



INSUNEWS

– Weekly E-newsletter

Insurance Term

Water Backup Coverage

Water backup coverage, also known as sewer backup or sump pump overflow coverage, is an optional endorsement that can be added to your homeowner's insurance policy. Standard homeowners insurance generally does not cover damage caused by water that backs up through drains or sewers. This coverage helps fill that gap, providing financial protection against costly repairs and damages.

What Does It Cover?

Sewage or drain backups
Sump pump failures

What Does It Not Cover?

Flood damage
Wear and tear
Sump pump replacement

QUOTE OF THE WEEK

“Natural ability is important, but you can go far without it if you have the focus, drive, desire and positive attitude.”

Kirsten Sweetland

INDEX

Category	Page No.
Insurance Industry	2
Insurance Regulation	4
Life Insurance	5
General Insurance	6
Health Insurance	9
Reinsurance	11
Survey & Reports	13
Pension	15
IRDAI Circulars	18
Global News	18
COI Training Program	20
COI Courses	21

Post Graduate Diploma in Collaboration with Mumbai University

Post Graduate Diploma in Health Insurance (PGDHI)

Particulars	Details
Duration of the course	One Year (2 semesters)
Mode of Teaching	Weekend Sessions – Hybrid mode (Saturdays and Sundays) 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	₹45,375/-
Cash Award Prize Scheme	₹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 Sessions – Hybrid mode (Saturdays and Sundays) 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	₹45,375/-
Cash Award Prize Scheme	₹15,000/- for the best performing candidate of III-PGDIM
Contact Email id	pgdim@iii.org.in

INSURANCE INDUSTRY

GST may be removed on term life and senior health insurance: Here's what it means for you – Moneycontrol – 22nd July 2025



India is at the cusp of a massive change in the taxability of term life insurance premiums and health insurance premiums for senior citizens. The GST Council is contemplating exemption from Goods and Services Tax for both these critical categories. With that, millions would be saved, and insurance adoption would be promoted, particularly among the elderly and middle segments.

Term life insurance premiums and every health insurance policy currently attract an 18% GST. But that could change soon. A panel of ministers has suggested a complete GST exemption for:

- **Term life insurance premium for all policyholders, irrespective of age**

- **Senior citizens' health insurance premiums (senior citizens are those above 60 years), with no upper limit for the sum insured**

Apart from that, policies for others for coverage of up to ₹5 lakh can also be GST-free. The plan is expected to be discussed by the GST Council in its next meeting.

The cost advantage can be huge

For senior citizens who pay ₹50,000 a year for health insurance, an 18% GST amounts to ₹9,000 more. Reducing this tax lowers the price of such policies. It's also a step in the direction of thinking of insurance as something one needs

and not something to pamper oneself with.

The estimated yearly burden on the government: around ₹2,600 crore—₹2,400 crore from health insurance and ₹200 crore from term life insurance. The Council is proposing to offset this by other revisions in GST slabs.

Why now?

Insurance premiums have been going up sharply—20–25% in some cases. At the same time, the penetration of insurance in India is low. Less than 40% of Indians have health insurance, and life insurance penetration is below 4%. Exemption from GST will make insurance more attractive, particularly to elderly citizens and individuals purchasing low to mid-tier health schemes.

The move is also backed by IRDAI, which has been pushing for the consideration of insurance as a public good.

When will the exemption take effect?

No date has been stated to be announced, but the GoM has submitted its report. The proposal will be tabled during the next GST Council meeting, which may be organized before the next Parliament session. Once approved, the change may be notified and implemented in the coming months.

What to expect

If approved, the exemption will reduce the cost of term life and senior health cover significantly. It's a long-awaited move that could nudge more people to get insured and provide relief to India's swelling elderly population. Keep an eye out for the final word on the next GST Council meeting.

FAQs

1. Will all term life insurance be exempt from GST?

Yes, all term life insurance policies, regardless of age or coverage, are included in the proposal.

2. Is the health insurance GST exemption reserved for senior citizens?

The full exemption is only applicable for senior citizens. For others, the exemption is applicable for policies with a maximum coverage of ₹5 lakh. Policies beyond that will continue to attract GST.

3. What is the amount that policyholders will save?

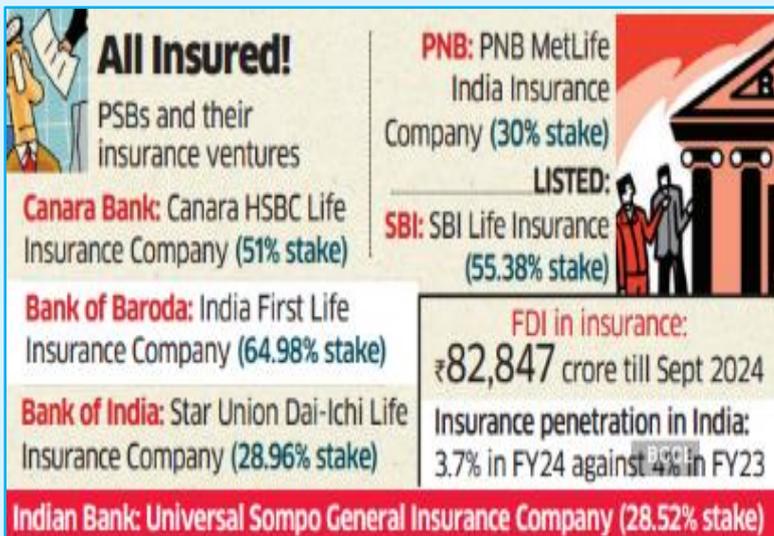
Slipping 18% GST from a ₹30,000 health premium translates into a saving of ₹5,400. For higher premiums, the savings are even greater.

TOP

PSBs Ready Insurance Units' Divestment Plan - The Economic Times - 22nd July 2025

State-run banks have informed the government that they will actively pursue disinvestments in their insurance subsidiaries after the Centre approves 100 percent foreign investment in the sector. Some lenders have shared their plans with the government during review meetings, held last month. This includes both initial public offerings and stake sales in their respective units and joint ventures, said people familiar with the developments. "The government has been reviewing the progress on unlocking value from subsidiaries of banks. Lenders have shared that they expect better valuations from their insurance ventures once the foreign investment limit of 100 percent in the insurance sector is implemented," said an official, requesting anonymity.

Almost all PSBs have invested in insurance companies, including the country's largest, State Bank of India. Others having insurance ventures include Canara Bank, Bank of Baroda, Punjab National Bank, and Union Bank of India. "We are already in discussions with our partners. With other incentives in the Insurance Bill such as the appointment of key personnel, there is an interest from our foreign partners, and we expect optimum returns for our investment from the markets as well," said an executive director at a state-run bank, which has an insurance venture with a foreign insurer. In the February budget, the Centre announced that FDI limit for insurance sector will be raised from 74 percent to 100 percent and the enhanced limit will be only allowed for companies who invest their entire premiums in India.



The government had further noted that current guardrails and conditionalities associated with FDI will be reviewed and simplified. Besides easing foreign investment limits, the proposed Insurance Amendment Bill also has provisions for composite licenses and allowing foreigners as key managerial personnel (KMP) in Indian insurance firms. "The bill is ready, and the government is likely to introduce it in the ongoing session, subject to Parliament functioning without any major disruptions," said the official cited above. Another bank executive said already some insurance ventures are proceeding with IPO plans to make it easier to find more market-determined valuation. "Canara HSBC Life Insurance has initiated the process; based on their learnings, other banks will follow suit," he said.

(The writer is Dheeraj Tiwari.)

TOP

India: Government team to study reasons for recurring disasters - Asia Insurance Review

The Indian federal government has directed the setting up of a multi-sector team to study the reasons behind the recent cloudbursts and flash floods in Indian hill state Himachal Pradesh. A news report in the English daily The Tribune said, "The multi-sector team will comprise experts from the National Disaster Management Authority, Central Building Research Institute, Roorkee, Indian Institute of Tropical Meteorology, Pune and Indian Institute of Technology, Indore to look into the recent disasters in Himachal."

Even the areas like Lahaul and Spiti district in the state, which receives little rainfall, are witnessing cloudbursts and flash floods. The entire state is witnessing a shift in agro-climatic zoning and an adverse impact on crops and fruits. With almost a month and a half of the monsoon season still to go, the scenes from across the state present a distressing picture and at this pace, the trail of destruction can be far more serious by the time the rains recede. The state has already witnessed 24 cloudbursts, 42 flash floods and 26 landslides since 20 June 2025 when the monsoon arrived in the state.

The increasing incidents of natural disaster, especially in the past three years, are an indication that serious thinking is required to counterbalance the visible impacts of climate change, manifesting itself in the form of cloudbursts, flash floods and landslides. Besides the loss of human lives, the state's economy suffers due to natural disasters as vital infrastructure like roads, bridges, water and electricity supply schemes get damaged and suffer losses of hundreds of millions of rupees. The issue of hydroelectric projects adversely impacting the ecology of the local area has been in focus for the past one decade. The deforestation and denudation of vast tracts of forestland, be it for hydroelectric power generation, setting up of cement plants and road construction or road widening projects, have also put a question mark on the current development model.

TOP

INSURANCE REGULATION

Keep data collected within India, IRDAI tells foreign reinsurers - The Hindu Business Line - 23rd July 2025

Foreign Reinsurers' Branches (FRBs) and Lloyd's India, including its syndicates and service companies, should maintain records on information collected by them only in India, according to the Insurance Regulatory and Development Authority of India (IRDAI). Referring to the Regulation 17 of IRDAI (Maintenance of Information by the Regulated Entities and Sharing of Information by the Authority), Regulations 2025, the insurance regulatory said: "It is further clarified that FRBs and Lloyd's India (including its Syndicates and Service companies) shall comply with all the provisions stipulated under IRDAI (Maintenance of Information by the Regulated Entities and Sharing of Information by the Authority), Regulations 2025." This is also applicable to every record, including those maintained in electronic form, said the IRDAI in a circular.

TOP

Irdai proposes internal ombudsman for insurers to address claims up to Rs 50 lakh. –The Economic Times – 24th July 2025

Irdai on Wednesday proposed a framework mandating appointment of an internal insurance ombudsman for insurers to address complaints involving claims up to Rs 50 lakh. The Insurance Regulatory and Development Authority of India (Irdai), which released the exposure draft of the Internal Insurance Ombudsman Guidelines, 2025, has proposed the establishment of an independent and impartial review mechanism within insurers to address unresolved or escalated complaints in a fair, transparent, and time-bound manner. "Applicable to all insurers (except reinsurers) with more than three years of operations, the framework mandates the appointment of an internal insurance ombudsman to address complaints involving claims up to Rs 50 lakh," it said.

Insurers may also appoint more than one internal insurance ombudsman, with well-defined jurisdiction, to ensure effective coverage and responsiveness, said the draft on which Irdai has invited comments till August 17. The proposed guidelines lay down the eligibility criteria, tenure, independence, role and responsibilities and remuneration structure of internal insurance ombudsman, along with general principles to be followed by them.

"To reinforce strong governance and oversight, it is proposed that the internal insurance ombudsman shall functionally report to the board or its policyholder protection, grievance redressal and claims monitoring committee, with administrative reporting to the MD/CEO," Irdai said. It further said that by institutionalising this internal but independent mechanism, Irdai aims to further improve the quality of grievance handling and enhancing overall consumer confidence in the insurance sector.

[TOP](#)



LIFE INSURANCE



India's life insurance sector set for record-breaking growth – Insurance Business – 23rd July 2025



India's life insurance industry is on track for significant expansion, with projections indicating that gross written premiums (GWP) could reach INR14.6 trillion (US\$170 billion) by 2029, according to recent research from GlobalData.

The market is expected to grow from INR9.2 trillion (US\$110.2 billion) in 2024, reflecting a compound annual growth rate (CAGR) of 9.6%. For 2025, GWP is forecast to reach INR10.1 trillion (US\$120.5 billion), with an annual growth rate of 9.9%. Key drivers of this growth include rising financial awareness, the adoption of digital platforms, and a shift in consumer preferences toward both whole life and term insurance products. The latter is gaining particular interest among younger policyholders.

Regulatory changes and product development

Recent policy initiatives and regulatory adjustments are influencing the sector's trajectory. The Insurance Regulatory and Development Authority of India (IRDAI) has introduced programs aimed at increasing insurance coverage nationwide by 2047. These include the deployment of artificial intelligence platforms and the Bima Sugam portal, which are intended to streamline operations and improve customer engagement.

The government's budget proposal for FY2025–26 includes an increase in the foreign direct investment (FDI) cap for insurance companies from 74% to 100%, as well as a reduction in the Goods and Services Tax (GST) on life and health insurance from 18% to 12%.

Demographic trends and rural inclusion

India's demographic profile is evolving, marked by a growing working-age population and increased female workforce participation, especially in urban areas. These trends are expected to support demand for insurance products that

offer financial security and guaranteed returns. Insurers are also introducing women-focused products to address the needs of this segment.

Rural markets remain a focus for expansion, as insurance penetration in India is comparatively low at 3.8%, versus higher rates in other Asian markets such as Hong Kong, South Korea, and Japan. Initiatives like the Bima Vistaar product aim to provide comprehensive and affordable coverage for rural communities. Collaborations with microfinance institutions and postal services are also extending the reach of insurance products beyond urban centres.

Industry performance and distribution channels

In June 2025, Indian life insurers reported an increase in new business premiums, with total collections reaching ₹93,544.54 crore, up 4.25% from the previous year, according to the Life Insurance Council. Both single and non-single premium segments contributed to this growth. Individual single premiums rose by 21.91% year-on-year, while individual non-single premiums increased by 9%.

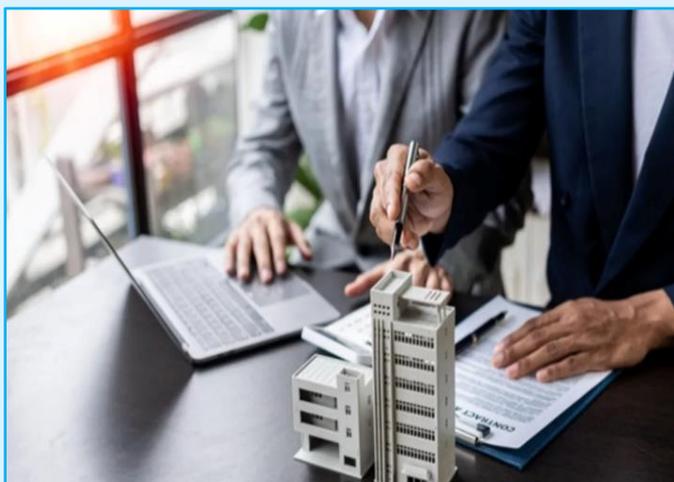
The industry has expanded its distribution network, adding over 240,000 new agents, and is investing in digital transformation to improve access and efficiency. These efforts are enabling insurers to reach new customer segments and support ongoing premium growth.

(The writer is Roxanne Libatique.)

TOP

GENERAL INSURANCE

Commercial Insurance: A Business Lifeline for Property and Asset Protection – The Tribune – 24th July 2025



Every business, regardless of its size or industry, relies on its property and physical assets to operate efficiently. But what happens when those assets are suddenly damaged or lost due to fire, theft, floods, or other unexpected turn of events? That's where Commercial Insurance becomes a vital tool for business revival. More than just a safety net, it provides essential financial protection that helps companies recover quickly from setbacks and avoid long-term disruptions. Within this, property insurance plays a key role by covering buildings, equipment, inventory, and other valuable resources. Without proper coverage, even a minor incident can lead to major financial strain or even closure.

Let's take a closer look at how Commercial Insurance safeguards your property and assets, ensuring your

business remains strong and secure, no matter what comes your way.

What Is Commercial Insurance? Commercial Insurance is a broad category of policies designed to protect businesses, their properties, and stakeholders from financial losses. Unlike personal insurance, it specifically caters to the unique risks that companies face in day-to-day operations. From fires and floods to liability lawsuits and employee-related claims, commercial policies are tailored to suit the nature and scale of each enterprise.

Among the most crucial components of commercial cover is property insurance, which specifically safeguards a company's tangible assets, such as buildings, machinery, stock, office furniture, and more, from a wide array of damages or losses.

Why Property Insurance Is Non-Negotiable for Businesses? Property insurance under commercial coverage is more than just a formality. It's a core financial safety net. Here's why:

1. Protection against unpredictable events no one can predict when a short circuit, flood, or storm might strike. But when such events do occur, the cost of repairs or replacement can be staggering. Property insurance ensures that your physical assets, whether it is your office, warehouse, or manufacturing equipment, are financially protected.

2. Business Continuity A significant property loss can stall operations indefinitely. With a commercial policy in place, claims are processed to compensate for the losses, helping you rebuild and resume business sooner. It ensures your clients aren't kept waiting and your revenue doesn't dry up.

3. Third-Party Liabilities Many Commercial Insurance policies combine property coverage with liability protection. However, a standard property insurance policy, such as that offered by insurers like Bajaj Allianz General Insurance Company, does not automatically include third-party liability unless it is specifically added as an extension or purchased as a separate policy. So, if a fire from your factory causes damage to a neighboring business or harms an individual, you would need to ensure your policy includes a "Public Liability" or "Third Party Liability" extension for such coverage.

4. Regulatory and Contractual Compliance Some government regulations or business contracts may require businesses to have valid property insurance. Having comprehensive coverage ensures you meet these obligations without legal hiccups.

What All Can Property Insurance Cover? While coverages vary based on the policy structure, typical property insurance may include:

- **Building Protection** – Cover for the physical structure of your office or plant.

- **Content Coverage** – Includes machinery, inventory, electronics, raw materials, and finished goods.

- **Loss of Rent or Income** – If your property becomes unusable, some policies reimburse the income lost during downtime if you purchase this facility as an add-on.

- **Debris Removal and Firefighting Costs** – Expenses incurred during post-incident cleanups are covered up to a specified limit (typically 1% of the claim amount for debris removal).

- **Natural Calamities and Man-made Events** – Including protection against floods, cyclones, riots, or strikes, only if you select it as an add-on.

It's important to read the fine print of each commercial property policy and select add-ons suited to your business's unique risks.

Tailored Coverage for SMEs: Why It Matters? Small and Medium Enterprises (SMEs) often operate on thin margins and limited backup capital. A single property-related incident, like water seepage damaging machinery or a burglary wiping out inventory, can hit them hard. For SMEs, Commercial Insurance is not a luxury but a necessary business decision.

Specialised plans, such as the SME D&O (Directors and Officers) Liability Insurance offered by reputed insurers like Bajaj Allianz General Insurance Company, even go beyond just physical damage. They include legal cost coverage if claims are made against company directors for wrongful acts, enabling leaders to make decisions with confidence.

How to Choose the Right Commercial Insurance for Your Business? Every business is unique. Here's how to ensure your Commercial Insurance policy matches your risk profile:

1- Asset Valuation: Conduct a thorough valuation of all physical assets, including buildings, stock, machines, and furniture.

2- Risk Mapping: Identify the most probable risks, such as fire, theft, flood, and earthquake, and ensure your policy covers them.

3- Location Analysis: Properties in coastal or flood-prone regions may require extended coverage.

4- Industry-Specific Needs: A retail store has different risks compared to a chemical plant. Choose policy features accordingly.

5- Add-on Riders: Business Interruption, Burglary Coverage, and Electronic Equipment Insurance. Select only what's relevant to keep premiums efficient.

Final Thoughts Running a business is no easy feat. From securing clients and managing finances to keeping operations smooth, there's a lot at stake. But when unexpected events threaten your hard-earned assets, property insurance under a strong Commercial Insurance policy can be the difference between bouncing back and shutting down.

Don't leave your business vulnerable to chance. Insure your property, protect your people, and preserve your profits. In the business world, being prepared is the best way to stay ahead of the competition. With the right coverage in place and reliable insurers like Bajaj Allianz General Insurance Company, you're not just protecting business, you're safeguarding dreams, jobs, and your future.

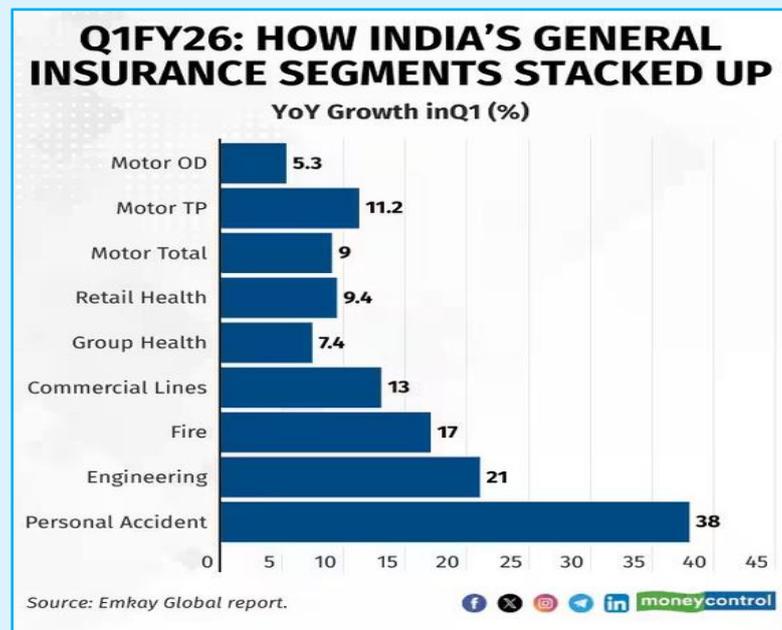
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TOP

Insurance industry hits the brakes as motor, health segments lose steam - Moneycontrol - 23rd July 2025

There was a time when India's general insurance industry could count on steady double-digit growth, come what may. Those days are slipping fast, if the numbers for the June quarter are any guide. As Emkay research points out, gross premiums rose just 9 percent year-on-year in Q1FY26, dragged down by a slowdown in new vehicle sales and fresh hurdles in the health segment. Start with Motor—the bread and butter for many insurers. Sluggish passenger and commercial vehicle sales ensured that Own



Damage premiums grew by a paltry 5.3 percent. Worse, the lack of any price hike in the mandatory Third-Party cover meant even that line could muster only an 11 percent uptick. ICICI Lombard, a bellwether for the sector, saw Motor premiums flatline. GoDigit fared only slightly better.

On paper, health insurance should have been the saving grace. But here too, new accounting norms—the so-called 1/n regulation for long-term policies—put a spoke in the wheel. The "1/n rule" in insurance, as mandated by IRDAI, refers to how long-term insurance premiums are reported. It dictates that for policies extending beyond one year, the premium is recognised daily over the policy term rather than being accounted for upfront. This means the premium is effectively divided by the number of days in the policy period and reported as such. Retail Health crawled to 9 percent growth, even as a handful of new products

propped up the numbers for the likes of ICICI GI. Group Health fared worse. Intense price competition, driven by insurers' scramble to meet expense of management caps, meant growth slipped to just over 7 percent. The lone bright spot is the Fire segment. With better pricing discipline, it clocked a healthy 17 percent growth, pulling up the broader Commercial Lines business. Yet, for an industry that can't forever rely on Fire and Engineering covers to bail it out, that's scant comfort. What should worry the industry more is that none of these speed bumps look temporary. Auto sales remain soft and there's no sign yet of a Third-Party premium hike. Health insurers must still swallow the bitter pill of 1/n accounting for another few quarters. And with competition heating up—especially as expense guidelines tighten the screws—margins are bound to feel the squeeze. So the takeaway? After years of steady expansion, India's general insurers find themselves at a tougher juncture. If they don't regain pricing power in Motor and navigate the regulatory minefield in Health, that old promise of robust double-digit growth may well turn out to be a thing of the past.

(The writer is Dinesh Unnikrishnan.)

TOP

Tesla's India debut prompts insurers to focus on EV-Specific motor covers - Moneycontrol - 22nd July 2025

US-based billionaire entrepreneur Elon Musk's Tesla is now in India. The electric automaker made its much-awaited debut on July 15 with the opening of its first showroom in Mumbai. It unveiled Model Y, the world's largest selling electric car, in two variants: Rear-Wheel Drive, priced at around Rs 60 lakh, and Long Range Rear-Wheel Drive, priced at over Rs 68 lakh. The buzz around Tesla entry has prompted some insurers to offer some tailor-made add-ons as also promote their existing EV insurance policies. Some companies like Zurich Kotak General Insurance, ACKO and Liberty General Insurance have announced partnerships and launched tailor-made add-ons for Tesla. This apart, all general insurers offer EV insurance plans.

What's on offer?

Motor insurance has two components – third-party liability and own damage covers. The former is mandatory as per law. Insurers have come up with variations and improvisations on the own damage side. Zurich Kotak General Insurance is offering a bundled cover, Car Secure – EV Protect, for Tesla and EV owners. “It is tailored for electric vehicles, covering crucial

TOP

Premium mobilisation: PSU non-life insurers outperform private players in June quarter – The Indian Express – 21st July 2025

Public sector general insurance companies outperformed their private sector rivals in the first quarter ended June 2025, recording a 14.6 per cent increase in gross premiums underwritten—well above the industry average of 8.84 per cent. They also succeeded in expanding their market share during this period despite an overall slowdown in the growth in health insurance premium. The four PSU general insurers reported a premium mobilisation of Rs 27,787 crore for the June 2025 quarter as against Rs 24,233 crore a year ago, according to figures available with the General Insurance Council. Industry leader New India Assurance posted a growth of 15.2 per cent at Rs 12,299 crore, Oriental Insurance showed a growth of 21.4 per cent, National Insurance 14.93 per cent and United India 7.17 per cent growth.

New India Assurance also increased its market share from 14.67 per cent in June 2024 quarter to 15.51 per cent in the June 2025 quarter. Oriental Insurance also increased its market share from 6.46 per cent to 7.34 per cent during the same period and National Insurance from 4.78 per cent to 5.04 per cent. At the same time, among private players, ICICI Lombard showed a growth 0.61 per cent at Rs 7734.86 crore in premium underwritten for the June quarter. Bajaj Allianz General Insurance posted a growth of 9.63 per cent and Reliance General Insurance 1.60 per cent. ICICI Lombard's market share declined from 10.57 per cent to 9.75 per cent in June 2025 quarter. In June 2025, the non-life insurance industry reported a premium of Rs 23,422.5 crore, representing a 5.2 per cent growth compared to the 8.4 per cent growth reported in June 2024. “The industry's transition to the 1/n rule, slowing health, and subdued PV growth have affected the industry's performance, partially offset by renewals in the fire and engineering segment,” said Saurabh Bhalerao, Associate Director of CareEdge Ratings.

The “1/n rule” in insurance refers to an accounting method where commissions for long-term insurance policies are recognized evenly over the duration of the policy, rather than being recorded entirely at the outset. This represents a shift from earlier practices that allowed full commission recognition upfront. As a result, this change affects how insurers report their premiums, often leading to a lower reported premium in the initial period — particularly impacting public sector general insurers. Insurance industry sources say that premium collections from government-backed health schemes have dropped sharply, as many state and central programs have shifted from insurance-based models to trust-based funding. This change has reduced the overall premium inflow for insurers. At the same time, steep hikes in health insurance premiums — driven by rising medical costs, an 18 per cent GST, and higher hospital expenses — have put pressure on household finances. As a result, consumer demand has declined, and retail health insurance growth has slowed to around 10–13 per cent in FY25, compared to 20–25 per cent in earlier years.

Non-life insurance premiums crossed the Rs 3-lakh crore mark in FY25, driven by supportive regulations, rising Insurtech adoption, accelerating digitalisation, and an expanding middle class. The government's Bima Trinity push is poised to accelerate growth in the non-life insurance sector. Standalone health insurers are expected to maintain their dominance in the retail health space. “At the same time, the trajectory of motor insurance will closely follow vehicle sales and the upcoming revisions to third-party tariffs. The proposed rollout of composite licences could reshape the competitive landscape in the medium term. However, rising competition and global geopolitical uncertainties will remain crucial watchpoints for the sector,” it said.

(The writer is George Mathew.)

TOP

HEALTH INSURANCE

NHRC asks govt to ensure all elderly prisoners are covered by health insurance scheme – The Times of India – 21st July 2025

The National Human Rights Commission has issued directions to the director general (prisons) of all states and Union Territories to ensure that all eligible prisoners of 70 years or above should be registered to be able to get the benefit of the Pradhan Mantri Ayushman Vaya Vandana Yojana - the govt's health insurance scheme for senior citizens. The Ayushman Vaya Vandana Yojana is an initiative to provide free healthcare coverage to senior citizens aged 70 years

and above, regardless of their economic status. This scheme comes under Ayushman Bharat Pradhan Mantri Jan Arogya Yojana (AB-PMJAY) and provides annual health cover upto Rs 5 lakh.

A bench of the NHRC presided by member Priyank Kanoongo has now directed that the jail authorities must facilitate all the eligible prisoners to enroll them on the portal of the scheme. A letter has been sent out to states on Thursday communicating the directions. An action taken report along with the number of prisoners linked with the scheme has been sought within four weeks.

Poll
Do you think that the health insurance scheme for senior citizens is adequately promoted among eligible prisoners?

Yes, it's well promoted **No, it's poorly promoted**

The directions follow a complaint that was placed before the bench where the issue of making the scheme accessible to the senior citizen prisoners was raised. Noting that this is a “valid issue”, the commission said that going by the spirit of the govt’s flagship health insurance scheme it is clear that it does not exclude anyone as long as the person qualifies the eligibility criteria of 70 years or above. “It is also pertinent to mention here that a person under the custody of the state continues to enjoy the fundamental right to health, and it is the responsibility of the State to ensure proper healthcare for all inmates,” it is stated.

To emphasise its point, the commission highlights the Supreme Court’s assertion in a particular case to say that even the top court had emphasised providing for proper medical aid to inmates as a right under Article 21 of the Constitution. In the communication sent out to states it is cited that the Supreme Court held in that particular case that “it is bounden duty of the state to look after health of the inmates in the jails since they cannot take treatment on their own and for the purpose of treatment, they are at the mercy of the hospital authorities. Proper medical aid to the inmates is a right available to them under Article 21 of the Constitution.

(The writer is Ambika Pandit.)

TOP

Rising Hospitalisation Costs – Why Reviewing Your Health Insurance Policy is Cr. – The Economic Times – 20th July 2025



Hospitalisation Costs in India are on an upward trajectory due to advanced medical technologies, healthcare inflation, and the increasing burden of chronic diseases. In this scenario, reviewing your health insurance policy has become a crucial step rather than a choice, ensuring financial security for you and your family amid escalating medical expenses. To stay protected in this evolving healthcare environment, it's essential to ensure that your policy offers comprehensive coverage, includes relevant riders, and aligns with your changing health requirements.

The Escalating Cost of Healthcare in India

India’s healthcare system, which was traditionally dominated by public hospitals, has witnessed a surge in the presence of private healthcare providers. This shift has brought a more sophisticated approach to medical care but has also resulted in higher treatment costs. The average cost of hospitalisation in India has been increasing steadily. According to the National Sample Survey Office (NSSO), the average medical expenditure for hospitalisation in private hospitals can go up to Rs 38,822 in urban areas, while public hospitals cost around Rs 4,452. Moreover, reports by India Brand Equity Foundation (IBEF) suggest that India’s healthcare market is projected to reach \$372 billion by 2025, propelled by rising demand and medical advancements

Key drivers of the rise in hospitalisation costs include:

Advanced Medical Technologies: Modern treatments and diagnostic methods, while more effective, are expensive. Procedures involving robotic surgeries, organ transplants, and high-end diagnostic tests have become more common and are substantially costly.

Inflation in Healthcare Services: Healthcare inflation in India is significantly higher than general inflation. According to reports, healthcare inflation stood at 14% in 2022, compared to the general inflation rate of 7-8%.

Prevalence of Chronic Diseases: India has seen an increase in the number of chronic diseases such as diabetes, heart disease, and cancer. The ongoing treatment and management of such conditions demand frequent hospital visits, medications, and specialised care, further inflating healthcare costs.

The Need for Reviewing Your Health Insurance Policy

As medical costs escalate, it is essential to ensure that your health insurance policy is in line with current healthcare expenses. An outdated policy with insufficient coverage could leave you exposed to significant out-of-pocket costs in the event of a medical emergency.

Here are some critical reasons why reviewing your health insurance policy is crucial:

Providing Adequate Coverage against Rising Medical Inflation

Medical inflation in India is far outpacing general inflation, putting pressure on households to manage healthcare expenses. If your policy coverage has not been reviewed in recent years, it may no longer be sufficient to cover the rising cost of treatments. Reviewing and upgrading your policy ensures that your coverage keeps pace with inflationary trends, providing better financial protection.

Understanding the Policy Limits

Every health insurance policy comes with certain limits, such as room rent capping, sub-limits on specific treatments, or co-payment clauses. It is important to review these terms regularly to ensure they align with your healthcare needs. For example, if you have had a health insurance policy for several years, the sum insured or sub-limits may not be adequate for the rising costs of hospitalisation today. A review can help identify gaps in coverage and make necessary adjustments.

Adding Relevant Top-Ups or Riders

In some cases, a basic health insurance policy may not be enough to cover all medical costs. This is where top-ups and riders come into play. Top-up plans offer additional coverage beyond the base policy, and riders provide specific benefits, such as critical illness cover, maternity benefits, or hospital cash. Regularly reviewing your health insurance policy allows you to assess the relevance of these add-ons, ensuring that your policy is customised to meet your unique health needs.

Catering to Evolving Health Conditions

As life progresses, your health requirements change. Whether it is the onset of chronic conditions, new family members, or changing health priorities, reviewing your policy ensures that it caters to these evolving needs. For instance, if your policy was purchased when you were younger, it may not include coverage for age-related diseases that have since become a concern. Regularly reassessing your policy can help provide adequate coverage for these changing health conditions.

The Road Ahead – Safeguarding Against Medical Uncertainty

The healthcare landscape in India is rapidly evolving, with medical advancements improving health outcomes but also driving up the cost of care. Hospitalisation expenses, in particular, have risen significantly due to factors such as advanced medical technologies, inflation in healthcare services, and the increasing prevalence of chronic diseases. In light of these rising costs and the unpredictable nature of healthcare needs, it is crucial to adopt a proactive approach to health insurance. Regularly reviewing your policy helps prevent financial strain during emergencies, ensuring you have adequate coverage. As India's healthcare landscape continues to change, so too must your insurance plan, with timely adjustments to keep pace with evolving needs

(The writer is Ramit Goyal.)

[TOP](#)



REINSURANCE



Entry of new players likely to intensify competition in reinsurance segment –Business Standard – 21st July 2025

After years of domination in the reinsurance segment as the sole domestic reinsurer, state-owned General Insurance Corporation (GIC Re) is set to see a rise in competition, with Prem Watsa and Kamesh Goyal-backed Valueatics Re receiving approval from the insurance regulator, and Jio Financial Services and Allianz Group tying up to form a 50:50 reinsurance, leveraging Allianz's existing Allianz Re and Allianz Commercial portfolios and activities in India. Having said that, these developments are unlikely to pose an immediate challenge to GIC Re's domination, given that the state-owned reinsurer enjoys obligatory cession, and has advantage in the order of preference. Obligatory cession refers to the mandatory portion of risk that general insurance companies are required to reinsure with GIC Re. This means that

insurers must cede a specific percentage of their premiums or sum insured to GIC Re, regardless of whether they have other reinsurance arrangements.



“Competition is always beneficial and there is a need for domestic private reinsurers. The two companies, which will be set up, will not pose an immediate threat to GIC Re due to the position of the company currently. Also since setting up of the companies and regulatory approvals might take some time. However, during this time, if GIC Re does not strengthen its position, these companies can emerge as a threat to the state-owned reinsurer,” said an insurance consultant, who did not wish to be named. “Also, there is no clarity on how the obligatory will be split between the reinsurers. There could also be a change in the order of preference,” he added. “Reinsurance is a very capital-intensive business, and the proposed companies are not likely to see any capital crunch. Also, GIC Re has been the sole domestic reinsurer in the country. There is a need for

more competition, and GIC Re should be able to survive even without the obligatory premium,” said an industry expert.

GIC Re has been conducting reinsurance business since 1972. Post-liberalisation of the insurance industry in 2001, GIC Re was designated as the national reinsurer, and has the advantage in the order of preference and obligatory cession. As of March 31, 2025, obligatory business accounted for 40 percent of GIC Re’s domestic business. Recently, during an interaction with Business Standard regarding entry of private reinsurers, N Ramaswamy, chairman and managing director (CMD) of GIC Re, had said: “With Valueattics coming in, there will be competition. But, I believe, there is enough in this market for everyone. We don’t know if the obligatory cession will split between the two of us yet. Earlier, there was a company called ITI Re, which had been set up. At that time, I think they were told that first they need to get a rating and then they have to be in the market for three years before they become eligible for obligatory cession. That was the rule at that point of time. We still need to find out from regulator Irdai (Insurance Regulatory and Development Authority of India), still pretty early days for that.”

According to Section 101A of the Insurance Act, “every insurer shall reinsure with Indian reinsurers such percentage of the sum assured on each policy as may be specified by the Authority with the previous approval of the central government”. The obligatory premium ceded by the insurers with GIC Re currently stands at 4 percent. Currently, apart from GIC Re, there are 11 foreign reinsurance branches (FRBs) set up by global reinsurance companies. These include Allianz Re, Munich Re, Swiss Re, and Lloyd’s of London. That apart, there are 280 cross border reinsurers (CBRs) operating in India. According to Irdai’s annual report for 2023-24 (FY24), out of the gross reinsurance premium of ₹62,113.28 crore written by the Indian reinsurer and FRBs, the Indian business accounted for about 81 percent and the rest was foreign business. Out of the total Indian business of ₹50,553 crore in FY24, GIC Re accounted for about 51 percent and the remaining 49 percent was written by FRBs. Apart from the joint venture and operation as FRB, Allianz Re is also operating as International Financial Services Centres Authority Insurance Office (IIO) from Gujarat’s GIFT City.

(The writer is Aathira Varier.)

TOP

Reinsuring against a raging global tariff war – The Hindu Businessline – 21st July 2025

Even as the global reinsurance sector was reeling from the impact of the higher tariffs announced by the US on imports from 57 countries in early April, the flare-up of the Israel-Iran conflict and the devastating Air India plane crash have put additional pressures on the business. While the world’s leading economy has since paused its ‘reciprocal tariffs’ and continues to engage in talks with trading partners, economists have been warning of rising recession risks, which could derail global demand forecasts amidst rising cost escalations. On account of the heightened geopolitical uncertainties, global businesses are already witnessing order cancellations, piling inventory and heightened credit default risks; especially affected are those that rely on imported goods originating from conflict-ridden regions. As a result, insurance companies could see higher claim costs across lines, compelling reinsurance companies to recalibrate their underwriting and pricing strategies in response to the new insurable risks. Let us delve into the key reinsurance trends that are expected in the near term and their likely impact.

While the US asserts that its tariffs are intended to strengthen its domestic economy, many industries, including insurance, are expected to face significant inflationary pressures. The 25 per cent duty on imported automobiles and auto parts will not only drive up the prices of new cars and replacement parts, but also negatively impact automobile

insurance rates, as insurers factor in the associated cost escalations. Similarly, the decision to levy a 25 per cent tariff on steel and aluminium imports will lead to higher construction costs, and larger insurance payouts across home and commercial segments. What's more, with repair costs rising on account of inflated material cost, insurers will also have to increase the coverage limits on existing policies. Apart from the resulting higher insurance premiums, insurers will also have to account for the increasing complexities and regulatory risks in public sector projects, ultimately forcing them to review and adjust their underwriting policies across most insurance segments.

As the cost of capital goods and services spirals upwards due to the tariff war, global reinsurers will have to adjust their premium pricing models for the automotive, property and casualty reinsurance segments, among others. Additionally, the fatal Air India plane crash has compelled reinsurers to re-evaluate risks associated with wide-body aircraft models like the Boeing 787-8 Dreamliner; this would harden the aviation reinsurance market and lead to stricter terms. From an operational perspective, tariffs on reinsurance-related services will increase the running costs for global reinsurers, especially for services and contracts involving cross-border deals. Consequently, reinsurers will have to model different loss scenarios, identify potential market dislocations and revise their premium pricing models on priority. Even in the unlikely event that the US settles for a flat 10 percent tariff policy for all its trading partners, reinsurers will have their work cut out in the near term as they assess and factor in the impact of the disruptions on the global reinsurance market.

Within reinsurance, property reinsurance remains the largest and fastest growing segment, followed by casualty reinsurance covering liability insurance for individuals or corporations. In terms of regional market share, North America accounts for 34 percent of the global reinsurance business, while the Asia-Pacific region remains the fastest growing, with a 17 percent market share currently. While the global reinsurance market was poised to experience a compound annual growth rate of 11 percent between 2025 and 2032, the tariff war could derail some of this momentum. According to a Reuter's poll, 92 percent of the surveyed economists from 50 different economies agree that the tariffs will have a negative impact on business sentiment, with 75 percent alluding to a lower global growth forecast for 2025. As a result, reinsurers may have to contend with shrinking economic activity in the most extreme scenario, thereby underscoring the likelihood of reduced insurance demand and increased credit risks. This is especially true for price-sensitive reinsurance segments and markets like Latin America and the Asia-Pacific region. Consequently, reinsurers will have to devise new cost-efficient solutions to tap the emerging markets and help them sustain the positive growth momentum from 2024.

Recognising the need to go beyond traditional reinsurance solutions, many reinsurers have been innovating alternative risk transfer (ART) solutions to reduce risk concentrations and bring in more flexibility. Notable among these are the catastrophe bonds, insurance-linked securities and collateralised reinsurance solutions. While the demand for such solutions was more prominent in countries with a high exposure to natural calamities, the tariff war could spur reinsurers to accelerate the pace of new ART launches across different reinsurance segments. Moreover, with tariff-related inflation set to disrupt the North American reinsurance market, reinsurers are slated to focus more on the Asia-Pacific region to bolster business. Markets like India, Indonesia and Vietnam could see increased interest from global reinsurers, with the incumbent players expected to reap the most out of their growing insurance needs in terms of treaty and property reinsurance. Notwithstanding the probability of further geopolitical tensions, the global reinsurance industry is expected to emerge relatively unscathed on the back of rising global demand. That said, reinsurers will have to realign their growth strategies to take advantage of all emerging opportunities, even as they double down on investments in digital tools and platforms to streamline risk assessment.

TOP



SURVEY & REPORTS



Silver Economy Part III: Life, health insurers see gold in greying market - Financial Express – 24th July 2025

Longer lifespans and rising healthcare costs are turning India's silver economy into a gold mine for life and health insurers. With the elderly population projected to reach 350 million by 2050, insurers are seeing an opportunity to roll out longevity-linked savings plans and customised health products to tap the fast-growing demographic.

According to the UN Population Fund, people aged 60 and above will account for nearly 20% of India's population by mid-century, up from just over 10% today. Worryingly, a Niti Aayog report estimates that 78% of them will be without any form of pension, making them financially vulnerable in retirement. "Unlike many advanced economies where retirees benefit from social security, most Indians have limited financial support in their later years—with provident fund often being the only structured fallback," says Tarun Chugh, MD & CEO, Bajaj Allianz Life. "This is where life insurance plays a crucial role with retirement and annuity products."

As life expectancy rises, the risk of outliving savings becomes real. “Through deferred annuity plans, individuals can build a disciplined retirement corpus during their working years. And with immediate annuities, they can secure a guaranteed lifelong income that doesn’t outlive them,” Chugh adds.

Despite their relevance, annuities remain a small part of the market—accounting for just 4% of the life insurance industry’s `8.29-lakh crore premium in FY24. Pension plans made up 15.4%, while nearly 80% came from unit-linked, term, protection, and savings products. One major hurdle is taxation. “People contribute to annuities from their post-tax income, and the annuity payouts—typically received in retirement—are again taxed as regular income for tax purpose,” says Vikas Gupta, chief product officer at ICICI Prudential Life Insurance. “That creates discomfort, as it feels like double taxation.” A more favourable tax treatment, Gupta believes, could significantly boost adoption.

Awareness is another challenge

Anuj Mathur, MD & CEO, Canara HSBC Life Insurance, says: “Annuities are sometimes viewed as inflexible or restrictive in terms of access to funds. Product innovations such as partial withdrawal features, joint life annuities and surrender options with minimal impact can help address these concerns.”



He also points to practical issues like low awareness and product familiarity, servicing challenges like physical submission of life certificates, and liquidity constraints hold back wider adoption.

Even large private insurers such as ICICI Prudential Life and HDFC Life see annuities forming just 5% of their product mix. India’s Rs 1.2-lakh-crore health insurance sector is also targeting the elderly, especially as growth from younger demographics has slowed since the Covid-led boom. Senior citizens currently hold just 18% of all health insurance policies sold.

“Senior citizens use emergency services 3-4 times more than younger groups and face complex needs involving chronic care, preventive interventions, and long-term treatment,” says Amit Ganorkar, MD & CEO, TATA AIG General Insurance. “Given the rising incidence of age-related illnesses and increasing life expectancy, senior citizens are a highly sensitive segment requiring more than standard health insurance products.”

According to Ganorkar, most health policies focus on hospitalisation, but there’s a growing need to cover the full spectrum of care including post-hospitalisation care—rehabilitation, home nursing, assisted living– and long-term support. “With around 75% of seniors living with at least one chronic condition, chronic disease management must become a core benefit,” he says. Only 10% of India’s population is covered under retail health insurance. The rest are split equally between government schemes such as Ayushman Bharat (45%) and group health plans (45%), which typically end after retirement.

“Employer group policy coverage ends post-retirement, and most seniors are left without any protection unless they proactively buy individual plans,” says Amitabh Jain, COO, Star Health and Allied Insurance. More than 20% of Star Health’s customers are senior citizens.

Healthcare cost

With healthcare inflation running at 12-15% a year and lifestyle-related hospitalisation costing between Rs 1.5 lakh and Rs 5 lakh per episode, even middle-class retirees face financial pressure. Jain sees scope for tailored plans aimed at seniors in urban and semi-urban areas—especially those living alone or with caregivers.

“This opens space for insurers to introduce products that combine medical assistance with logistical support, such as coverage for emergency transportation, home-based nursing and palliative care, telemedicine, and home health care,” he adds. To address affordability, the Insurance Regulatory and Development Authority of India (IRDAI) has capped annual premium hikes on senior citizen policies at 10%. Ganorkar suggests the industry also look at creative pricing models to ease the burden. “Family floater policies that include parents or premium structures aligned with pension disbursements can make products more accessible,” he says.

(The writer is Narayanan V.)

TOP

Natural disasters like floods emerge as top reason for buying home insurance in India: Survey – The Tribune – 21st July 2025

The survey highlighted that 41 per cent of the respondents in last 6 months consider natural calamities such as floods, earthquakes, and storms as the primary reason to purchase home insurance. These events have made people realise the importance of securing their homes against unpredictable damages. It stated "Natural disasters (41 per cent) emerge as the leading consideration for buying home insurance".

The survey also found that ongoing home loans are the second biggest reason for buying home insurance. Around 31 per cent of the respondents said they opted for insurance to protect their homes while repaying EMIs. Homeowners with active loans feel that having insurance is a financial safety net in case of any damage or loss.

The third key concern is theft or burglary, with 30 per cent of the respondents citing it as a reason for buying home insurance. This concern is especially common in urban and semi-urban areas, where the safety of household valuables is a top priority for residents. Out of those who had shown interest in home insurance, 39 per cent went ahead and made the purchase. These were mostly homeowners living in standalone houses or housing societies. However, a significant 62 per cent of the interested group were either still exploring options or remained undecided about buying home insurance. The survey also pointed out some major reasons why people delay or avoid buying home insurance. One of the top reasons is confusion over policy selection.

It stated "Around 27 per cent respondents find it difficult to understand and compare policies that lead difficulty in policy selection". Additionally, 23 per cent of the respondents felt that home insurance was not necessary. Many of them believed this because they had never experienced any loss or damage. Another 18 per cent of the respondents, who were initially interested in purchasing home insurance, dropped the idea due to a lack of urgency or clarity. Overall, the survey highlighted a need for better awareness, simplified policy options, and clearer guidance to help people make informed decisions about home insurance. (ANI)

TOP



PENSION



EPFO services now on DigiLocker: Check PF account balance, passbook anytime, anywhere – Financial Express– 23rd July 2025



The government has made several important changes over the last few months for EPFO (Employees' Provident Fund Organisation) members, enabling services related to provident funds. Recently, the EPFO has added one more landmark feature – services are now also available on DigiLocker app. Now if you have an Android smartphone, you can check your PF account balance and passbook directly from DigiLocker from anywhere, anytime. EPFO shared this information on social media platform 'X' last week.

Now these EPFO services will be available on DigiLocker:

EPFO members can now view and download important documents like their UAN card, Pension Payment Order (PPO), and Scheme Certificate on DigiLocker. Though the passbook download facility was available earlier through the UMANG app, now direct access through DigiLocker has been made even more convenient — especially for users who want to get all the services in one app. -The feature is currently available only for Android users, but is expected to be rolled out for iOS users soon. iPhone users are currently being notified to download the UMANG app to view passbooks from DigiLocker.

Activating UAN becomes even easier

The EPFO shared another update on July 18 stating that UAN can now be activated through Face Authentication through the UMANG app. UAN activation is extremely important as without it you cannot check EPF balance, cannot withdraw funds online, and cannot update bank or Aadhaar details. Apart from this, UAN activation is also necessary for the benefits under the ELI (Employment Linked Incentive) scheme launched by Prime Minister Modi. This scheme has been launched with a budget of Rs 2 lakh crore, aiming to provide skill development and employment opportunities to 4 crore youth across the country.

EPFO's digital initiatives are changing the experience

EPFO is constantly appealing to its members to activate their UAN, link Aadhaar to bank account so that they can avail all the digital facilities of EPFO and participate in schemes like ELI.

5 major digital initiatives of EPFO that are beneficial for you:

- PF passbook and balance now on DigiLocker – access to all documents in one click.
- UAN activation by face authentication from UMANG app – now KYC and service access is easier.
- Online claim processing and withdrawal – facility to withdraw money without going to the office.
- E-nomination facility on the unified portal – an easy digital way to protect your family.
- OTP based login and tracking system for smartphone users – every update now right in your pocket.

If you are an EPFO member, take advantage of these digital updates immediately and make your PF related work easier and faster. These digital initiatives by EPFO are not just making things easier but also more transparent, faster, and secure for members. From checking your passbook to withdrawing PF online and activating UAN via face authentication, most tasks can now be done in minutes using your smartphone.

TOP

Guaranteed pension may be sweetened further –Financial Express– 22nd July 2025

The Centre may further incentivise the guaranteed unified pension scheme (UPS) in a bid to increase acceptability among its 2.7 million-strong staff. The additional benefits may include pension for dependent children, more likely for



single parents, and an assurance that tax benefits linked to UPS won't be denied. The UPS, launched amid demand from a section of employees and Opposition political parties for risk-free pension payouts for government staff, has seen a surprisingly muted response so far. Since April 1, when a three-month window for a switchover from the market-linked national pension system to the UPS was opened, just 30,000 or 1% of the NPS subscribers have opted for the guaranteed pension.

New Incentives

"The government will likely extend pension to dependent children to an extent similar to the old pension scheme (which existed before NPS)," a senior official said. It may also extend a couple of pending tax benefits soon to the staff opting for UPS, the official said, without elaborating.

Similarly, the government may clarify that employees quitting service before ten years of service can withdraw their share of the contributions made to the pension corpus. However, no pension would be payable if an employee resigns before ten years of service under UPS.

The UPS provides an assured pension of 50% of the last drawn salary (average basic pay of the last 12 months of service) upon superannuation for all employees completing a minimum of 25 years of service, with the value of such deferred compensation fully indexed to inflation. Staff are eligible for pension after turning 60. Besides, there will be assured payouts to the spouse of the pensioner after his/ her demise at 60% of the last pension drawn. Also, all employees with a minimum of 10 years of service will get an assured pension of Rs 10,000 per month. The scheme is designed in such a manner that it doesn't inflict an unmanageable cost to government finances. Additional outgo due to the guarantee element was estimated at only Rs 8,500 crore in FY26, with gradual increases over time, as the pay scale gets revised. However, a general control on new additions to the staff strength is expected to put a lid on expenses.

Demand for parity with OPS

Currently, there is no provision under UPS for a pension for the dependent children. Given the societal changes and rising incidence of single parenting, the staff have sought the inclusion of dependent children for pension. In the Old Pension Scheme (OPS), on the lines of which UPS has been designed to meet the long pension demand of the staff, dependent children receive a family pension calculated at 30% of the deceased employee's last drawn basic pay.

The tepid response to UPS has forced the government to extend the deadline for switching to the scheme by three months till September 30, 2025. Sources said the deadline may be extended further to ensure the staff internalise the additional benefits announced recently, as well as the newer ones in the offing. The government is also examining the

staff petition that immediate pension be given for central paramilitary force personnel who retire before 60. Under NPS, central armed police forces (CAPF) could take the voluntary retirement scheme (VRS) after 20 years in service and yet get an immediate pension by investing 80% of their corpus in annuities. In contrast, these staff could take VRS after 25 years in service under UPS, but their pension will start after they turn 60 years

On July 4, the centre extended the income tax benefits available under the NPS to the UPS. These provisions would ensure parity with the existing NPS structure and provide substantial tax relief and incentives to employees opting for the UPS. Under NPS, tax exemption is available for withdrawals upto 25% of the self-contribution during service, which can now be availed under UPS also to meet exigencies. Those under the old income tax regime can now claim tax deduction up to Rs 50,000 under section 80 CCD (1B) over and above the overall ceiling of Rs 1.5 lakh under Sec 80 CCE. Similarly, those under the old tax regime can claim upto 20% of pay (employer share 10% and employee share 10%) as tax deduction under section 80 CCD subject to overall ceiling of Rs 1.5 lakh under section 80CCE. However, those under the new tax regime, can claim only the employer (government)'s contribution of 14% of pay tax deduction in UPS, similar to NPS. Under UPS, the employee contribution is 10% (of basic pay + DA). The government's contribution has been raised from the present 14% (under the market-linked NPS) to 18.5%.

(The writer is Prasanta Sahu.)

TOP

EPFO reports record payroll addition of 2 million members in May 2025 – Business Standard – 21st July 2025

Retirement fund body EPFO added all-time high 2 million net members in May 2025, which includes 942K new employees, as per the payroll data released on Monday. This is 4.79 per cent higher as compared to April 2025 and 2.84 per cent more on year-on-year basis. The May figure marks the highest recorded addition since payroll data tracking began in April 2018, a labour ministry statement said.



Union Minister of Labour & Employment Mansukh Mandaviya said the EPFO's all-time high net member addition in May 2025 is a testament to the growing strength of India's formal employment landscape. "This historic achievement is the direct result of Prime Minister Narendra Modi's visionary leadership and the government's unwavering commitment to pro-youth, pro-worker reforms," he added.

The EPFO enrolled around 942K new subscribers in May 2025, representing 11.04 per cent increase over April 2025.

This increase in new subscribers can be attributed to growing employment opportunities, increased awareness of employee benefits, and EPFO's successful outreach programs. A noticeable aspect of the data is the dominance of the 18-25 age group.

The EPFO added 560K new subscribers in the 18-25 age group, constituting a significant 59.48 per cent of the total new subscribers added in May 2025. New subscribers in the 18-25 age group added in the month show an increase of 14.53 per cent compared to April 2025.

Further, the net payroll addition for the age group 18-25 for May 2025 was 873K, an increase of 15.10 per cent from the previous month and a growth of 0.11 per cent from May 2024. This is in consonance with the earlier trend which indicates that most individuals joining the organized workforce are youth, primarily first-time job seekers, it stated.

Approximately 1.6 million members, who had exited earlier, rejoined the EPFO in May 2025. This depicts a 2.12 per cent increase over April 2025 and 14.27 per cent rise compared to May 2024. These members switched their jobs and re-joined the establishments covered under the ambit of EPFO and opted to transfer their accumulations instead of applying for final settlement thus safeguarding long-term financial well-being and extending their social security protection.

Around 262K new female subscribers joined EPFO in May 2025, reflecting an increase of 7.08 per cent as compared to the previous month and year-over-year growth of 5.84 per cent. Further, the net female payroll addition during the month stood at around 425K, with a month-on-month increase of 7.54 per cent and a year-over-year growth of 15.04 per cent. The growth in female member additions is indicative of a broader shift towards a more inclusive and diverse workforce. The top five states/ UTs constitute around 59.98 per cent of net payroll addition, adding a total around 1.2

million net payroll during the month. Of all the states, Maharashtra is leading by adding 20.33 per cent of net payroll during the month.

Maharashtra, Karnataka, Tamil Nadu, Gujarat, Haryana, Delhi, Uttar Pradesh and Telangana individually added more than 5 per cent of the total net payroll during the month. Month-on-month comparison of industry-wise data shows significant growth in the net payroll addition working in establishments engaged in industries including expert services; textile establishment engaged in cleaning, sweeping services; electrical, mechanical or general engineering products; financing establishment; and garment making. Of the total net payroll addition in the month of May 2025, around 44.61 per cent is from expert services, out of which manpower suppliers constitute around 51.71 per cent.

From April 2018, EPFO has been releasing payroll data covering the period September 2017 onwards. The count of members joining EPFO for the first time through Aadhaar validated Universal Account Number (UAN), existing members exiting from coverage of EPFO and those who exited but re-joined as members, is taken to arrive at net monthly payroll.

TOP

IRDAI CIRCULAR

Reference	Link
Clarification on irdai (maintenance of information by the regulated entities and sharing of information by the authority) reg, 2025	https://irdai.gov.in/web/guest/document-detail?documentId=7628074
Exposure Draft IRDAI (Internal Insurance Ombudsman) Guidelines, 2025	https://irdai.gov.in/web/guest/document-detail?documentId=7629967

TOP

GLOBAL NEWS

Pakistan: Regulator grants country's first digital-only non-life insurance license - Asia Insurance Review

The Securities and Exchange Commission of Pakistan (SECP) has approved the country's first-ever digital-only non-life insurance license to InsurTech Digi Insurance. This is being described as a significant milestone in the evolution of Pakistan's insurance sector. A press release issued by SECP said the license issued under SECP's progressive regulatory framework, reflects its commitment to fostering innovation and to enhance access to financial services through technology-led models. Digi Insurance is an indigenous InsurTech company offering an end-to-end digital platform for the delivery of non-life insurance products. The company's business model is rooted in digital-first principles, with all important functions including policy issuance, customer onboarding, and claims management conducted exclusively through digital channels.

By leveraging advanced technologies and data-driven solutions, Digi Insurance aims to deliver faster claims processing, improved customer experience, and operational efficiency. The issuance of a digital-only license enables Digi Insurance to operate without any physical branch infrastructure, thereby reducing costs and enabling wider reach, particularly to underserved and remote segments of the population. This development aligns with SECP's broader objective of enabling financial inclusion through responsible innovation, and encouraging adoption of customer-centric, tech-enabled insurance solutions. This initiative is part of SECP's ongoing efforts to modernise the regulatory landscape and facilitate the emergence of new market entrants offering agile and efficient business models. The Commission anticipates that this approval will serve as a catalyst for broader digital transformation within the insurance sector and promote competition, improved service delivery, and product innovation.

TOP

Thailand: Regulator moves forward with measures to protect consumers - Asia Insurance Review

Thailand's regulator, the Office of the Insurance Commission (OIC), has announced that it will move forward with three measures to protect consumers of insurance, including expediting compensation, developing a complaint reduction process and upgrading the protection system for victims of car accidents. These measures aim to promote rights and equal access for all.

The OIC, through the Benefit Protection Division and the Regional Insurance Promotion and Promotion Division, has implemented expedited relief and assistance measures for policyholders and beneficiaries in the case of group or major accidents.

Enhancing consumer benefits with technology

Through the Protection and Benefits Division, the OIC has implemented an initiative to develop an information system that aims to support insurance benefits, in order to enhance work efficiency in a time of rapid technological change.

This system plays a central role in linking data between the OIC and insurers, allowing them to work together to solve problems for the public to receive initial solutions, and making the acceptance of complaints, mediation of disputes and providing services to the public convenient, fast, transparent and fair.

Improving efficiency of car accident victim protection mechanism

The Department of the Car Accident Victim Protection Registrar has been operating related to consumer protection. In 2Q2025, the OIC also moved forward with measures for compulsory car insurance to improve consumer benefits in three main areas:

1. Review conditions of the compulsory motor insurance policy with a guideline to increase the maximum coverage from THB5m (\$155,000) to THB10m, up to THB20m for every accident so victims can receive comprehensive compensation. This is expected to come into effect in August 2025.
2. Facilitating access to compulsory motor insurance services. Compulsory motor insurance data has been linked to the system used by the Royal Thai Police, in order to support the performance of officers' duties in checking motorist coverage and rights of accident victims.
3. An in-depth research study to create a prototype area for road safety, as well as campaign to promote compulsory car insurance. A prototype area for the road safety project is in Prachinburi Province and was implemented under the campaign "Prachin stands as number one on safe roads, peace of mind with insurance", which analysed risk points and set measures to prevent road accidents.

[TOP](#)

Thailand: Regulator looks to upgrade supervision standards of insurance - Asia Insurance Review

The Office of the Insurance Commission (OIC), Thailand's insurance regulator, is looking to upgrade the supervision standards of Thai insurance business. This includes enhancing the readiness of all sectors related to the supervision mechanism, including the audit committee, compliance supervision unit from both life insurance and non-life insurance companies and relevant associations. Supervision and inspection will be jointly enhanced by the OIC and insurance business sector, and will include the enforcement of TFRS17, which has been in effect since January 2025. To help with the enforcement and adoption of TFRS17, the OIC has developed a "Supervisory Framework" and a tool called the "Early Warning System (EWS)" to systematically screen and assess a company's risk level, while emphasising the role of the ERM/ORSA report. This year, the OIC has also required all companies to establish their risk appetite, which will be used as a risk management framework and leveraged to push companies to the highest criteria in the EWS system. Additionally, in order to keep up with changing business structures of insurance companies, the regulator has noted it will begin to push for group-wide supervision of insurance businesses at the full consolidation level from 1Q2026 onwards to increase investment flexibility under a strict framework.

[TOP](#)

Nepal: Regulator holds successful discussion with provincial government - Asia Insurance Review

The Nepal Insurance Authority, the country's insurance regulator, organised and held a successful discussion with the Koshi Province Government. It was attended by provincial government ministers and secretaries, planning commission officials, representatives of insurers and representatives of the regulator. There, the province's chief minister Hikmat Kumar Karki announced the formation of a committee to expand the scope of insurance and introduce a provincial coverage policy. At the discussion, Mr Karki emphasised the need to provide assistance to citizens rather than distributing relief, and iterated the provincial government's commitment to bringing people under insurance, as well as insuring homes and the underprivileged. Nepal Insurance Authority chairman Sharad Ojha also directed companies to pay claims on time and urged cooperation with the provincial government to provide workers in the informal sector and the underprivileged class with protection. According to the regulator, the discussion also looked at the need to expand access to insurance, transparency in claim payment and preparation of a common insurance policy. The program was attended by provincial government ministers, provincial secretaries, planning officers and representatives of the regulator.

[TOP](#)

New Zealand: Insurance disputes surge to a record high - Asia Insurance Review

The Insurance & Financial Services Ombudsman Scheme (IFSO Scheme) accepted a record number of 600 disputes for investigation in the year from 1 July 2024 to 30 June 2025. This translates to a 25% increase from the previous year. According to a media release by the IFSO Scheme office the present numbers break the previous records. The disputes registered in 2022 were just 285 and have been steadily rising since then. The media release said the IFSO Scheme in total received 4293 enquiries and complaints over the past year across insurance and financial services.

IFSO Scheme Ombudsman Karen Stevens said, "Many of these cases were resolved quickly with assistance from our frontline team. However, we are seeing a growing number of complaints that remain unresolved even after going through the financial service providers' internal processes. These cases escalate into disputes that require formal investigation by the IFSO Scheme." Ms Stevens said there is no single reason for the increase, however the cost-of-living crisis, and expectations of the consumers about what their policies should cover, particularly when premiums have gone up, may be playing a part. Of the disputes investigated, 67% were about general insurance, including house, contents, vehicle, and travel insurance. 29% were about health, life, or disability insurance, and 4% related to credit contracts and other financial services. House insurance continues to be the top area for complaints, accounting for 24% of all disputes, followed by motor vehicle insurance (19%) and travel insurance (18%).

Ms Stevens said the IFSO Scheme can only consider whether the insurer had correctly applied the terms and conditions of the policy to the claim. She said, "It is important to understand that insurers rely on evidence and if you disagree with a claim decision, you must prove that there was damage missed, or that the settlement is unreasonable." The IFSO Scheme is independent, fair and free for consumers, helping resolve complaints about insurance and financial services.

TOP

COI TRAINING PROGRAMS - MUMBAI

Mumbai - Non-Life

Sr. No	Program Name	Program Start Date	Program End Date	Details	Registration Link
1	Crop Insurance : Focus Parametric Products	18-Aug-25	18-Aug-25	ClickHere	Register
2	Agriculture Insurance and Insurtech	25-Aug-25	25-Aug-25	ClickHere	Register

Mumbai - Common

Sr. No	Program Name	Program Start Date	Program End Date	Details	Registration Link
1	Forensic Science in Insurance Investigations	08-Aug-25	08-Aug-25	ClickHere	Register
2	Risk Based Capital	13-Aug-25	13-Aug-25	ClickHere	Register
3	Comprehensive Financial Planning : Focus Insurance Planning	14-Aug-25	14-Aug-25	ClickHere	Register
4	Compliance Management for Principal Officers of Corporate Agents (Including Banks)	19-Aug-25	19-Aug-25	ClickHere	Register
5	Prevention of Sexual Harassment of Women (POSH)	21-Aug-25	21-Aug-25	ClickHere	Register

Mumbai - Life

Sr.No	Program Name	Program Start Date	Program End Date	Details	Registration Link
1	Program on Financial Markets and ULIPs	18-Aug-25	18-Aug-25	ClickHere	Register
2	CC4 - Certification Course in Investigation and Fraud Detection in Life Insurance	20-Aug-25	22-Aug-25	ClickHere	Register

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

Particulars	Details
Date	20 th – 22 nd August 2025
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	₹ 10,620/- (₹ 9,000/- + 18 % GST)

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