies, while at the same time safeguarding the interest of the customers by ensuring enhanced due diligence and stringent controls on sale of insurance policies. They have also suggested introducing a fact sheet, which will elaborate the details of the policy including the benefits and exclusions in the insurance policy sold to the customer.

(The writer is Aathira Varier.)

TOP

Top life insurance cos raise concerns over proposed change in policy surrender values – The Economic Times – 12th February 2024

Top executives of large life insurance companies met with the chairman and members of the Insurance Regulatory and Development Authority of India (Irdai) recently, to express their concerns over a proposed change in the guidelines to calculate the surrender value of prematurely terminated policies. Industry representatives said the changes as proposed could deal a "killer blow" to the sector. Any higher surrender value would lead to a fall in the persistency ratio - which indicates the proportion of policyholders regularly paying premiums - that has been just about 50 percent for more than five years, they claimed. During the meeting with the regulator, they flagged the potential detrimental effects of the proposed policy on persistency, the chief executive of a company said on the condition of anonymity. "The proposed hike in surrender values could lead to higher lapsation of insurance policies, thereby lower profitability," he said. The changes, suggested by the regulator in the December 2023 draft product guidelines, seek to lower the surrender charges for policyholders.

The Irdai wants to change how surrender charges are calculated for traditional insurance plans. Under the proposal, charges will only apply up to a certain limit of the premium paid each year. Anything beyond that limit will be refunded to the customer. For instance, if someone pays ₹1 lakh annually for three years with a ₹25,000 yearly limit, surrender charges will only apply to ₹75,000 (₹25,000 x 3). Any amount exceeding this will be returned to the customer, potentially increasing the guaranteed surrender values. Currently, surrender values are determined based on a percentage of the premium and increase with the number of premiums paid each year. Insurers have proposed to moderate the draft, imposing caps on certain charges while extending higher free look periods and refunds. Another suggestion is to introduce alternative products that offer higher surrender values but lower commission rates, providing customers with more options. They have argued before the regulator that persistency could suffer if the proposed changes are implemented. They said long-term products with premium paying terms exceeding 10 years would be particularly affected. Their fear is that distributors might incentivise policyholders to surrender existing policies and switch to newer ones, with promises of higher returns.

(The writer is Shilpy Sinha.)

TOP

GENERAL INSURANCE

CEA Nageswaran says adaptation best insurance against climate change – Moneycontrol – 15th February 2024

Chief Economic Adviser V Anantha Nageswaran has called for equal emphasis on adapting to climate change and reducing carbon emissions, saying that adaptation "is the best form of insurance" against rising temperatures and extreme weather events. Speaking on February 15 at a workshop on climate finance, jointly organised by the finance ministry's department of economic affairs and the Asian Development Bank, Nageswaran said it is crucial that the insurance industry encourages adaptation among countries and the private sector when it comes to protecting against climate change.

"Adaptation is the best form of insurance. And for that to occur, policy frameworks must put as much attention on adaptation and resilience as just only emissions…. Adaptation at all levels – individual, institutional, sovereign – is the best possible insurance," the government's top economist said. According to Swiss Re, one of the world's largest reinsurers, global economic losses from natural disasters in 2022 amounted to $275 billion, with $125 billion of that being insured. "Just as regular insurance contracts, for example in automobile insurance, reward the policyholders for good practices, for a good safety record – your premium comes down. In the context of climate finance, what are the good practices? It actually starts with adaptation," Nageswaran said.

Different risks

According to the chief economic adviser, the risks arising from climate change range from financial to political as well as policy. For instance, financial institutions must protect themselves from their assets getting "stranded" during the energy transition from fossil fuels to renewables. Nageswaran asked how any writing down of banks' assets in such cases would be managed, either through a top-up of their capital via some insurance or some sort of contingency capital.

The same energy transition also creates geopolitical risks, Nageswaran said, as avenues to process critical minerals and rare earth metals are fewer than producers of conventional energy. This makes countries more vulnerable as they move towards renewable energy sources. Developing countries specifically face an even bigger issue in the form of blowback from the developed world despite taking measures to arrest climate change.

"By taking actions against climate change, developing countries are also insuring the lives and property of people and businesses in the developed world. If so, what is the premium we are getting in return for taking action on their part to insure the economic activity in the developed world? And obviously, the kind of premium that the developed world is contemplating paying to the developing world cannot be the carbon border adjustment mechanism. It has to be something more positive than that," Nageswaran said. The "obsessive fear of emissions" among developed countries created the risk of wrong policy prescriptions that could lead to output and job losses in emerging market economies.

(The writer is Siddharth Upasani.)

TOP

You can now get your expensive glasses, spectacles and lenses insured too – Business Standard – 14th February 2024

You can now get your eyewear insured for as low as Rs 100. Universal Sompo General Insurance Company has launched a new insurance product for eyewear, such as spectacles, sunglasses, blue filter glasses, and contact lenses, which offers protection against damage from burglary, theft, fire, cyclones, floods, riots, strikes, etc. Damage by a vehicle or an animal by direct contact and other accidents are also covered. The policy covers eyewear from Rs 500 to Rs 50,000. " Customers have the flexibility to customize coverage based on preferences or invoice value, ensuring a cost-effective plan featuring unique elements such as differential excess and claim settlement types. Whether your eyewear's value is up to Rs.50,000 or falls within Rs. 500 to Rs. 50,000, our premiums are structured to provide affordable protection," the company said in a release.

For eyewear valued up to Rs 10,000, one can get a comprehensive coverage with a minimal premium of just Rs 100. The policy period is for up to one year.
The insured can select either one or all the covers as mentioned below:

- Fire and allied perils
- Fire
- Lightning
- Explosion / Implosion
- Aircraft damage
- Riot, Strike and Malicious Damage
- Storm, Cyclone, Typhoon, Tempest, Hurricane, Tornado, Flood and Inundation
- Impact damage by any Rail/ Road vehicle or animal by direct contact not belonging to or owned by insured
- Bursting and/or overflowing of Water Tanks, Apparatus and Pipes
- Subsidence and Landslide including Rock slide
- Missile Testing operations
- Leakage from Automatic Sprinkler Installations
- Bush Fire
- Accidental Damage
- Burglary including theft

Key Features:
Worldwide Coverage with Theft Protection: Unique worldwide coverage, including theft protection—an aspect often excluded by competitors.

Flexible Differential Excess and Claim Settlement: Differentiating itself with flexibility in differential excess and claim settlement types.

Versatile Group and Individual Options: Available as a group platform and individual sachet product, catering to diverse needs.

Exclusions 1. Eyewear older than a year unless agreed by the insurer
2. Damage due to mishandling or carelessness on the user’s part
3. Any defects for which the manufacturer or supplier is liable
4. A claim resulting from improper handling, dismantling, fitting, adjustment, repair, alteration, or replacement carried out by anyone other than manufactures and/or the agents (retail franchisee) of manufactures
5. Overheating or due to chemical reactions.
6. Replacement of the Spectacles/lens due to a change in your prescription
7. Any damage caused by placing or using the insured items in a location or environment that is not in accordance with the manufacturer’s instructions.
8. Sport glasses, accessories & any embedded valuable/jewellery along with eyewear shall not be covered unless agreed by the insurer
9. Any losses within the scope of manufacturer’s warranty is excluded from the scope of cover.
10. Transferring of interest in this Policy to anyone else is not allowed.
11. Loss registered due to normal wear and tear from normal usage
12. Aesthetic damages which do not affect the functioning of the item, including but not limited to dents scratches on painted, polished, or enamelled surfaces, and broken plastic on ports and antennae

13. Any unexplained or mysterious disappearance of the Insured item
14. Infidelity of employees, servants, or household staff of the Insured
15. Damage due to moths, vermin, mildew or inherent defect, wear and tear, gradually operating cause
16. Loss due to theft from any unattended vehicle
17. Loss due to theft in connivance with You or Your family
18. Loss directly or indirectly occasioned by or happening through or in consequence of war, Invasion act of foreign enemy, hostilities (whether war be declared or not), Civil war, rebellion, revolution, insurrection, Military or usurped power, Confiscation, nationalisation, or any such action
19. Loss or damage due to any action from Public Authority
20. Nuclear and nuclear group of perils
21. Any type of Cosmetic repairs, scratching, discoloration, wear and tear or gradual deterioration of the eyewear, from whatever cause. Any claim arising from willful act
22. Consequential loss of any nature
23. Terrorism cover is excluded from scope of cover unless agreed by the Insurer

This insurance accommodates both individuals and groups, offering tailored options for both Employer-Employee and Non-Employer-Employee relationships, with a policy duration of up to one year. One has the flexibility to customise coverage based on preferences or invoice value, ensuring a cost-effective plan featuring unique elements such as differential excess and claim settlement types.

(The writer is Sunainaa Chadha.)

TOP

Government drops non-life PSU merger plan – The Times of India – 12th February 2024

Govt has decided against the merger of nonlife public sector companies as proposed in the Budget of FY19. This was disclosed by the department of financial services to the parliamentary standing committee on finance. The decision gains significance in view of the fact that govt had earlier attributed part of their losses to the unhealthy competition between public sector companies which were undercutting each other for top-line growth. The standing committee on finance last week released its report on performance review and regulation of the insurance sector. In the report, the committee has recommended that govt amend laws to reduce GST on health and term insurance, to reduce capital requirements for micro insurers and enable the issue of composite licences allowing insures to undertake both life and non-life. In his Budget speech in 2018, then finance minister Arun Jaitley had said, "Three public sector gene ral insurance companies National Insurance Company, United India Assurance Company and Oriental India Insurance Company will be merged into a single insurance entity and will be subsequently listed."

(The writer is Mayur Shetty.)

TOP

Insurance cover for lift users, cams a must: UP Assembly passes Bill with voice vote – The Times of India – 11th February 2024

Addressing a major concern for the residents of the high-rise buildings, the UP Lift and Escalator Bill, 2024, was passed in the state assembly with voice vote on Saturday. To be enacted by the local development bodies and authorities, the law is expected to insulate lakhs of families from untoward incidents. According to the guidelines, every agency installing a lift must register themselves first and conduct regular drills to deal with emergencies. Operators must also conduct an overhaul of the elevators at regular intervals and inform the local development authority about it. Yogi Adityanath govt took note of the series of mishaps and incidents that were reported in UP-NCR over the past one year before deciding to come up with the Act which would ensure safety of the families. BJP MLA from Jewar, Dhirendra Singh, said that the law would ensure increased safety of the families who are staying within multi-storey apartment complexes in Noida and Greater Noida and fix accountability of the stakeholders concerned. While private owners are required to provide insurance cover to lift users, there is no such rule for elevators running in government buildings. The bill also makes it mandatory to install automatic rescue devices and CCTV cameras in lifts.

An operating procedure has been also laid down to handle the accidents and mishaps and fix responsibilities.

Once the Bill becomes a law, lifts and escalators cannot be installed without obtaining the approval of the Energy Department. It will be mandatory for the agencies that manufacture and install lifts and escalators and the agencies that maintain them to register with the Directorate of Electrical Safety. It will have to be renewed every five years. It will also have to be tested every year and a fee of Rs 1,500 needs to be deposited for this. A fine will be imposed on the owner or the institution concerned if they fail to get the repairs done and ignore the standards. State energy minister Arvind Kumar Sharma said after an incident in Noida, MLAs Dhirendra Singh and Pankaj Singh had demanded that a law. Sharma said that a provision has been made in the Bill that registration will be mandatory for installing lifts and escalators in public.

TOP

How title insurance can help change realty landscape – The Economic Times – 11th February 2024

As Indian real estate takes a stride towards transparency and continues to attract global investments; the adoption of title insurance emerges as a pivotal step in safeguarding interests of stakeholders including homebuyers as well as institutional investors. Its usage is also witnessing gradual rise across key property markets in India. However, certain challenges including limited awareness and a fragmented regulatory landscape continue to hinder the widespread adoption. Title insurance is a specialised form of indemnity insurance designed to protect real estate owners and lenders against financial losses stemming from defects in the title or ownership of a property. These defects could include undisclosed liens, encumbrances, errors in public records, or even fraudulent claims on the property's ownership. When a property is purchased, a title insurance policy is typically obtained. The title insurance company conducts a thorough title search to identify any existing issues with the property's title. If the title is deemed clear, the insurance policy is issued, and the insurer provides coverage against any future claims or defects that may arise. If a covered issue emerges after the purchase, the insurance company will compensate the policyholder for their losses, including legal expenses incurred in defending the title.

Title insurance in India is gradually gaining recognition but remains relatively underutilised compared to more mature markets. Some insurance companies offer title insurance policies, primarily aimed at mitigating risks associated with property transactions. However, its usage and acceptance are not widespread, partly due to limited awareness and regulatory constraints. In countries like the US, title insurance is an integral part of realty transactions, providing comprehensive coverage and assurance to property owners and lenders. The market is well-established, with clear regulatory frameworks and practices. The benefits of title insurance are manifold including providing assurance to property owners and lenders, facilitating smoother transactions, and protection against financial losses arising from title defects. However, challenges such as limited awareness, a fragmented regulatory landscape, and reluctance among stakeholders to adopt new practices hinder its widespread adoption. Homebuyers benefit from title insurance by obtaining protection against unforeseen title issues, ensuring clear ownership of their property. The mortgage market stands to gain as lenders are reassured of the security of their investments, leading to potentially lower interest rates and greater access to financing. Investors benefit from reduced risk exposure.

(The writer is Kailash Babar.)

TOP

Underinsurance: Not just portfolio but insurance coverage matters in house, motor and health – The Economic Times – 9th February 2024

No one wakes up excited to buy insurance, it has always been looked at as an unnecessary expense, especially when it comes to general insurance. There are two major reasons for this. We are not wired to see risks, which makes us undermine various risks we are exposed to. So, people often think that if I don't raise a claim at some point in time, then what is the use of insurance?

The second prominent reason is a lack of trust in the system; the general perception is that even if I spend the money to buy insurance coverage and raise a claim, my claim won't be settled. Although this reason has proved wrong, evidently so from the combined ratio of the industry, which demonstrates that claims are being paid.

However, sadly, the perception still prevails, which the industry is working to change. Regarding the first point, why should you invest in insurance even if you won't claim?

Firstly, one should never undermine the unpredictability of life; it is always prudent to have insurance cover that helps you bounce back smoothly after any eventuality.

Secondly, even if you don't claim, your money would help someone else in their dire time of need; you would be helping build a resilient society.

Now, let us discuss another prevalent issue about insurance; even those who opt for insurance tend to go for inadequate cover. This is called 'underinsurance', which can eventually be very expensive for the insured.

To understand the importance of the right sum insured, let's look at different lines of business.

Property:
When it comes to property, underinsurance can lead to huge losses later. When you underinsure your property, your claim amount gets reduced by the same percentage as the underinsurance. Hence, it becomes imperative to opt for the correct sum insured.

The sum insured can be arrived broadly under either of the three categories: reinstatement value, market value, or agreed value. You must cover the correct value of your house (the cost of the home excluding the cost of land), furniture, fixtures, contents, appliances, etc., to have a strong safety net to fall back on, during times of need.

Health:
Medical inflation is growing at about 15% annually. Picking the right sum insured today may not suffice tomorrow. A simple way to manage this is to review and evaluate your sum insured every 2-3 years to ensure it aligns with the increasing inflation and the quality of treatment you seek. Strengthening your base policy with a super top-up or a top-up is also wise. Accumulating a cumulative bonus further enhances your base sum insured.

Apart from this, you should assess your requirements and opt for relevant add-on covers that will enable you to build a comprehensive cover. Many people only rely on insurance provided by their employers or opt for a low sum insured, like a 1-2 lakh cover. In an exigency, this amount falls short, and the person has to spend a considerable amount from their pocket. We all would have heard tales of people mortgaging or selling their jewelry to pay medical bills, an adequate health insurance can help evade such unfortunate situations at a nominal cost.

Motor:
Many people pick third-party insurance simply because it is legally mandatory. But if you look at it, just having a TP cover is like being underinsured since it only covers liabilities (legal, financial, accidental) that may arise if a third party suffers from a loss or damage to your vehicle. But it does not cover damage to your vehicle, for which you require a comprehensive policy to safeguard your hard-earned assets.

To have complete peace of mind, you can also go for add-on covers like zero-depreciation, engine protection, and roadside assistance. Pick the solutions that suit your requirements and pocket. But my recommendation is that at least comprehensive coverage is necessary to ensure that you are adequately insured in case of a loss.

To summarise, just having insurance isn't good enough. Adequate insurance is essential. Underinsurance is an issue plaguing our nation and impacting our citizens. It reduces trust in the system and leads to high out-of-pocket expenses in case of an eventuality. As insurance professionals, it is our duty to inform customers about the importance of adequate insurance and why it is necessary.

Once you have made the right choice to get insured, pick the optimum coverage and sum insured, ensuring that you are properly insured if an unforeseen situation arises. Be adequately insured and remain worry-free!

TOP

HEALTH INSURANCE

India added 1.88 million new workers in December – Live Mint – 15th February 2024

About 1.88 million new employees joined India's workforce in December, as per provisional payroll data from the Employees' State Insurance Corporation (ESIC), marking an increase from the 1.59 million employees recorded in November. The ministry of labour and employment said that of the new additions, about 883,000, or nearly 47%, were young employees under the age of 25. December also saw the inclusion of around 23,347 new establishments under the ESIC's social security scheme, expanding coverage to more workers.

The gender-wise analysis of the payroll data revealed that women accounted for 359,000 of the net enrolments in December, with 47 transgender employees also registering under the ESI scheme. In comparison, about 747,000 young employees under the age of 25 registered under ESIC in November, while women accounted for 317,000 of the net enrolments that month.

Additionally, the number of new monthly subscribers under the Employees' Provident Fund (EPF), an indicator of job creation, stood at 736,015 in November. The ESI Scheme serves as a comprehensive social insurance programme, established under the Employees' State Insurance Act, aimed at safeguarding employees against the financial burdens of sickness and other related conditions.

(The writer is Rhik Kundu.)

TOP

National Health Claim Exchange could be launched in 15-20 days, says NHA chief – Moneycontrol – 15th February 2024

The National Health Claim Exchange (NHCX), a digital health claims platform being developed by the National Health Authority (NHA), is ready and could be operational in the next "15-20 days", NHA's chief executive officer Deepti Gaur Mukherjee has said. "The National Health Claim Exchange is going to be a game-changer. The IRDAI (Insurance Regulatory and Development Authority of India) has been collaborating with us. This product is completely ready and we should be able to launch it in 15-20 days," she said while speaking at the Global Conference of Actuaries in Mumbai on February 14.

Reiterating that it will offer efficiencies and economies of scale to all stakeholders, she urged insurers to come onboard.

In June 2023, the IRDAI had asked insurance companies to onboard the NHCX. The claim exchange, being developed as part of Ayushman Bharat Digital Mission (ABDM), is a digital platform that aims to facilitate faster claim processing for policyholders and reduction in costs for insurance companies. It is meant to serve as a tech-enabled platform for exchanging claims-related information among insurance companies, claimants or beneficiaries and regulators.

In an interview to Moneycontrol last year, IRDAI chairman Debasish Panda had said that the platform would facilitate smoother health insurance claim settlement processes as well as prudent underwriting (process to assess the risks and determine the right premium accordingly).

Insurers should cater to the 'missing middle'
General and health insurance companies should use Ayushman Bharat-PMJAY (Pradhan Mantri Jan Aarogya Yojana) data available as well as good practices it has developed to devise products for the 'missing middle' – the section of population not covered by the scheme. "There is a huge missing middle that all of us are aware of. Good practices that we are generating can be leveraged by the healthcare providers. And then you all come up with innovative schemes for those not covered by us," she told insurers. The government's initiative to standardise treatment package and costs will have an important effect on the healthcare ecosystem, she added.

Proportion of frauds low in Ayushman Bharat
The NHA has put in place fraud control measures by using artificial intelligence (AI), audit systems and so on in place. "In any system big or small, frauds happen. But we are prepared. (In the case of Ayushman Bharat) frauds are extremely low at 0.3-0.4 percent. The more we digitise, the more we sanitise…and the chances of frauds are going to be reduced. Simultaneously, there is the deterrence part of it - (perpetrators) can face criminal action and financial penalties," she said.

(The writer is Preeti Kulkarni.)

TOP

Ayushman Bharat is bringing healthcare to doorsteps in rural India: Experts – Glamsham – 14th February 2024

Ayushman Bharat, India's flagship healthcare initiative, is significantly advancing the provision of healthcare services and empowering people living in rural India, said experts on Wednesday. Launched in 2018, this initiative encompasses two primary components: The establishment of Health and Wellness Centers (HWCs) and the implementation of the Pradhan Mantri Jan Arogya Yojana (PM-JAY) – a scheme that extends health insurance coverage for secondary and tertiary care hospitalisation.

The HWCs ensure preventive and curative services with standardised quality at the lowest possible level, that is, sub-centre. It also ensures strengthening of sub-centres with manpower and supplies. PM-JAY, which provides insurance of Rs 5 lakh to people for health services, ensures equity-based reduction of Out Of Pocket expenditure of people. "These two initiatives are bringing people out of ill health and poverty trap cycle. However there is a need to augment speed of implementation by district and state administrations," Dr. Harshal R Salve, Additional Professor, Centre for Community Medicine at AIIMS, New Delhi, told IANS.

The HWCs are designed to address the escalating burden of non-communicable diseases by delivering comprehensive primary, secondary, and tertiary healthcare services. This is particularly imperative in rural regions, where the accessibility of quality healthcare has historically been a formidable challenge.

“One of the biggest problems in the hinterlands for health care is affordability. Ayushman Bharat has empowered citizens who have started seeking health benefits at a very early stage and the fear of getting bankrupt because of expensive health care is no longer there,” Dr Rahul Bhargava, Principal Director of Hematology and Bone Marrow Transplant, Fortis Memorial Research Institute, Gurugram, told IANS.

On Monday, the Union Health Minister Dr Mansukh Mandaviya at an event lauded the achievements of the Ayushman Bharat PM-JAY and Ayushman Arogya Mandir scheme, which he said has not only saved the lives of crores of people but has also kept them from falling below the poverty line. “By providing family health insurance of Rs 5 lakh annually to 60 crore people of the country, free treatment for serious diseases has been provided. Under this scheme, today even the poor get their treatment in those hospitals where earlier only rich people used to get their treatment,” the minister said.

“Till now, more than 6 crore people have received treatment under this scheme, due to which these poor people have saved more than Rs 1,12,500 crore,” he added. As of May 31, PM-JAY has successfully enlisted more than 28,350 hospitals and healthcare providers, benefitting more than 519 million vulnerable families throughout India. In addition, the initiative has established over 1.2 million health and wellness centres, strategically positioned to furnish primary healthcare services to individuals residing in remote and rural locales.

The recent interim budget raised Ayushman Bharat insurance scheme allocation by 10%. In her interim Budget 2024, Union Finance Minister Nirmala Sitharaman set aside ₹7,500 crore for PM-JAY. This is up from ₹6,881 crore as per the revised estimate for 2023-24, and ₹7,200 as per the budgetary estimate for 2023-24. “This underscores the government’s persistent dedication to enhancing healthcare accessibility for the entirety of the Indian populace. This supplementary funding is anticipated to fortify the implementation of the scheme and extend its outreach, particularly in rural regions,” Dr. Sabine Kapasi, Advisor, Public Health and Healthcare Services Strategist, UN Covid-19 Task Force told IANS.

Moreover, Sitharaman also extended the Ayushman Bharat scheme to Accredited Social Health Activists (ASHA) and Anganwadi workers and helpers. There are around 20 lakh ASHA and Anganwadi workers in India. “This represents a significant stride toward augmenting its efficacy in rural areas,” Dr Kapasi said. “ASHA workers play a pivotal role in promoting healthcare awareness and facilitating access to healthcare services at the grassroots level. Their integration into the scheme is poised to ameliorate its outreach and impact, especially in remote rural communities,” she added. These positive advancements are expected to further amplify the scheme’s reach and effectiveness, particularly within rural communities, the experts noted.

TOP

IMA and Hospital Board of India Issue Advisory on 'Cashless Everywhere' – Lokmat Times – 13th February 2024

The Indian Medical Association (IMA) and the Hospital Board of India (HBI) jointly issued an advisory on the implementation of the 'Cashless Everywhere' initiative by the General Insurance Corporation (GIC). The advisory comes amidst concerns raised by the medical community regarding the lack of clarity and potential implications of the newly launched program. According to a press statement issued by Dr AK Ravikumar, chairman of IMA HBI HORS, the 'Cashless Everywhere' initiative has been rolled out without adequately addressing the concerns raised by the IMA HBI. One of the key issues highlighted in the advisory is the absence of clear guidelines and procedures governing the implementation of the programme.

While the initiative allows policyholders to seek treatment at any hospital that complies with the guidelines set forth by the Insurance Regulatory and Development Authority (IRDA), there remains ambiguity surrounding the one-time temporary Memorandum of Understanding (MOU) between insurance companies and hospitals.The lack of clarity regarding the MOU, as well as the inclusion of packaged deals, discounts, and freebies, has raised concerns among healthcare providers.

TOP

Parliamentary panel recommends Ayush-health ministry collaboration to establish pluralistic healthcare system – Moneycontrol – 11th February 2024

A parliamentary committee has recommended the Ayush Ministry to collaborate with the Union Ministry of Health to implement measures ensuring that the health workforce comprehends the importance of integrating systems. The collaboration aims to establish a pluralistic health system that caters to the population's diverse needs, the Department-related Parliamentary Standing Committee on Health and Family Welfare said in its report "Review of National Ayush Mission in India", presented in Parliament on Friday.

The committee also suggested incorporating the awareness of Ayush systems into school curricula, a significant step towards minimising knowledge barriers between Ayush and modern medicine. "Facilitating a dialogue among health providers from various systems becomes imperative for optimising patient outcomes. Substantial reforms in Indian medical education are essential to instil in medical students and practitioners an attitude supportive of the integration of modern medicine and traditional medicine," it said in the report.

The committee noted that like China, the Ministry of Ayush's efforts to establish 12,500 Health and Wellness Centres (now renamed as Arogya Mandirs) go a long way in establishing Ayush as a medicinal system with the potential to fulfil the objectives of the universal health program. "Like China, the government of India should also devise ways to integrate the Ayush system with poverty alleviation initiatives to boost community engagement," it said.

The committee also recommended the government intensify its focus on implementing the National Ayush Mission (NAM) by strategically aligning its objectives with mainstream healthcare delivery. "The collaboration between traditional and modern medical practitioners will be crucial in the effective implementation of NAM," it said. Additionally, investing in robust research and development, enhancing educational institutions and promoting awareness will contribute to establishing Ayush as a viable and integral part of the healthcare system, the report stated. "Physicians from both systems can work together to develop comprehensive treatment plans for patients, considering both Indian and Western medical perspectives," it said.

The committee recommended the ministry ensure there is at least one specialist practitioner in Ayurveda, homoeopathy, yoga or Siddha in these co-located facilities. "The committee hopes that this initiative may result in integrating the Ayush system of medicine for managing chronic conditions like respiratory ailments, digestive problems, and musculoskeletal disorders," the report said. The panel further recommended upgrading infrastructure and providing training opportunities for Ayush practitioners at the health and wellness centres to enhance their research skills and capacity to participate in clinical trials. The panel also emphasised developing standardised protocols for Ayush interventions, stating that it can ensure data consistency and enable robust clinical research.

Data gathered and generated in centres should be recorded and publicised. The clinically supported research and peer-reviewed articles should be placed in Ayush and allopathic medical colleges for better outreach, understanding, and coordination, the committee stated. The committee flagged concerns raised over the high metal content in the Ayush drugs while acknowledging the measures taken by the ministry in pharmacovigilance. To accentuate these measures, it recommended that the ministry further strengthen regulatory frameworks by developing user-friendly systems for healthcare professionals and consumers to report adverse events related to Ayush medicines.

The ministry should also conduct regular post-marketing surveillance of Ayush medicines to monitor real-world safety and efficacy. This provides ongoing data for continuous improvement of quality. The generated data may also help identify potential safety concerns and take prompt action, the panel said. The committee also stated that standardised data collection can pave the way for identifying biomarkers associated with specific Ayush interventions, opening doors for further research into mechanisms of action and personalised medicine.

TOP

ESIC extends medical benefits to superannuated insured persons with relaxed norms – The Indian Express – 10th February 2024

The Employees' State Insurance Corporation (ESIC) on Saturday decided to extend medical benefits to superannuated insured persons with relaxed norms. The decision was taken at the 193rd meeting of ESIC under the chairmanship of Union Minister Bhupender Yadav, a labour ministry statement said. The ESIC approved a proposal to provide medical benefits to the insured superannuating workers who went out of the ESI Scheme coverage due to exceeding the wage ceiling, if the worker was under insurable employment for at least 5 years before superannuation/ voluntary retirement, it stated.

The persons who were in the insurable employment for at least 5 years after April 1, 2012 and superannuated/voluntarily retired on or after April 1, 2017 with wages up to Rs 30,000 per month will be benefitted under the new scheme. To augment the service delivery mechanism in North-Eastern states to fulfil the vision of Act East Policy of the government, the ESIC relaxed the existing norms for establishment of dispensaries, medical infrastructure/regional/sub regional offices in NE states including Sikkim.

To promote holistic wellbeing of ESI beneficiaries, a new policy on AYUSH 2023 in ESIC institutions was adopted during the meeting. The policy details the establishment of Panchkarma, Kshara Sutra and AYUSH units in ESIC hospitals. During the meeting, to strengthen the infrastructure of medical care, approval for acquisition of lands for construction of 100-bed hospitals each at Udupi, Karnataka; Idukki, Kerala and 150-bed hospital at Malerkotla, Punjab was also accorded. Concessions/facilities for non-IPs (insured persons) to avail ESI healthcare services at "nil" user charges at ESIC medical colleges and hospitals at Alwar, Rajasthan and Bihta, Bihar have been extended till March 31, 2025. The Revised Estimates 2023-24, Budget Estimates 2024-25 and Performance Budget 2024-25 of ESIC were adopted by the ESIC during the meeting.

During the meeting, Yadav said that overall improvements have been made in the service delivery mechanism of the ESIC by building and increasing capacity, renovation & construction of medical infrastructure throughout the country and adopting robust policies. He further said the quantum and magnitude of efforts made to extend the social security benefits to the vulnerable workforce of the country should always be strengthened. Labour Secretary Arti Ahuja suggested formulation of a standardised plan for disbursement of cash benefits, medical benefits, and construction management for enhanced service delivery. A book on HR norms of the ESIC was also released on the occasion by Yadav.

TOP

MOTOR INSURANCE

Ensuring PAYD and BH insurance – Financial Express – 12th February 2024

Motor insurance is undergoing a transformative evolution, driven by a keen understanding of customer needs and advancements in technology. Right from product innovation to claims, motor insurance is adopting enhanced services and operations.Examples are new-age policies such as Pay As You Drive (PAYD), EV insurance and add-ons, and BH series motor insurance. These policies indicate that companies are taking a customised approach to motor insurance, as opposed to the historical standard approach. Let's delve deep into these new-age policies, and if you really need them:

Understanding PAYD policy
As the name suggests, 'Pay As You Drive' is a revolutionary concept that has transformed the motor insurance landscape, especially since the Covid-19 pandemic had brought mobility to a halt. While traditional models followed a standard approach of fixed premium regardless of usage, PAYD introduces a more equitable approach through usage-based premium. So, for lower usage, the discounts are higher and the premium is lower.PAYD also offers a cost-effective solution for those who do not use their vehicles frequently, such as urban dwellers who rely on public transportation for daily commuting or families that have multiple cars. PAYD aligns insurance costs with actual vehicle usage, providing a fair and transparent alternative to conventional fixed-rate premiums.Different insurers follow different kinds of PAYD models. Some plans allow you to set your annual driving limit under different slabs. According to the slab you choose, your premium will be calculated. Some other plans let you 'switch off' your policy for days that you don't drive. So, for every switched-off day, you earn a bonus day in your policy.

Coverage for BH series vehiclesBH or Bharat series number plate was recently introduced by the government to make a single number plate valid across the country. People who relocate from one state to another can register their vehicles hassle-free without having to change the number plate. With the BH series, one can not only skip the reregistration process, but also bypass varying road taxes of different states and follow one-tax structure.The process and coverage for BH series vehicles is similar to regular vehicle insurance. One can look for insurance policies online on either specific company portals or insurance aggregators. All you need to do is provide your registration number, and depending on the car's make and model, expiry date, NCB, other key details, and the kind of plan you choose, your premium will be decided. Once you pay the premium, you will receive the insurance policy documents online.

Evolving landscape of motor insurance
As technology advances and customer needs evolve, motor insurance will keep on transforming. Beyond product innovation, the scope of claims is also broadening. Artificial intelligence (AL) is playing an increasingly pivotal role, ensuring precise and efficient processing, resulting in expedited claims settlement and enhanced customer service. This paradigm shift caters to the contemporary needs of policyholders, reflecting a dynamic industry that embraces advancements for a seamless insurance experience.

TOP

CROP INSURANCE

Three new initiatives to bolster 'Crop Insurance' for farmers in 'Viksit Bharat' – The Economic Times – 12th February 2024

Minister of Agriculture and Farmers' Welfare, Arjun Munda launched three new initiatives last week namely- Kisan Rakshak Helpline 14447 and Portal, Agri-Insurance Sandbox Framework Platform SARTHI and Learning Management System (LMS) Platform to bolster crop insurance and help the overall farming community in India. "There is an opportunity to be a partner in empowering farmers technically and digitally as well. For the same purpose, the Krishi Rakshak Portal and Helpline, Sandbox Framework and LMS Platform have been launched under the Pradhan Mantri Fasal Bima Yojana," he said. Munda added that the Agriculture ministry is working in tandem with the central government to turn India into 'Viksit Bharat' and is moving ahead with times adopting digital technology.

What is 'Sarathi platform' for farmers and rural India?
The 'SARATHI' platform launched by the Agriculture Minister in collaboration with UNDP India, aims to provide a comprehensive suite of insurance products including government's subsidised Pradhan Mantri Fasal Bima Yojana (PMFBY), tailored explicitly for farmers and rural India. The name Sarathi is an abbreviation for Sandbox for Agricultural and Rural Security, Technology, and Insurance.. Explaining the features, PMFBY's CEO Ritesh Chauhan said that the platform will offer a digitized insurance journey, simplifying the process for farmers. The portal will be a single-window platform for viewing, purchasing, and availing insurance products, he said.

A spectrum of insurance products will be introduced on the portal in a phased manner. In the first phase, personal accident and hospital cash policies, while in the second phase health, shop and home insurance and in the third phase tractor, two-wheeler, livestock and non-PMFBY insurance products. The platform will also have digital payment options and streamlined premium collection. Chauhan has also said that the government will be able to monitor the response of farmers to nonsubsidised products and in case of a requirement may intervene with suitable schemes for the overall welfare of the farming community.

SARTHI can be accessed via the AIDE app available on Android App Store.

What is PMFBY?
The Pradhan Mantri Fasal Bima Yojana (PMFBY) launched on 18 February 2016 by PM Modi is the government sponsored crop insurance scheme for farmers. It was formulated in line with the 'One Nation–One Scheme' theme by replacing earlier two schemes National Agricultural Insurance Scheme (NAIS) and Modified National Agricultural Insurance Scheme (MNAIS).

It aims to provide insurance coverage and financial support to the farmers in the event of failure of any of the notified crops as a result of natural calamities, pests & diseases. Beside this the PMFBY is put in place to stabilise the income of farmers to ensure their continuance in farming, encourage them to adopt innovative and modern agricultural practices and ensure flow of credit to the agriculture sector. With 56 crore applications already enrolled under PMFBY, SARTHI marks a significant advancement beyond traditional crop insurance, offering a diverse array of products tailored to farmers' needs.

What is 'Krishi Rakshak Portal and Helpline' launched by the Agriculture Minister?
To address challenges like navigating the claim process, submit grievances, seek information on their queries and obtain timely assistance without difficulty, the government has introduced the 'Krishi Rakshak Portal and Helpline (KRPH) 14447'. This platform provides multilingual support, enabling transparent communication and real-time resolution of grievances related to compensation delays and insurance queries. It will operate as a facilitator, bridging the gap between insured farmers on one hand and insurance companies, bankers, Common Service Centres (CSCs) and State governments on the other. Chauhan said farmers can register their complaint either on portal or through helpline and the same will be forwarded to insurance companies for redressal.

What is the Learning Management System (LMS) Platform for the farming community?
A learning material system about PMFBY, Modified Interest Subvention Scheme (MIIIS) and Kisan Credit Card (KCC) was also launched for stakeholders implementing these schemes across India. The Learning Management System (LMS) platform for the farming community has been designed in collaboration with the National E-Governance Division (NeGD), to transform training and knowledgesharing for stakeholders. It targets effective implementation of key agricultural schemes nationwide. Its primary goal is to provide stakeholders, including farmers, insurance companies, Government officials, state Government representatives, and participants in the Pradhan Mantri Fasal Bima Yojana (PMFBY), with the essential skills and knowledge needed for efficient crop insurance and agricultural credit. The LMS will facilitate training and knowledge sharing through interactive modules, personalized training programs, and accessible resources.The LMS can be accessed on https://elearnpmfbykcc.lms.gov.in.

(The writer is Sheersh Kapoor.)

TOP

Reinsurance

Reinsurance issues in India set to be discussed in council meeting – Reinsurance Business – 13th February 2024

The Goods and Services Tax (GST) Council of India is expected to deliberate on GST implications for co-insurance and reinsurance in its forthcoming meeting. The discussion follows a recommendation from the fitment committee, as indicated by a senior government official in a report from Moneycontrol. The move seeks to address certain industry practices that have led to GST non-compliance, necessitating clearer guidelines. GST authorities have recently concluded probes into several insurance firms, uncovering tax evasion incidents across three distinct scenarios: excessive commissions to agents, and issues related to co-insurance and reinsurance arrangements. These findings have prompted the issuance of formal notices to the implicated insurance entities.

The official indicated that these insurance-related concerns, now common within the industry, will be reviewed by the GST Council following an examination by the fitment committee. The council's agenda will include addressing stakeholder representations that have been submitted to GST authorities. It is expected to take place before the end of March.

GST notices for insurers

Notably, the Life Insurance Corporation of India (LIC) was served with a GST notice for Rs 806.3 crore for the fiscal year 2017-18, citing various compliance lapses, including the incorrect reversal of input tax credits linked to reinsurance activities. Additionally, in 2023, Star Health and Allied Insurance faced a GST demand of Rs 38.99 crore for alleged non-compliance related to premiums collected under co-insurance arrangements from July 2017 to March 2023.

ICICI Lombard General Insurance also received a notice for approximately Rs 1,730 crore in unpaid GST spanning from July 2017 to March 2022. The charges involved non-payment of GST on co-insurance premiums received and on reinsurance premiums ceded to both Indian and foreign reinsurance companies during the specified period.

(The writer is Kenneth Araullo.)

TOP

SURVEY AND REPORTS

Life insurance awareness, adoption rise among urban Indians: Report - The Economic Times – 14th February 2024

Urban India witnessed remarkable progress in financial readiness, with 3 out of 4 urban Indians now owning life insurance products, according to a report. The Protection Index is at an all-time high of 45 in India Protection Quotient (IPQ) 6.0, up from 43 in IPQ 5.0, reflecting a positive trajectory in the nation's evolving protection awareness and adoption. Max Life Insurance released IPQ 6.0 on Tuesday -- tapping 4,700 respondents across 25 Indian cities -- which also pointed out that life insurance sales through digital mode have increased compared to the last survey.

At the same time, life insurance ownership levels increased to 75 compared to 73 (IPQ 5.0). Over a five-year period, the India Protection Quotient has witnessed an impressive 10-point increase, from 35 in IPQ 1.0 to 45 in IPQ 6.0, that reiterates Urban India's constant journey towards building financial resilience, the report said. In line with previous findings, South India retained its position as the most financially protected zone with a Protection Quotient of 49 points, the report said, adding this was followed by West India, showcasing a marked improvement in financial preparedness from 42 points in IPQ 5.0 to 46 points in IPQ 6.0.

North and East zones lagged in financial protection at 41 and 40 points in this edition, respectively. Max Life MD and CEO Prashant Tripathy said over the past five editions, the IPQ has become a true barometer for measuring urban India's financial protection levels. "By including incremental cohorts year-on-year, IPQ has become stronger, bigger, and more inclusive. Today, we are witnessing a remarkable shift in the financial consciousness of this diverse group, with 3 out of 4 urban Indians now owning life insurance," he said.

TOP

Eight out of 10 working women in India investing in life insurance, says study – Moneycontrol – 13th February 2024

Eight out of 10 working women are now investing in life insurance in India; according to the survey conducted by Max Life Insurance in partnership with KANTAR, a marketing data and analytics company. "Working women have successfully narrowed the financial protection gender gap. The Protection Quotient for working women has surged to 47 points, aligning with their male counterparts, " said that report released on February 13.

The India Protection Quotient (IPQ) indicates Financial Preparedness in urban India against an unforeseen future. The survey was conducted with 4,700 respondents across 25 Indian cities. Prashant Tripathy, CEO and Managing Director, of Max Life Insurance said, "Today, we are witnessing a remarkable shift in the financial consciousness of this diverse group, with 3 out of 4 urban Indians now owning life insurance. This opens opportunity areas for us in the space of digital transformation, creating tailored products, and building greater awareness initiatives that will help ensure an even larger insurance penetration in the country and support the vision of 'Insurance for All by 2047'". The IPQ 6.0 further revealed a large gap in the IPQ scores of Metro and Tier II cities, with Metro cities inching towards the halfway mark at 49, followed by Tier I cities securing 45 points but Tier II trailing at 36 points.

"This disparity underscores the ongoing challenge of promoting life insurance awareness and accessibility in smaller urban centres, highlighting the need for targeted interventions to address barriers to financial pliability," said the survey. Soumya Mohanty, MD & Chief Client Officer, South Asia, Insights Division, said, "Over the course of six years, the IPQ findings have revealed substantial data relating to financial behaviour, savings patterns, and insurance uptake among urban Indians, making it an indispensable marker of the country's financial preparedness."

TOP

Insurance penetration in India is 4%, lower than global average of 6.8% - Café Mutual – 10th February 2024

IRDAI report reveals that the insurance penetration in India is 4 percent of its GDP. It reduced from 4.2 percent of the GDP in FY 22 to 4 percent of the GDP in FY 23. India's penetration is much lower than global average of 6.8 percent, shows the report. The report also reveals that the density of insurance industry in India has marginally increased from USD 91 in FY 22 to USD 92 to FY 23. India ranks 25th in insurance penetration and 27th in insurance density globally in 2022-2023. While insurance penetration is measured as the percentage of insurance premiums to GDP, insurance density is calculated as the ratio of premium to population (per capita premium).

Life insurance
The penetration of life insurance in India is 3% of the total GDP in FY 2023. While it reduced from 3.2% in FY 2022, it is still higher than the global average of 2.8% in FY 2023. In terms of density of the life insurance industry, it marginally grew to USD 70 in FY 2023 from USD 69 in FY 2022.

Non life

India is far behind global markets in terms of penetration of non-life industry. It stood at 1% of the GDP in FY 2023. Last financial year as well, the industry recorded penetration of 1% of the GDP. The global average of the non-life industry is 4%. The density also remained unchanged at USD 22 in FY 2023.

Insurance penetration (%)						Insurance Density (USD)				
Rank	Country	FY23				Rank	Country	FY23		
		Life	Non-Life	Total				Life	Non-Life	Total
1	USA	2.6	9	11.6		1	USA	2,017	6,868	8,885
2	Taiwan	8.2	3.1	11.4		2	Singapore	6,074	1,489	7,563
3	South Africa	9.1	2.2	11.3		3	Switzerland	2,730	3,634	6,364
4	South Korea	5.4	5.8	11.1		4	Sweden	4,203	976	5,180
5	U.K	8.1	2.4	10.5		5	Canada	1,840	2,552	4,392
19	India	3	1	4		27	India	70	22	92
	World average	2.8	4	6.8			World average	354	499	853

Other interesting facts

India's insurance penetration is higher than China, Pakistan and Russia

However, in terms of density, India stands behind China and Russia but surpasses Pakistan

While Taiwan has the highest insurance penetration in Asia Pacific region, Singapore has the highest insurance density in Asia Pacific region

(The writer is Riddhima Bhatnagar.)

TOP

INSURANCE CASES

Order to give compensation of five lakhs to New India Insurance Company - Dainik Bhaskar – 16th January 2024

The company rejecting the claim of an accident car will have to pay accident insurance of Rs 5 lakh to the car owner. District Consumer Disputes Redressal Commission, Sheopur has decided to give vehicle insurance compensation of Rs 5 lakh to The New India Insurance Company in one such case. Commission Chairman Principal District Judge Rajendra Prasad Sharma, in his decision, has also directed the complainant Prem Singh Yadav to pay an amount of Rs 4,000 as mental and litigation expenses. According to the case, Sub-Inspector Prem Singh Yadav, posted at Dehat Sheopur police station, had got the car insured from The New India Insurance Company for the period from 27 January 2022 to 26 January 2023.

Meanwhile, the car met with an accident on 13 February near Agra. In which the car was badly damaged. Prem Singh had to spend about seven and a half lakh rupees to get the car repaired. The complainant informed about the accident and demanded the claim amount from the insurance company, but the insurance company rejected the claim citing investigation. In the investigation report of the company, the claim of any such accident was invalidated because the information about the vehicle was not found in the fast tag details of the place where the accident was claimed. The place where the complainant claimed the accident with the cow was not a highway near Agra. The Principal District Judge rejected the challenge to the validity of the incident and also refused to hear the claim from the former insurance company related to the current accident. With the consent of members Sangeeta Bansal and Dr. Ajay Khemaria, the Commission Chairman has ordered the company to pay a compensation of Rs 5 lakh within two months and also pay 6 percent interest from the date of cancellation of the insurance claim.

TOP

Consumer forum asks insurer to pay Rs 15 Lakh in death claim – The Times of India – 12th February 2024

A consumer forum in Narmada district in Gujarat ordered an insurance company to pay Rs 15 lakh in death claim to the family of a man who died in a road accident after rejecting the firm's argument that the victim's vehicle registration had expired. Dinesh Baria, a resident of Narmada district, died of grievous injuries after a truck hit his bike in March last year. Baria had a personal accidental insurance cover of Rs 15 lakh. When his family filed the claim with Go Digit General Insurance Company last year, the firm rejected it on the grounds that the registration of Baria's bike had expired in August 2021.

Baria's family then filed a complaint with the Narmada District Consumer Disputes Redressal Commission in August 2023. The insurance firm submitted at the forum that the victim hadn't renewed the mandatory registration under the Motor Vehicles Act and, thus, flouted the insurance policy rules. After going through all the documents during the trial, the consumer forum observed that according to the FIR filed in the case, it appears that the accident occurred due to the mistake of the truck driver and, that, there was no negligence on the part of the victim.

The forum also noted that the insurance firm sold the policy to Baria for the period between April 2022 and April 2023, despite his vehicle's registration expiring in August 2021. The insurer, thus, cannot argue that the vehicle's registration of the victim had expired, the forum noted. The forum ordered the firm to pay Rs 15 lakh to the complainant with 7% interest. The firm was also ordered to pay Rs 3,000 for mental harassment and legal costs to the complainant.

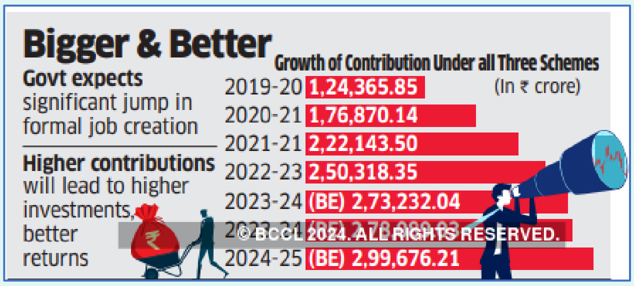
(The writer is Tushar Tere.)

TOP

PENSION

EPFO contributions to cross ₹3 l cr in '24-25 – The Economic Times – 14th February 2024

The Schemes managed by the Employees' Provident Fund Organisation (EPFO) are expected to receive about ₹3 lakh crore in total contributions in 2024-25, around 8 percent more from this fiscal year and almost two-and-a-half times higher compared with the pre-Pandemic 2019-20. A senior government official cited strong economic growth and its impact on employment generation for the expected increase in contributions. "The robust jump in contributions to the EPFO is an indicator of increase in formal job creation and rising wages over the last few years," he said. "However, there could be a marginal dip in numbers if inflation is taken into consideration," he said. According to the official, the increase in contributions to the retirement fund body is in line with the government's vision to widen the social security net and generate more formal employment in the country. The government budget for 2024-25 has projected the contributions to the EPFO-managed provident and pension funds and deposit-linked insurance scheme to be ₹2,99,676.21 crore, compared with the revised estimate of ₹2,78,089.03 crore for the current fiscal year ending March 31. In pre-pandemic FY20, these schemes had received ₹1,24,365.85 crore in total contributions, as per EPFO's annual report.



As per the budget estimates, the EPFO estimates contributions under the Employees' Provident Fund (EPF) scheme to be ₹2,30,751.49 crore. Contributions are expected to be ₹65,335.28 crore under the Employees' Pension scheme (EPS) and ₹3,589.43 crore under the Employees' Deposit Linked Insurance (EDLI). Net new enrolments under the EPFO have seen a steady increase since 2020-21 with 7.70 million formal workers added to the social security organisation that year, 12.2 million in 2021-22 and 13.8 million in 2022-23. It added 10.0 million subscribers this fiscal year till November 2023. Higher contributions will also lead to an increase in investments by the EPFO, which will likely fetch greater returns to its over 65 million members. The retirement fund body has paid high interest rates year after year even as the interest rates on other small saving schemes have seen a dip. For 2023-24, the EPFO has declared the interest rate at 8.25 percent, the highest in three years and compared with 8.15 percent in 2022-23 and 8.10 percent in 2021-22.

(The writer is Yogima Seth Sharma.)

TOP

EPFO Alert: Minimum pension in Employee Pension Scheme (EPS) to remain unchanged. Here is why – Live Mint – 12th February 2024

The Union Finance Ministry has turned down a request from the labour ministry to increase the monthly minimum pension in the Employee Pension Scheme (EPS), Business Standard reported. This decision was communicated to the Central Board of Trustees (CBT) during a meeting on Saturday.

According to sources quoted by the Business Daily, a proposal to raise the minimum pension under EPS from ₹1,000 to ₹2,000 per month was sent to the Ministry of Finance based on recommendations from a government-appointed monitoring committee. However, the Ministry of Finance declined to approve the proposal.

Minimum Pension Under EPS, 1995

Since September 1, 2014, the Government has been providing a minimum pension of ₹1000 per month to pensioners under the Employees' Pension Scheme (EPS), 1995. The EPS, 1995 operates as a 'Defined Contribution-Defined Benefit' Social Security Scheme. The Employees' Pension Fund is funded by contributions from employers at 8.33% of wages and contributions from the Central Government, capped at 1.16% of wages up to ₹15,000 per month. All scheme benefits are financed from these accumulations.

According to the Employees' Provident Fund Organisation's (EPFO) annual report for FY23, there are a total of 7.55 million pensioners. Of these, 3.64 million receive pensions up to ₹1,000 per month, followed by 1.17 million who receive pensions ranging between ₹1,001 and ₹1,500. Additionally, around 868,000 pensioners receive pensions between ₹1,501 and ₹2,000 per month. Moreover, only 26,769 pensioners receive amounts exceeding ₹5,000 per month, Business Standard reported. In March 2022, the Parliamentary Standing Committee on Labour directed the labor ministry to collaborate with the finance ministry to ensure adequate budgetary support, highlighting the insufficiency of the current ₹1,000 monthly pension.

Employee provident fund interest hiked to 3-year high of 8.25%

The interest rate on employee provident fund was raised to 8.25% for the fiscal year ending March 31, marking the highest rate in three years. The labor ministry announced that the central board of trustees of EPFO proposed to the finance ministry to increase the interest rate for nearly 8 crore contributing subscribers.

As per the labor ministry statement, this decision was made during the 235th meeting of the Central Board of Trustees (CBT) of EPFO on Saturday, chaired by Union Labour & Employment Minister Bhupender Yadav. "The CBT recommended an annual interest rate of 8.25% to be credited on EPF accumulations in members' accounts for 2023-24. After approval by the Ministry of Finance, this interest rate will be officially notified in the government gazette. Subsequently, EPFO will credit the approved rate of interest into its subscribers' accounts," it stated.

This marks the highest interest rate for EPF subscribers in the last three years. The previous peak was in 2019-20 when 8.5% interest was paid. It remained at the same level in 2020-21 but dropped to 8.1% the following year, the lowest in four decades. The interest rate was marginally increased to 8.15% in 2022-23 (April 2022 to March 2023). The recommendation for the 2023-24 fiscal year will now be forwarded to the finance ministry. Once approved, EPFO will credit the new interest rate to the EPF subscribers.

TOP

PFRDA notifies subscriber education and protection fund – Newsdrum – 12th February 2024

The Pension Fund Regulatory and Development Authority has notified the Subscriber Education and Protection Fund (Amendment) Regulations 2023, to strengthen the framework for creating awareness among existing and potential subscribers. The amendments empower the SEPF committee to recommend relevant activities aimed at promoting subscribers' education, awareness and protection and safeguarding their interests, the PFRDA said in a statement on Monday.

TOP

FinMin rejects proposal to double minimum pension amount under EPS – Business Standard – 11th February 2024

The Union finance ministry has rejected a proposal sent by the labour ministry to double the monthly minimum pension amount to Rs 2,000 under the Employee Pension Scheme (EPS). The Central Board of Trustees (CBT), the apex decision-making body of the Employee Provident Fund Organisation (EPFO), was apprised of the proposal’s rejection during a meeting on Saturday.

“According to the recommendations made by a highly-empowered monitoring committee constituted by the government, a proposal to increase the minimum pension under EPS from Rs 1,000 to Rs 2,000 per month, by providing additional budgetary support, was sent to the ministry of finance. The ministry of finance did not agree to it,” sources close to the development said.

Data sourced from the social security organisation's annual report for FY23 shows that of the total 7.55 million pensioners under the scheme, 3.64 million received a monthly pension of up to Rs 1,000, followed by 1.17 million pensioners, who received between Rs 1,001 and Rs 1,500. Around 868,000 pensioners received between Rs 1,501 and Rs 2,000 a month. Only 26,769 pensioners got above Rs 5,000 per month. “In meetings, it has been our demand to raise the minimum pension amount. The pension corpus is valued annually and additional reliefs are paid if the position of the fund so permits.

Since 2000, the fund had run into deficit in most of the valuations done and no additional relief could be provided. However, the Centre enhanced the minimum pension to Rs 1,000 by providing budgetary support in 2014. Keeping in view the widespread demand, the minimum pension should be raised further,” a CBT member, who attended the meeting, said.

The EPS 1995 is a self-funded scheme with contributions equivalent to 8.33 per cent of the monthly wages from the employer's share as well as 1.16 per cent of the monthly wages (limited to the amount payable on salary of Rs 15,000) by the central government.

In March 2022, the Parliamentary Standing Committee on Labour had asked the labour ministry to pursue the matter with the ministry of finance for obtaining adequate budgetary support, as the Rs 1,000 monthly pension is ‘grossly inadequate’.

Earlier on Saturday, the CBT held its 235th meeting. It recommended a three-year high interest rate of 8.25 per cent for FY24 for its over 290 million total subscribers. Of this, around 68 million are active contributing subscribers. With this payout, the EPFO is expected to retain a surplus of Rs 278 crore in FY23 as the board recommended a distribution of Rs 1.07 trillion to EPF members’ accounts. This is on a total principal amount of around Rs 13 trillion in 2023-24.

(The writer is Shiva Rajora.)

TOP

EPFO plans to set up actuary, hire more staff – The Economic Times – 11th February 2024

The Employees' Provident Fund Organisation (EPFO) plans to overhaul its pension division, including by setting up an in-house actuary and hiring additional staff, as the Supreme Court's 2022 order on higher pensions has significantly added to the workload of the retirement fund body. The EPFO may also ask exempted establishments to pay for the administrative charges involved in computing and processing of higher pension for their employees. The proposals were put before the EPFO's central board of trustees that met on Saturday. "There is an urgent need to have an in-house actuarial setup also. The details for the set up are currently being explored," the EPFO said in the agenda document, which ET has seen. The EPFO has already appointed an actuary to assess the impact on the pension fund from the court order. But since millions of employees who have opted for higher pensions are still working, the retirement fund body feels the process will continue for years and hence it requires an in-house facility.

Seeking the board's approval to hire additional staff, the retirement fund body said a large proportion of applicants permitted to opt for higher pension are in service. "As such, the work related to pension on higher wages shall be continuing in the future. Therefore, there is a need for separate staff for pension work in the head office as well as those field offices where a large number of applications have been received," it said. Arguing for passing on the administrative cost to exempted establishments, the EPFO said almost 52 percent of the workload for higher wage cases would pertain to exempted establishments. "The administrative cost of pension-related work is met from the administrative charges paid by un-exempted establishments while the exempted establishments pay only inspection charges that are much less compared to the work involved for them," it said, adding some measures to redress this anomaly would be required and suitable proposal for this would be brought in this regard. As per the EPFO, the higher pension applications from exempted establishments would be decided based upon the Trust Rules approved by the appropriate government, which could be different for different exempted establishments and examination and processing of such cases would involve more effort and resources.

(The writer is Yogima Seth Sharma.)

TOP

EPFO to marginally hike interest on PF deposits to 8.25% - The Hindu – 10th February 2024

The Central Board of Trustees (CBT) of the Employees Provident Fund Organisation (EPFO) has recommended an interest rate of 8.25 percent on provident fund (PF) deposits for 2023-24. The current interest rate is 8.15 percent. “The move is a step towards fulfilling PM Modi’s guarantee of strengthening social security for India’s workforce,” said Union Labour Minister Bhupender Yadav after a meeting of the CBT here on Saturday. The meeting also authorised Mr. Yadav to constitute the new executive committee of the CBT. The CBT has recommended to the Union Finance Ministry that the new interest of 8.25 percent could be applied to the accumulations in subscribers’ accounts for 2023-24. Once the Finance Ministry accepts the approval, the new rate will be officially notified in the government gazette. “Subsequently, the EPFO will credit the approved rate of interest to its subscribers’ accounts,” the Union Labour Ministry said in a press release. “The CBT has recommended a distribution of historic income amount of ₹1,07,000 crore to EPF members’ accounts on a total principal amount of about ₹13 lakh crore, which were ₹91,151.66 crore and ₹ 11.02 lakh crore respectively in 2022-23. The total income recommended for distribution is the highest on record,” the Centre said, adding that the income had grown by more than 17.39 percent and principal amount had increased by 17.97 percent, which is a healthy financial performance. The issue of non-inclusion of representatives of the INTUC and the AITUC in the CBT were also taken up during the meeting. "The EPFO's apex decision making body Central Board of Trustees (CBT) has decided to provide 8.25 percent rate of interest on EPF for 2023-24 at its meeting on Saturday,” a source said. The 8.5 percent interest rate on EPF deposits for 2020-21 was decided by CBT in March 2021.

TOP

EPFO likely to credit 8% in poll year – The Economic Times – 9th February 2024

The Central Board of Trustees (CBT) of the Employees' Provident Fund Organisation (EPFO) is likely to recommend an interest rate of about 8% for FY24 when it meets on Saturday, people familiar with the matter told ET. The EPFO had credited 8.15% interest in FY23 and 8.10% in FY22. The retirement fund body is also likely to seek the board's approval to substantially increase its investment in stocks to 15% from around 10% now to enhance the return on investments. "This being an election year, the government will ensure a sustainable rate of return on provident fund (PF) deposits which is also at par with the existing rates to avoid any backlash," said an EPFO board member.

The state-run retirement fund has over 60 million subscribers. The finance ministry notifies the final rate of interest after taking the recommended rate into consideration. The EPFO has circulated the agenda for the 235th meeting of the CBT scheduled for February 10 that includes an update on pensions, budgetary estimates and compliance issues. While the interest rate and equity investment matters are not part of the agenda circulated by the EPFO, the retirement fund body is likely to introduce the two items before the CBT with the permission of its chairman, the labour minister. The investment pattern notified by the finance ministry allows 5-15% of incremental investments in stocks, but the EPFO has to seek the board's approval to enhance its equity exposure.

(The writer is Yogima Seth Sharma.)

TOP

IRDAI CIRCULAR

Circular	*Reference*
Modifications to the Master Circular to Unclaimed Amounts of Policyholders dated 17th November 2020	https://irdai.gov.in/web/guest/document-detail?documentId=4422274
Re-Constitution of Expert Committee on Implementation of Ind AS/ IFRS in Insurance sector	https://irdai.gov.in/web/guest/document-detail?documentId=4421385
Exposure Draft of IRDAI(Protection of Policyholders' Interests and Allied Matters of Insurers) regulations 2024	https://irdai.gov.in/web/guest/document-detail?documentId=4416546
Exposure Draft IRDAI (Bima Sugam - Insurance Electronic Marketplace) Regulations, 2024	https://irdai.gov.in/web/guest/document-detail?documentId=4414913
Handbook on Indian Insurance Statistics 2022-23	https://irdai.gov.in/web/guest/document-detail?documentId=4417599
Notice Exposure Draft IRDAI (Actuarial, Finance and Investment Functions of insurers) Regulations, 2024	https://irdai.gov.in/web/guest/document-detail?documentId=4413549

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GLOBAL NEWS

Singapore: Life market sees weighted new business premiums drop by 3.9% to US$3.6bn in 2023 – Asia Insurance Review

The Life Insurance Association, Singapore (LIA Singapore) yesterday announced the industry results for January to December 2023 (YTD 4Q2023), ending the year with 14.4% growth in weighted new business premiums in 4Q2023 compared to 4Q2022. A total of S$4.90bn ($3.64bn) in weighted new business premiums was achieved in 2023, dipping by 3.9% compared to 2022, primarily due to a drop in the single premium business, according to a statement from the association.

New Business (Individual Life & Health) - Total Weighted Premium

Weighted basis	2022	2023	4Q2022	4Q2023	Y-o-Y change	
					2023	4Q2023
Single Premium	2,345.1	1,542.1	389.9	437.5	-34.2%	12.2%
Annual Premium	2,753.2	3,358.9	843.0	973.3	22.0%	15.5%
Total	5,098.3	4,901.0	1,232.9	1,410.8	-3.9%	14.4%
Source: LIA Singapore						

Despite the challenging macro environment, Singapore's life insurance industry continues to make strides in helping to narrow the nation's protection gap recording a year-on-year increase of 1.9% in total sum assured in YTD4Q2023, with 37.9% attributed to financial adviser (FA) representatives and another 37.3% to tied representatives.

Health insurance

There was also a 1.9% increase in the number of lives covered by health insurance. Approximately 60,000 more Singaporeans and permanent residents were covered by Integrated Shield Plans (IPs) at the end of 2023 compared to the same time a year ago. In total, 2.93m lives – approximately 70% of Singapore residents – are protected by IPs and IP riders which provide coverage on top of the government-run basic health insurance scheme MediShield Life. Mr Dennis Tan, president of LIA Singapore, said, "Global headwinds, slowing economic growth coupled with geopolitical tensions, rising interest rates and elevated inflationary pressures had impacted overall demand for life insurance products, especially in early 2023. Despite these challenges, as the year progresses, the life insurance industry continues to recover and demonstrate resilience as we help more individuals get more adequately protected."

Increased uptake of both annual and single premium products in the fourth quarter

The industry saw a boost in take-up of plans in the final quarter of 2023. This is reflected in the increase in total weighted new business premiums for annual premium products which recorded a 15.5% increase in 4Q2023 compared to 4Q2022. This translates to an increase of S$86.4m – growing 9.7% over 3Q2023 as Singapore's life insurance industry continues to meet the evolving needs of Singapore residents.

Single-premium products recorded an increase of 12.2% in weighted premiums in 4Q2023 when compared to the same period in 2022. 4Q2023 recorded the only increase in uptake of single premium products in the year, bringing total weighted premiums of single-premium products to S$1.54bn for YTD4Q2023. This may be attributed to the rising interest rates which stayed high and a volatile macroeconomic environment which hit consumers' investment sentiment and preferences across various financial products in the market.

Demand for Integrated Shield Plans (IPs) remained strong

Total weighted new business premiums for Individual Health Insurance for YTD4Q2023 was at S$441.1m, with a 14.9% increase in 4Q2023 compared to the same period in 2022. IPs and IP rider premiums accounted for 85% and the remaining 15% comprised other medical plans and riders. Total new business premiums2 for IPs and IP riders for YTD4Q2023 amounted to S$373.3m, a 21.9% increase compared to YTD4Q2022.

Increase in claims payouts

In 2023, the life insurance industry paid out S$13.58bn to policyholders and beneficiaries, an increase of 16.2% compared to the same period last year. Of this amount, S$11.76bn was for policies that matured. The remaining S$1.82bn was for death, total and permanent disability and critical illness claims.

Product classification

Par products accounted for 30% of total weighted new business premiums while non-par products accounted for 37%. Investment-linked products made up the remaining 33%.

Distribution channels
New business received from the various channels is as follows:

Distribution Channel	By Weighted Premium (%)	By Number of Policies (%)
Tied Representatives	31.1	36.7
Bank Representatives	32.8	9.4
FA Representatives	31.7	27.8
Online Direct Channels	1.7	22.1
Others (products sold without intermediaries)	2.7	4.0

Manpower in the industry
Employment in the life industry increased by 3.5% compared to the corresponding period in 2022. This brings the Singapore life insurance industry's workforce to 9,737 employees as of 31 December 2023 as it continues to drive digital transformation initiatives. In the same period, 13,771 representatives held exclusive contracts with companies that operate a tied-agency force.

Looking forward
Mr Tan said, "Cost of living is a concern amongst many in Singapore, and the life insurance industry is committed to finding ways to support members of the community to address their protection and financial needs. We will do this through innovations in product design and more effective business processes, amongst others. "We will also continue to take a long-term view and pursue initiatives to ensure the wellbeing of Singapore's population and to support the nation's net-zero transition goals."

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Philippines: Regulator increases death benefit in mandatory motor insurance – Asia Insurance Review

The lnsurance Commission (IC) has revised the death indemnity limit for third-party liability for all Compulsory Motor Vehicle Liability lnsurance (CMVLI) coverage to PHP200,000 ($3,558) each for all types of motor vehicles. The regulator announced this in an insurance memorandum circular released on its website yesterday but dated 7 February. The circular will take effect 15 days after its publication in the Official Gazette.

The limit is currently PHP100,000 each for all types of motor vehicles with PHP70,000 for death immunity and PHP30,000 for funeral and burial expenses.

There is an additional PHP100,000 for passenger liability if the motor vehicle is used as a public utility vehicle. These limits were announced in 2006.

The IC says that there is a need to improve/increase the benefits and insurance coverages under the CMVLI policy to make it more responsive to the welfare and development needs of the individuals who are victims of vehicular incidents or mishaps.

The circular also includes a Schedule of lndemnities relating to compensation for death, bodily injuries, professional fees and hospital charges for services rendered to traffic incident victims under the CMVLI policy. The maximum allowable fees or charges (other than death benefits) remain unchanged from 2006.

No fault indemnity
The circular also said, "Any claim for death or bodily injuries sustained by a passenger or third party shall be paid without necessity of proving fault or negligence of any kind provided the total indemnity in respect of any person shall be PHP30,000.00 (since 2006: PHP15,000) for all motor vehicles.

Motor tariffs unchanged in the meanwhile

The circular says that premium rates for one-year and three-year CMVLl coverage set out in 2006 shall remain in force and effect. Premium adjustments arising from the increase in benefits as provided in the latest circular shall be subject to study once sufficient data are gathered during the implementation of this circular.

TOP

Taiwan: Life insurance sector sees drop in premiums for 5th consecutive year - Asia Insurance Review

The total premium income of the life insurance market in Taiwan in 2023 reached NT$2,024bn ($64.5bn), a decrease of 4.1% from 2022, according to data published by the Life Insurance Association of the Republic of China. The market has been declining since 2019 with the biggest fall seen in 2022 when total premiums plunged by 21.4%.

A summary of the 2023 premium income of the life insurance sector is as follows:

Life insurance premiums		2023 NT$m	2022 NT$m	Change
First-year	Traditional	414,825	426,570	-2.8%
	Investment-type	101,580	127,998	-20.6%
	Sub Total	516,405	554,568	-6.9%
Renewal	Traditional	1,424,076	1,474,228	- 3.4%
	Investment-type	83,550	82,677	1.1%
	Sub Total	1,507,626	1,556,905	-3.2 %
Total	Traditional	1,838,901	1,900,799	-3.3%
	Investment-type	185,130	210,675	- 12.1%
	Total	2,024,031	2,111,473	- 4.1%

Source: Life Insurance Association of the Republic of China

The life market is projected to turn around in 2024 on the back of rising interest rates and positive regulatory developments, according to data and analytics company GlobalData in a report released in December 2023.

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Philippines: Regulator and actuaries to conduct first morbidity study to evaluate rates and reserve valuations - Asia Insurance Review

The Insurance Commission (IC) and the Actuarial Society of the Philippines (ASP) have agreed to conduct the country's first industry-wide morbidity study based on the claims experience of health maintenance organisations (HMOs) and insurance companies. The study aims to produce benchmarks for evaluating the reasonableness of premium rates, reserve valuations,and capitalisation requirements of HMOs and insurance companies.

As a framework for the study and other technical assistance programmes, IC and ASP signed a memorandum of agreement during the IC's 75th anniversary in January 2024. “The study will not only promote a sound health insurance and HMO market but also encourage product innovation and attract foreign investments. Ultimately, the study aims to bridge the health protection gap among Filipinos and enhance financial inclusion,” the IC said in a statement.

Other areas of cooperation between IC and ASP under the signed agreement include technical cooperation on revising standards on risk-based capitalisation, valuation and product pricing. The agreement was signed by Insurance Commissioner Reynaldo Regalado and ASP president Allan Santos.

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China: P&C insurance market projected to exceed US$67bn by 2028 - Asia Insurance Review

The Chinese property insurance industry is forecast to grow at a compound annual growth rate (CAGR) of 12.1% over 2024-28, from CNY271bn ($40.5bn) in 2024 to CNY428.3bn ($67.7bn in 2028, in terms of gross written premiums (GWP), according to data and analytics company GlobalData. GlobalData's Insurance Database reveals that the Chinese property insurance industry is expected to grow by 12.3% in 2024, supported by positive regulatory developments and an increase in demand for fire and home multi-risk property insurance policies due to frequent natural catastrophic (Nat CAT) events.

Ms Manogna Vangari, insurance analyst at GlobalData, said, "The Chinese property insurance industry witnessed a growth of 15.9% in 2023 due to higher demand for policies covering Nat CAT events, growing demand for agriculture insurance, and investments in infrastructure projects. The trend is expected to continue in 2024, which will support property insurance growth." The growth in agriculture insurance will be supported by an increased frequency of extreme climate conditions such as heat waves and heavy rains in the country.

Ms Vangari added, "Regulatory reforms aimed at streamlining online operations and improving the actuarial system of agriculture insurance will help in increasing agriculture insurance uptake and support the growth of property insurance." She said, "Home and industrial multi-risk policies, fire and natural hazards insurance, and agriculture/livestock policies are expected to be challenged by escalating Nat CAT losses. These lines are expected to witness price increases in 2024, which will support property insurance growth."

Furthermore, property insurance growth will be supported by increasing construction activities in the country. Between 2024 and 2027, the government plans to increase infrastructure spending by CNY924.2bn. Ms Vangari summed up, "China's property insurance segment is poised for strong growth, driven by favourable regulatory developments, increasing demand for agriculture insurance policies, and growing construction activities. However, economic and geopolitical uncertainties as well as high Nat CAT losses will remain major challenges for property insurers over the next five years."

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Courses offered by College of Insurance

CC1 - Certificate Course in Life Insurance Marketing

Course Structure -

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

CC2 - Advanced Certificate course in Health Insurance

Course Structure –

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

CC3 - Certificate Course in General Insurance

Course Structure -

Particulars	Details
Course Date	4th May 2024
Duration of the course	3 months (on weekends)
Mode of Teaching	Virtual Training - COI, Kolkata
Total hours of Teaching	100 hours
Exam pattern	MCQ pattern
Target Group	Fresh graduates/Post Graduates, Broking Companies, Insurance Companies, Freelancers
Fees for the course	Rs. 14,160 /- (Rs. 12,000/- + 18% GST)

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

Course Structure -

Particulars	Details
Course Date	14th May 2024 – 16th May 2024
Duration of the course	3 Days
Mode of Teaching	Virtual Training sessions
Total hours of Teaching	15 hours for online classes
Exam pattern	MCQ pattern
Target Group	Employees working in Fraud cells/ Claims Department/ Audit functions of the company
Fees for the course	Rs. 10620/- (Rs. 9,000/- + 18 % GST)

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

Post Graduate Diploma in Collaboration with Mumbai University

Post Graduate Diploma in Health Insurance (PGDHI)

Course Structure -

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

Post Graduate Diploma in Insurance Marketing (PGDIM)

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