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COLLEGE OF INSURANCE

INSUNEWS - WEEKLY E-NEWSLETTER

22ND – 28TH APRIL 2023

QUOTE OF THE WEEK

"Skill is the unified force of experience, intellect and passion in their operation."

JOHN RUSKIN

Insurance Term for the Week

HEDGING

Hedging is often compared to buying an insurance policy because both involve risk transfer. A real estate owner, for instance, might insure a building they own in order to be able to rebuild it and not suffer an extreme financial loss if it ever burned down. But if a fire never breaks out in the building, the premium payments will simply have been a kind of predictable loss for the policyholder.

The same principle applies to hedging in the world of stocks. An investor purchases shares in a company because they are confident that the shares will eventually increase in value. But because there is a possibility that it won't, the investor also buys shares from another company to offset any future losses. Those additional stocks, then, are a kind of insurance for the ones purchased initially.

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INSURANCE INDUSTRY

Living without fraud in the insurance sector is a utopian dream – Live Mint – 27th April 2023

Insurance fraud poses a genuine risk that requires industry stakeholders to take proactive measures, particularly in a rapidly evolving landscape that gives rise to newer types of risks. Insurers need to adopt a comprehensive agenda that covers various departments such as business, compliance, legal, underwriting, and operations to effectively address the issue. Amid these unprecedented times, insurers should consider taking several actions to safeguard their business and policyholders' interests. To shed light on the framework of the insurance sector and identify the various categories of fraud that occur within it, Sanjoy Datta, Partner and Asia Pacific Chief Transformation Officer, Deloitte, and KV Karthik, Partner, Financial Advisory, Deloitte India spoke in an interview. Edited excerpts:

What frauds have been prevalent in the insurance sector in recent years?
KV Karthik: When we look at it, we will probably classify these into two areas. One is traditional fraud, and the second is new-age fraud. The Insurance Fraud Survey by Deloitte 2023 India Findings indicate that while new fraud trends are emerging, traditional frauds have continued to prevail. It's a significant worry for the industry. For example, if we are talking about data theft, collusion between third parties, and mis-selling insurance products and log, these are common among both segments we're talking about. But the life insurance industry also clearly indicated that fraudulent claims, forgery, or application fraud are some of the biggest concerns. However, suppose you look at the health insurance industry. In that case, it is more related to frauds like billing for services not rendered or fraud related to hospital-related or other third-party-related products, which are some of the biggest challenges.

Who are behind such frauds? Are customers trying to take advantage of digitalization? With digitalization, insurers process claims within 24 hours. Who is committing the crime?
Sanjoy Datta: The heart of the problem is customer satisfaction and speed. Today, they're reliant on third-party providers (TPA's). So, the ability to combine time pressure with adequate checks is a basic problem. During the pandemic, there was a huge surge in volumes of policies, as well as claims. And consequently, fraudsters took advantage of that from the technology aspect, the operating model, and the volume. Cyber fraud is one area where we're seeing a continuous focus. But in cyber fraud, one does not need to see what has happened historically but to start thinking of what could happen because of regulatory or compliance pressures, market pricing pressures or gaps in the system. And there are various factors at play as to why the cyber risks are rising. There are a lot of people who are responsible for the rise in fraud in the sector. In some cases, there are gaps; in others, it is the sheer inability to handle the work.

KV Karthik: If we look at fraud, insurance fraud can be divided into one related to fraud against an insurer by the policyholder and other parties involved in the purchase or execution of an insurance product. The intermediaries commit intermediary fraud against the insurers, but even it sometimes can happen with a policyholder. If it happens with the insurer, the policyholder cannot be held responsible. So, the question here is that depending on the fraud type, it could be an intermediate at fault or a policyholder. It could be a mix of both as well. And there are certain cases where you can have internal fraud against the insurer by his employees due to collusion with third parties who may be internal or external.

What are your thoughts on fraud by TPAs? Why aren't insurers trying to build their own network of TPAs?
KV Karthik: Technically, TPA is nothing but a third-party agent. The health insurance industry has come out and said whether it is over-billing services or services not rendered, inflation of bills, and collusion between third parties. These data sets have come about, which will probably answer the question regarding who the third party is involved.

Sanjoy Datta: An ideal solution would be for insurers to have their own network of TPAs and have an exclusive arrangement with hospitals. Now the issue is that the moment an insurer does that, costs shoot up as insurers do not make a very high return on investment or equity simply because of the long gestation period for this business. We've seen that insurers have tried to exit because of the lack of return. Given this background, if insurers increase costs, it will add to the capital requirement and become a very unattractive area for investors to come in.

How are these TPAs forcing insurers to increase policy premiums?
Sanjoy Datta: There is no way one can control premiums directly. Insurance companies can only ensure a standardized procedure to manage and address claims within the time they have to process them. Also, reducing premiums by giving options to clients about what services they want to be covered. At the same time, insurance companies need to work with regulatory bodies to see how these third-party charges can be managed as a whole for the industry. Trying to do it in isolation has not worked. We must accept that fraud will happen. We need to see how to lessen these incidences. Another way is using AI capabilities to determine what risk might lie ahead and stop that from happening. Thinking we can live without fraud in the insurance sector is a utopian dream.

How can insurance fraud be minimised?
Sanjoy Datta: A couple of things to weigh in is, from an insurance perspective, make fraud a priority item for the board, not just for discussion, but for regular, sustained policy, as to what are we doing so that it does not become a CIO /CTO problem. The second is to develop a framework, identifying the various categories of fraud. The third is to set up best practices, sharing both and setting up a database as we do for individual borrowers in banking. Similarly, a database should be maintained for insurance providers and insured clients. This is for agencies or for other parties which keep on committing fraud. So systematically, keep hitting out at the possibility of where all fraud can happen. That is what we have suggested on how the sector can reduce insurance fraud overall.

(The writer is Navneet Dubey.)

TOP

Insurance contracts: NFRA examines proposals on new Indian accounting standard – The Hindu Business Line – 27th April 2023

The National Financial Reporting Authority (NFRA), which is country's sole independent audit regulator, has examined the proposals received from the CA Institute on the proposed new accounting standard for insurance contracts (Ind AS 117). The meeting to examine the new accounting standard was attended by the executive body of NFRA and part time-members of the authority from MCA, CAG, ICAI and the accountancy profession. NFRA will share its recommendations to Ministry of Corporate Affairs (MCA), after which Ind AS 117 has to be considered and notified by the Central government. When notified, it will replace currently notified Ind AS 104, insurance contracts.

NFRA Chairman Ajay Bhushan Pandey highlighted that Ind AS 117 is substantially converged with IFRS Standard adopted in over 140 countries. ICAI had also undertaken extensive public consultation by issuing exposure drafts of the proposed Ind AS 117 in 2018, 2021 and 2022. IFRS 17, originally issued by the International Accounting Standards Board (IASB), in May 2017, is a complete overhaul of the accounting for the insurance industry. It is considered as a first truly international IFRS standard for insurance contracts to help investors and other users to better understand insurers' risk exposure, profitability and financial position. Globally, it has become effective from January 1, 2023. IFRS 17 is specifically designed to capture the unique features of the insurance and investment contracts of the insurance entities. It is highly insurance products specific and would entail a paradigm shift in the measurement, presentation and disclosure requirements. Insurance industry fulfils a significant role in the global economy. IASB's factsheet of 2017 says with $13 trillion in assets, insurers account for 12 percent of the total assets of listed companies that use IFRS standards. Given the central economic role of the industry, proper and transparent accounting for insurance contracts is of crucial importance.

(The writer is KR Srivats.)

TOP

Startups who are changing the scenario of the insurance industry for the betterment – The Economic Times – 27th April 2023

Indian startups are drastically changing the landscape of doing businesses across the sectors. However, the most ambitious startup sector is insurtech startups. Insurtech companies are transforming India's insurance market by integrating data-analytics, AI, predictive analysis to deliver one-stop insurance solutions to the customers. PGA Labs, a reputed business intelligence & service firm highlighted in its recent reports that funding to Indian insurtechs has grown at a CAGR of 34 percent from FY 2017-20. There are a plethora of insurtech companies which have made the insurance coverages easy to access and affordable for customers. Industry experts have predicted that India's online insurance market will reach a value of about Rs 220 billion by 2024.

Digit Insurance is customer-centric insurtech, offers an array of insurance products and services. Being an online insurance company, Digit has a strong presence on social media channels. The startup has a payment friendly policy that empowers customers while making a payment. OneAssist is easying the insurance procedure by offering several insurance coverages, including claims processing, financial protection, quick repair plans, risk assessment, and policy issuance. The startup provides a free trial & test service to its customers before making any sale.

CoverYou, India's leading Insurance Intermediary is dedicatedly serving Healthcare Professionals and Hospitals with its technology driven one- click insurance solutions. It has drastically changed the Healthcare Sector dynamics with its revolutionary insurance products and services designed exclusively for Doctor's.

With a wide customer base spread across 29 Indian states, the startup offers handheld support to every customer not just at the time of buying insurance but also at the time of claims with its 24*7 claims assistance across India. CoverYou is on the path of revolution by being the Only Specialist Insurance Broker for the Healthcare Sector with an aim to fulfil the IRDAI dream of "insurance for all by 2047" for the Healthcare Segment in particular.

RenewBuy is one of the major online insurance companies which has a broad range of insurance products including car, home, life, investment & financial planning, instant loans, and others. The startup has a mission to simplify the insurance and make it accessible to everyone. Conclusion: The bite-size insurance coverage, niche segmentation, easy-to-access policies, and customer-friendly approach have made Insurtech companies successful as well as benefit them exponential growth.

Additionally, the insurtech companies have brought down the insurance frauds. Hence, customer retention rates have increased. The recent growth in Indian insurtech businesses has attracted gain from multiple investors. Insurtech companies are revolutionising the insurance sector in India with advanced technologies and data-analytics.

TOP

Rise of technology in insurance sector in India – Mid – day – 27th April 2023

In India, insurance agents have been going door-to-door of friends-relatives-relatives and acquaintances to issue insurance policies. However, today technology has already entered the insurance sector in the country.

Technology is being used in the insurance sector right from buying policies to servicing them. Once upon a time there used to be numerous plans in the insurance sector. Now the competition has increased as private companies have also come in large numbers. Now the policies have become competitive. There are many differences in terms of its features and premium.

Now customers can buy policies as per their requirement and affordability by understanding the features of different policies of different companies. It is like understanding the system of sale of policies in the insurance sector. Insurance companies are registered with the Insurance Regulatory and Development Authority of India (IRDAI). They have a distribution structure made up of their own employees and agents. Now a new system of insurance brokers has come into effect. These brokers have to pass the exam. They collaborate with various companies to sell a variety of policies. There are more than 550 registered entities operating as on date as insurance brokers.

Companies sell insurance policies through sales teams, point of sale partners and many others. Now that technology is being used, brokers can show policies to customers through their websites, mobile apps, etc. Therefore, now the customer can view a number of policies and their features by entering some of his details and insurance related requirements. A comparison can also be seen between them all. The advantage of this feature is that there is a neutral picture of the policies and their features. Apart from this, quotations are prepared according to the needs of each customer. Most brokers provide claim and after sales support. The comparison of policies is shown not only in terms of premium, but on the basis of features.

It is true that technology provides convenience, but the customer needs to be careful in this. He should see to it that just having a low premium does not make a policy better. Buying a policy creates a long-term liability to pay the premium. Therefore, this decision has to be taken wisely. If you do not buy the policy after filling in the details, then there is a possibility of a phone call suggesting that you buy the policy. Take a decision only after fully understanding the features of any policy. If you do not understand yourself, take the help of an acquaintance or broker. A life insurance policy is a lifelong companion. So it had to be carefully selected.

TOP

Incipient insurance: attitudinal variations amongst Gen Z in India – Nasscom Community – 25th April 2023

There is no getting around the fact that India, despite being one of the world's leading economies has an abysmally low level of penetration when it comes to Insurance. As a new cohort makes its way to working age and begins to confront the many dilemmas of adulthood, Insurance seems to have taken center stage. A looming pandemic, coupled with the younger generation being witness to the ill effects of rapid urbanization and sedentary lifestyles has highlighted the importance of insurance to India's Gen Z population.

Tiered Expectations
Urban India hosts about 30% of the Indian population, with the remaining 70% being distributed amongst Tier 2/Tier 3 cities and rural areas. In the absence of definitive data regarding Gen Z's outlook towards Insurance, we shall rely on the prevailing attitudes demonstrated by millennials (who are astoundingly close to Gen Z when it comes to outlook and behavior).

An online study conducted by Policybazaar revealed that respondents from Tier 2 and Tier 3 cities were far more likely to renew their health and term insurance when compared to their Tier 1 counterparts (89% versus 77%). A large part of this could be attributed to Tier 2/Tier 3 cities being more grounded in familial values, and higher incidences of diseased folk not having access to advanced medical care in times of distress. Furthermore, Tier 2/Tier 3 cities are less likely to feature more avenues of distractions thereby inculcating a more conservative attitude amongst the younger folks in these places, particularly Gen Z.

This attitude has a direct bearing on the kind of services that Gen Z customers from smaller towns expect. Since they are not as informed, they tend to seek more information and niche insurance plans that are uniquely suited to their needs. Agents who can empathize with them are also a welcome addition to it. As for Tier 1 residents, those who come from relatively affluent backgrounds are less likely to worry about insurance as they have a solid safety net to fall back on. Consequently, expectations have less to do with the variety and depth of insurance plans, and more to do with slick, delightful user interfaces that are on par with the other consumer-facing apps that they are used to.

Several respondents, across both Tier 1 and Tier 2/Tier 3 cities who were hospitalized experienced the distress of not having a proper insurance plan (or a plan with limited coverage) and were jolted into seeking a comprehensive insurance plan. The collective sentiment is that health coverage ought to hover anywhere between ₹15 - ₹20 Lakhs to ensure that medical expenses do not end up denting one's savings. Despite the ongoing economic slump, Gen Z has woken up to the perils of putting the horse before the cart and is more likely to prioritize their health over almost everything else. The insurance market could very well experience a period where demand is relatively inelastic as Insurance becomes a non-negotiable for many young Indians.

InsurTech firms and a redefined Insurance distribution playbook only mean that the age-old model of deployed agents and brokers is going to be upended. Gen Z, being a digitally savvy and precocious lot is more likely to undertake extensive research and seek out honest advisors before purchasing an insurance product.

Insurance, Disrupted

Technology has finally caught up to the insurance industry and is working its way toward disrupting it at a record pace. Improved connectivity and radically improved customer service in adjacent industries have raised the bar for satisfying Gen Z. This is the primary factor that is driving the expectations and attitudes of Gen Z when it comes to Insurance.

TOP

IRDAI's Big Guns: What are Bima Sugam, Bima Vahak and Bima Vistaar? – The Economic Times – 24th April 2023

Although insurance penetration in India has increased steadily from 2.7 percent around the turn of the millennium to 4.2 percent in 2020, according to the Economic Survey 2022-23, times are changing and it is poised to emerge as one of the fastest-growing markets globally in the coming decade. As per the insurance regulatory body, IRDAI, insurance penetration in India increased from 3.76 percent in 2019-20 to 4.20 percent in 2020-21, registering a growth of 11.70 percent. Also, the insurance density increased from $78 in 2020-21 to $91 in 2021-22.

To further boost this growth towards achieving the objective of "insurance for all", IRDAI has been highly active over the past few years and the insurance industry has witnessed many initiatives and developments by the regulator in terms of both innovation and regulation. Additionally it has set up a 24-member committee that will explore and recommend on how to bring about synergies in the working and operations of 'Bima Vahak', 'Bima Vistaar' and the digital platform – Bima Sugam.

ETBFSI in this explainer highlights the benefits and key features of these 3 key regulatory initiatives.

What is Bima Sugam?
IRDAI had announced the launch of Bima Sugam, a portal that was supposed to go live from January 01, 2023 but got postponed. The online portal is a one-stop shop for all insurance related queries, policy purchase, claim settlement and insurance advice. It is envisioned as a trusted platform by the IRDAI. Web aggregators, brokers, insurance agents, bank agents, etc would act as facilitators on this platform for selling insurance policies. The portal would provide all such facilities to policyholders having an e-insurance account (E-IA).

The platform would act as a centralised database that will assist consumers with all insurance related queries. It will also pave the way for a speedy acceptance of new/sandbox products. It will further act as a window, to view all policies, details and renewal details. According to sources, IRDAI chairman Debasish Panda has recently met the chiefs of life and general insurance companies to discuss the path ahead for Bima Sugam's launch.

IRDAI is likely to soon release the Request for Proposals (RFPs) for the appointment of service providers for Bima Sugam. Around Rs 100 crore is expected to be raised, through insurance companies, aggregators, agent bodies and more. The rollout could happen in two phases, wherein, initially the platform could only be used as a data bank for insurance firms and intermediaries. In the second phase, the products will get listed on it.

What is Bima Vahak ?
Bima Vahak is another initiative by the IRDAI which would help reach the last mile. Each Gram Panchayat would have a 'Bima Vahak' who would be tasked to sell and service simple parametric bundled insurance products.

Bima Vahak intends to form a women-centric insurance distribution channel. The initiative is likely to foster greater trust and build awareness about insurance products in the rural areas of India. Industry stalwarts believe that the Bima Vahak initiative would replicate the banking correspondents present in rural banking and be a big push for the insurance industry to reach the last mile.

They further added that insurers would need to do a lot of work with state governments and follow a collaborative model to tap the underinsured and uninsured market. The insurance companies have adopted a state each and with the help of state governments are looking to develop state-level insurance plans. Much like what has been done in the banks.

What is Bima Vistaar?
A social safety net product called "Bima Vistaar" targeting the untapped geographies is in the works and is soon going to be launched on the insurance regulator's pet project "Bima Sugam". The regulator in October last year, had formed a 24-member committee, headed by Thomas Devasia, Member Non-Life, IRDAI to develop an affordable, accessible and comprehensive cover - Bima Vistaar -- for rural population in the event of natural disasters, such as floods, and earthquakes, to name a few.

How can these initiatives contribute to the 'Insurance for All' goal?
There is a large section of the population which is missing the facilities of financial aid and insurance. About 30% of the eligible population, the 'missing middle', are deprived of health insurance solutions. About 50% of vehicles are uninsured, and the coverage of property insurance is minuscule. The MSMEs are not adequately covered. This huge protection gap needs to be bridged.

There is a big protection gap in the country, and these newly introduced initiatives will act as a game changer in ensuring wider coverage. According to insurance industry experts, the two schemes – Bima Vahak and Bima Vistaar – will help explore how insurance penetration can be increased in semi-urban, rural towns, or in villages. Bima Sugam will simplify and digitise the insurance marketplace— right from buying policies, to renewals, claim settlement, and agent and policy portability. From eliminating the need to fill lengthy forms, to cutting down commissions paid to intermediaries, Bima Sugam aims to address a number of roadblocks individuals face while fulfilling their insurance needs.

(The writer is Anushka Sengupta.)

TOP

Should insurance be treated as an investment or an expense? – Live Mint – 24th April 2023

Insurance is a necessary expense to protect against unexpected events in life. But, there is an array of products available in the market that come with an added benefit of returns, making it all confusing whether it should be considered an expense or investment. Noting that insurance should always be considered an expense, Chenthil Iyer, a Sebi registered financial advisor, points out, "Even though it may provide a form of investment for your family in the event of your death, it should be viewed primarily as insurance."

Why it should be considered an expense?

Insurance policies typically consist of two main parts: administrative expenses and mortality charges. The mortality charges refer to the contribution made by each individual towards a common pool of money used to give settled claims in a probability manner. Meanwhile, administrative expenses are the costs associated with running the insurance company, such as office expenses and salaries. And the expense ratio for insurance products is calculated as a percentage of the overall premium.

Iyer explains, "When an investment component is added to the product, the same expense structure is applied to the investment component. This makes it inefficient since a significant portion of the investment is taken away as administrative expenses." For example, when you invest ₹1 lakh in mutual fund or directly in a stock, every rupee will earn you interest or returns. However, when the same amount is invested as an investment component in an insurance product, a large percentage is taken away as administrative expenses.

Now the worst part is, most insurance products, especially traditional insurance products, such as endowment policies, money-back policies, whole-life policies, etc, are opaque and do not transparently reveal how much is deducted towards charges, investment, and mortality. Agreeing with Iyer, Sebi registered Investment Adviser Planner Deepsh Rawat, specifically mentions, insurance is a necessary expense to guard against unforeseen mishappenings in life. And, as a financial advisor, I do not recommend investing in insurance products. These products tend to have a heavy cost structure and lack flexibility too.

"However, it can also be viewed as an investment, but the decision to invest in insurance products can be complicated."

Can it also be considered an investment?

Noting that there is no black-or-white answer, Raghaw explains, there are life situations where such insurance products might appeal to investors, especially considering the adverse taxation that fixed deposits and debt funds now face.

Suppose an investor expresses preference for an investment product that provides tax-free returns, then there are not too many options beyond insurance products. At the same time, such a product must also fit in with their overall financial planning. "Hence, my answer might be in favour of insurance investment products, but solely depending on their individual circumstances."

What to choose and what to stay away from?

Iyer says traditional insurance products should be avoided entirely because customers do not know how much is being deducted. They are unable to make an informed decision about the investment component. "However, unit-linked insurance products could be an exception as they offer some level of transparency" Meanwhile, Raghaw says, if someone is taking an informed decision while putting their money in 'insurance-cum-investment' then they should consider the returns they are looking at.

When it comes to portfolio construction, if you want to take exposure to stocks but must invest in an insurance product, then a low-cost Unit linked insurance plan might a good choice. On the other hand, if you want fixed income exposure but through an insurance product, then a traditional life insurance plan might be a better choice. I prefer non-participating plans because these offer guaranteed returns and are thus similar bank fixed deposits. To conclude, insurance should be primarily considered as an expense, but in a few rare circumstances, it might also be looked at as an investment, opines Raghaw.

(The writer is Sanchari Ghosh.)

TOP

India plans to host first global insurance summit to attract investments – Live Mint – 24th April 2023

India plans to host the first state-sponsored global insurance summit later this year to flag challenges facing the industry, turn the global spotlight on Indian insurers and attract investments, an official aware of the matter said, at a time much of the developed world is bracing for an economic downturn. The department of financial services, along with insurance sector associations and insurance companies, are working on the roadmap for organizing this conference that is slated to be the world's biggest, the official cited above said on condition of anonymity. The event will bring together leaders and top executives from top insurers, reinsurers, broking firms, actuarial organizations and regulators on one platform. The event would coincide with India's ongoing G-20 presidency, and leverage the global focus on India. It may be organized closer to the heads of government meeting under G-20 some time in September, though the exact time and venue are still being worked out.

"We hope to bring in close to a dozen global heads on companies involved in insurance operations. Efforts are also on to bring regulators from the developed world too along with government representatives and key policymakers," the official cited above said. A query sent to the finance ministry remained unanswered till press time. Though Indian industry associations do organize similar events, this would be the first with participation from various governments and policy makers. The insurance sector, with its large investment portfolio and universal coverage of personal and business risks, ensures financial stability, trade and commerce, contributing to economic growth. In India, the sector has seen rapid transformation over the last couple of years. The pandemic has accelerated the pace of digitalization of the sector, even as insurance penetration has picked up with rising demand for health and life insurance policies.

The insurance regulator recently launched an 'Insurance for all by 2047' mission, and unveiled several measures to boost growth in the sector. The regulator expects the Indian insurance market to reach $200 billion by 2027. Though the industry has seen rapid developments in recent past, the Indian insurance market is also facing certain inherent challenges in the form of insufficient penetration brought about by lack of financial awareness, trust in insurance, fragmented ecosystem and high distribution cost. India's insurance penetration was pegged at 4.2 percent in FY21, with life insurance penetration at 3.2 percent and non-life insurance penetration at 1.0 percent. To address the issue of cost, the Insurance Regulatory and Development Authority of India (Irdai) had introduced online platform Bima Sugam, where insurance products could be bought and sold directly to customers reducing costs and altering the distribution process.

(The writer is Subhash Narayan.)

TOP

Govt to unveil insurance scheme for GST traders soon – Live Mint – 23rd April 2023

The government plans to introduce a national retail trade policy and an accident insurance scheme in the near future aimed at providing support to domestic traders who are registered under GST, an official said. As per a report by PTI, the official said the proposed policy would help provide better infrastructure and more credit to the traders.

The proposed national retail trade policy in India may include measures such as ensuring convenient and prompt access to reasonably-priced credit, promoting the modernization and digitization of retail trade, providing modern infrastructure support for distribution chains, encouraging skill development and enhancing labour productivity. Additionally, the policy could establish an effective mechanism for consultation and grievance redressal.

India ranks as the fifth-largest global destination for retail, and both the Commerce and Industry Ministry and the Department of Financial Services are collaborating to create an insurance scheme for all retail traders registered under the Goods and Services Tax (GST) system. "The government is trying to do policy changes not only in e-commerce but is also bringing a national retail trade policy for physical traders which will be introducing ease of doing business, providing better infrastructural facilities, providing more credit and all sorts of benefits to traders," the official added.

As part of the proposed national retail trade policy, a streamlined single window clearance mechanism for traders could be established, along with the implementation of a centralized computerized inspection management system. Commenting on the development, the Confederation of All India Traders (CAIT) said the retail trade policy will certainly help the sector widen its business as it will have definite parameters and fundamentals within which the retail trade would be conducted.

Retail trade is the only vertical of the economy which does not have a policy so far, CAIT Secretary General Praveen Khandelwal said. "Likewise, awarding an insurance scheme to traders will recognise their magnificent contribution to the national exchequer," he said.

TOP

Insurance-cum-investment products suited for active, passive, and moderate investors - Financial Express – 21st April 2023

Every investor is unique, whether in terms of investment goals, risk tolerance, or desired outcomes. While some may be comfortable with a high-risk-high-return strategy to build a corpus, others may take a conservative approach to secure their investments. Yet, despite the contrast, it is safe to state that the ultimate objective of all remains the same – achieving financial security and long-term wealth creation.

In today’s world of uncertainties, financial stability is of paramount importance. It is often advised not to put all your eggs in one basket or in simple terms, to diversify your investment portfolio. One effective way to achieve a well-diversified portfolio is to consider insurance-cum-investment products that are designed for every kind of investor. Here’s comprehending what products one should choose as per one’s investing habits:

ULIPs for active investors

Active investing involves a more hands-on approach. If you actively manage your portfolio and are constantly on the lookout for investments that maximise your profits, then the insurance-cum-investment product you should opt for is ULIP or Unit Linked Insurance Plan. These funds deliver the dual benefit of insurance and investment. While a portion of the premium paid is invested in a life cover to offer a monetary in case of an unfortunate event, and the remaining is invested in the two different asset classes – equity and debt to aid wealth creation. Further, ULIP also empowers active investors with the freedom to manage their portfolios by switching between these funds based on market conditions and investment goals, and it, therefore, requires navigating the market fluctuations effortlessly.

Another reason that makes ULIPs appealing to active investors is the added advantage of the flexibility of partial withdrawal and thus, the ease of liquidity at different phases. With umpteen benefits, however, it is essential to know that the ULIP comes with a five-year lock-in period, and partial withdrawals are only viable after this timeframe. Indian markets have been known to provide up to 12-15% returns under favourable market conditions. So, if you are willing to monitor market conditions regularly to meet your long-term goal, ULIP is your plan.

Guaranteed return plans for passive investors

If you fall into the category of passive investors, you are in for the long haul. You wouldn't want to necessarily navigate the market on a day-to-day basis and would prefer a long-term investment strategy instead. Your choice of investment-cum-insurance product will align with guaranteed return plans that will provide a fixed and high rate of return along with life insurance. Additionally, as they shield the investment and returns from volatile markets and economic upheavals, guaranteed return plans are ideal when investing to meet specific life goals like a child's higher education, marriage, etc. What makes them attractive for passive investors is the fact that they can generate tax-free returns as high as 7.5% which is rare for other traditional investment alternatives. So, if you are seeking long-term gains from your investment but do not want to actively manage your portfolio, guaranteed return plans are your best and safest bet.

Capital guarantee plans for moderate investors

Capital guarantee plans should be on your radar if, as an investor, you prefer a balance between risk and reward. As these plans are a blend of ULIPs and guaranteed return plans, they allow the investor to benefit from market gains but with the surety of protecting the principal investment amount. This makes them typically suitable for people with a moderate appetite for risk, as a considerable 50–60% is invested in a guaranteed return plan. The rest can be invested in equity or debt funds. Capital guarantee plans also provide a life cover of ten times the annual premium. The safety element combined with upside of the market is what makes these plans a great choice for moderate investors.

To conclude, all these insurance-cum-investment products come with their own set of advantages, and hence it is essential to align them with your life objectives and risk appetite when selecting your option. But, regardless of the plan, always compare the features and benefits of various ULIPs, Guaranteed return plans, and Capital guarantee plans available online by different companies. Also, as a rule of thumb, read the terms, conditions and fine print for an informed decision.

(The writer Vivek Jain.)

TOP

INSURANCE REGULATION

Irdai's recent reforms will help expand the market – Business Standard – 23rd April 2023

India's resolve to emerge as a global economic powerhouse is anchored in the twin pillars of self-reliance and economic resilience. As macroeconomic conditions worldwide present newer risks and challenges, insurers and re-insurers assume a crucial role in insulating the economy from external shocks. The unique capacity of the insurance industry to engender resilience and self-sufficiency, by underwriting risks and spurring the capital markets provides the foundation for the nation's progress. Against this backdrop, the Insurance Regulatory and Development Authority of India's (Irdai's) visionary 'Insurance for All by 2047' mission plays a crucial role in realising the goal of building a financially robust and resilient nation. Irdai's road map for insurance reforms encompasses a range of strategic measures for enhancing the accessibility and affordability of insurance products, while also promoting the industry's development. While the recent slew of reforms is set to give a boost to the industry, the following efforts are critical to achieving deeper insurance penetration in the country. In order to achieve accessibility for all by 2047, insurers today are tasked with a greater responsibility to understand their customers' needs through timely and unique solutions. Addressing the need for rapidity in today's dynamic market, Irdai's 'use and file' framework helps spawn innovative offerings, providing insurers with much-needed flexibility in designing innovative products and shorter timelines for introducing insurance plans in the market.

The latest amendments to the regulations on 'payment of commission' and 'expenses of management' by Irdai, aimed at freeing the industry from the restrictions of multi-layered expense limits, are expected to assist in expanding the insurance market. As the market grows, the impact of such reforms on insurance products would inevitably decrease, allowing insurers to offer more competitive pricing. The recent reforms announced by Irdai will help bolster the ease of doing business and will aid in making the sector more investment-friendly. One of the significant reforms is the new limit for private equity funds and the capital structure. The reforms have allowed insurers to access more capital, which will enable them to attract more investment, strengthen their balance sheets and pursue growth opportunities. Simplifying regulatory and compliance requirements is another important pillar in the road map to enable insurers to focus more on their core business, leading to better outcomes for customers and the industry as a whole. The new regulations, which reduce the number of returns to be filed by insurers, is a huge relief for them. It will also facilitate the smooth functioning of the sector, which is crucial for the ease of doing business.

The regulator's proactive stance in identifying a lead insurer for each state in India, through collaboration with state governments and insurance companies, is a revolutionary step towards enabling insurers to provide insurance accessibility to all. This approach ensures that insurers have a deeper understanding of the specific needs of each state and can design customised insurance solutions. The appointment of a lead insurer will foster healthy competition among insurance companies. By leveraging technology and collaboration, Irdai's efforts have not only encouraged incumbent players, but also contributed to the rise of InsurTech. With several regulatory developments that will further alter how insurers do business with customers, the future looks bright for the industry. In light of these reforms, insurers must be quick to respond to the evolving regulatory environment by offering innovative solutions and boosting their digital capabilities to reach customers — urban as well as rural. The next big milestone is to enable a financially protected society, and the insurance industry will have to play a crucial role in making this a reality.

(The writer is Prashant Tripathy.)

TOP

LIFE INSURANCE

Only half of Pradhan Mantri Jan Dhan Yojana insurance claims settled in two years – The Hindu – 26th April 2023

In the last two financial years, only 329 claims for accident insurance cover provided to bank account holders under the Pradhan Mantri Jan Dhan Yojana (PMJDY) have been settled out of the 647 claims that were filed. This information was revealed in a reply to an RTI (Right to Information) application filed by activist Chandra Shekhar Gaur. In August 2014, while launching the Jan Dhan Yojana which was hailed as an unprecedented step for financial inclusion, Prime Minister Narendra Modi had also announced accident cover for the account holders.

The accident insurance cover for death or permanent disability is extended to all the 48.65 crore account holders, out of which more than 50% are women. No premium is charged from account holders. Under the PMJDY, a RuPay debit card is provided to account holders. The key condition to avail the accident insurance is that the beneficiary must have performed at least one successful transaction (financial or non-financial) using the card in the 90 days prior to date of accident. This condition can make filing claims difficult. In financial year 2021-22, 341 claims were received, of which 182 were settled and 48 rejected. No details about the remaining 111 cases was provided by the Union Ministry of Finance. The total claim amount paid for the period was ₹2.27 crore. In financial year 2022-23, 306 claims were received, of which 147 were settled and 10 rejected. Again no information was shared on the status of the remaining 149 claims. The total claim payout for the year was ₹1.88 crore.

Mr. Modi had first announced his government's intention to offer zero balance accounts to the "unbanked" in his first Independence day address as Prime Minister in 2014 and he had formally launched the project on August 28 the same year. Originally, an accident insurance cover of ₹1 lakh was offered and later enhanced to ₹2 lakh for new accounts opened after August 28, 2018. In the original scheme, the government had also announced a life insurance cover of ₹30,000 to the PMJDY account holders. But the government's reply to the RTI query stated that this facility had been discontinued since March 2020. As of March 2023, these 48.65 crore PMJDY bank accounts have a total deposit of ₹1,98,844.34 crore. But 4.03 crore of these accounts hold zero balance.

(The writer is Sobhana K Nair.)

TOP

Par for the course: Lock in returns for long term with non-par plans – Business Standard – 26th April 2023

Debt mutual funds lost to the indexation benefit on long-term capital gains from the start of this financial year (2023-24). Many investors are gravitating towards non-participating (non-par) plans of insurance companies in the wake of this change in tax rules. Traditional (non-unit linked) plans are of two types: participating (par) and non-par. Returns of par plans are not guaranteed as they depend on insurer performance. "Non-par plans don't participate in the insurer's profits. Their returns are also not market-linked. Hence, they can offer guaranteed returns," says Deepesh Raghaw, Securities and Exchange Board of India-registered investment advisor and founder, PersonalFinancePlan. Non-par plans typically have a premium payment term of five to 10 years. After that, the investor could get a lump-sum payout (usually after a gap of one or two years). Alternatively, he/she can opt for an income stream that can last for as long as 30-40 years. The returns from these plans are guaranteed by the insurer. At the time of purchasing the plan, the investor gets information on the cash flows of these plans and can calculate their internal rate of return (IRR). "After investing, the investor need not worry about interest rates. Even if they plummet, the insurer will pay the guaranteed rate of return," says Raghaw.

Vivek Jain, head-investments, PolicyBazaar, informs that many of these plans are currently offering returns between 6 percent and 7.5 percent. "If the cumulative premium paid for these plans is up to Rs 5 lakh, the payout on maturity is also tax-free. These plans are also eligible for Section 80C deduction. The regular premium plans offer 10x life cover," says Jain. If an investor has paid less than two premiums and doesn't wish to pay any further, he/she will end up with zero surrender value. "If you decide to exit the plan in the initial years, you will not get the entire premium back," says Raghaw. After paying two premiums, you can make the policy 'paid-up' but the benefits get reduced proportionately. Says Pankaj Mathpal, managing director, Optima Money Managers: "In a non-par plan, you don't get any bonus or dividends, as these plans don't participate in the profits of the insurer." Says Vivek Jalan, partner, Tax Connect Advisory Services: "Effective April 1, 2023, the tax exemption has been withdrawn from high-value traditional life policies. Now, any payout, including non-death maturity benefit, surrender payout, etc of these policies with an annual aggregate premium of over Rs 5 lakh, will be taxable."

Breaking up the investment into smaller policies will not do since the cumulative premium is considered for assessing whether the Rs 5 lakh threshold has been breached. The IRR can vary from one plan to another. "Select a plan that offers an IRR of 7 percent or above," says Jain. Retail investors should seek expert help in calculating the plan's IRR. Between lump-sum and income payout, choose the option that suits your needs. Retirees, for instance, may opt for the income option to meet their cash flow requirements. People in their fifties who want to create a long-term, tax-free income stream after retirement can use these plans. The elderly who want to create a tax-free income stream for their children may also go for them. Younger investors who have a small corpus, and may not be comfortable locking in their money for the long term, should avoid them. Such investors should stick to term plans. Says Deepali Sen, founder and partner, Srujan Financial Advisers: "For a low premium, you can get a huge coverage in a term cover that can provide financial protection to your dependants." Those in the accumulation phase and having a horizon of more than seven years may opt for equity funds. The returns offered by non-par plans are correlated with the interest rates prevailing within the economy. Since interest rates are on the higher side, these plans offer reasonably attractive returns. "Investors who wish to lock into these rates should act now before interest rates start moving southwards," says Jain.

(The writers are Sanjay Kumar Singh & Bindisha Sarang.)

TOP

Unit-linked insurance plans struggle to match benchmarks – The Hindu Business Line – 22nd April 2023

A substantial chunk of equity unit-linked insurance plans (ULIPs) belonging to large-cap, mid-cap and multi-cap categories have failed to match benchmark returns in 3-, 5- and 10-year investment horizons. This highlights the ongoing challenge faced by investment managers, including those in the mutual fund space, and adds to the ongoing actively managed versus passively managed debate that is raging the investment world. The analysis was done by comparing ULIP funds' performance from Morningstar and total return index return data as on April 18, 2023. The study covers 118 ULIP funds (50 each in large-cap and multi-cap and 18 from mid-cap) across 20 life insurance companies including ICICI Pru, HDFC Standard, Bajaj Allianz, Tata AIA etc.

ULIP products typically combine market-linked investments with a dash of insurance, and are marketed as suitable for long-term investments courtesy a 5-year lock-in. Actively managed investment portfolios cost more than simply copying a passively managed basket of stocks, and hence are expected to outperform indices. While in the three-year period, 38 percent of 50 large-cap ULIPs underperformed Nifty 100's 24.1 percent CAGR return, the extent of underperformance grew for such ULIPs in five-year (49 percent) when Nifty 100 clocked 11.2 percent CAGR and 10-year period (77 percent) when the benchmark posted 13.3 percent CAGR. Mid-cap ULIP funds have been consistent in underperformance i.e., over 80 percent of studied 18 funds failed to beat Nifty Midcap 150 across three-, five- and 10-year periods. This is because barely 1-3 funds out of mid-cap ULIP universe were able to match the index's 34.3 percent, 12.2 percent and 18.6 percent CAGR gains in the respective time horizons. If large-cap ULIPs underperformance deteriorated as the time horizon increased, the opposite was true for the 50 multi-cap ULIP funds studied. In this bucket, underperformance was highest (94 percent) in the three-year period as the offerings found it tough to beat Nifty 500 Multicap 50:25:25 index's 30 percent CAGR returns. In five-year period, a lower share i.e., 71 percent of multi-cap ULIPs failed to match the benchmark and in the 10-year horizon, just 58 percent underperformed.

(The writer is Kumar Shankar Roy.)

TOP

GENERAL INSURANCE

PSU general insurers may monetise realty assets – The Economic Times – 25th April 2023

Capital-starved state-run general insurance firms are eyeing monetisation of their real estate assets with the government making any future capital infusion conditional. Capital infusion by the government is contingent to their performance on monetisation and other financial and operational parameters, said officials aware of the matter. The monetisation of commercial and residential real estate asset is part of a five-pronged strategy being worked out by the insurers--which also includes further expansion of their motor and health portfolios and upgrade of risk management systems - to improve their profits and solvency ratio, a senior finance ministry official said. The insurers-National Insurance Company, United India Insurance, Oriental Insurance Company and New India Assurance Company - are also firming up plans for expeditious settlement of third-party motor claims, said the official. Moreover, they have stepped up efforts to further improve risk management practices and also upgrade IT systems so as to offer best-in-class services to customers. The government is considering a further infusion of ₹3,000 crore in FY24, subject to the insurers' ability to act on the reforms agenda, he added.

Last year, the finance ministry had asked the insurers to set up a property review panel to ensure registration of property and keep copies of the title deeds at a centralised place in their head offices. "That exercise has been completed. Now we will be exploring all possibilities," said a senior executive with Oriental Insurance. The state-run insurers had last year hired Ernst & Young (EY) as the consultant for an assignment called 'Organisational Efficiencies and Performance Management in Public Sector General Insurance Companies'. To improve their solvency, the government had infused ₹5,000 crore into the three general insurers in FY21. National had received ₹3,700 crore, Oriental ₹1,200 crore and United India ₹100 crore.

The solvency ratio of the four general insurers-barring New India Assurance-has remained well below the regulatory requirement, thanks to a rise in their underwriting losses and elevated claims in recent years. As per rules, insurers must maintain a minimum solvency ratio of 1.5-or 150 percent in terms of solvency margin. The solvency margin is the additional capital the insurers must maintain over and above the claim amounts they are likely to incur. Good solvency margins enable insurers to settle all claims even in times of financial adversity. While National Insurance had recorded a loss of ₹1,657 crore in FY22, Oriental's losses hit ₹3,115 crore and United India's ₹2,136 crore. New India Assurance Company, the only state-run general insurer to have been listed, had witnessed a net profit of ₹164 crore in FY22. The government has already notified the General Insurance Business (Nationalization) Amendment Act, which will allow the government to cut its stake in state-owned general insurers to below 51 percent. It's yet to announce the name of the entity to be taken up for privatisation, although NITI Aayog is said to have recommended United India Insurance to the core group of secretaries on disinvestment headed by the cabinet secretary.

(The writer are Banikinkar Pattanayak & Dheeraj Tiwari.)

TOP

Flyers seek insurance, flexibility in post-covid travel – Live Mint – 22nd April 2023

An increasing number of air travellers are opting for pre-flight insurance and flexible travel schedules, industry experts said, highlighting the changes brought about in the travel industry after the pandemic. Travellers in the post-pandemic world are also exploring more relaxed itineraries and seeking experience-led travel, resulting in more bookings with pre-booked activities, the experts said. “One key change that I have observed is that people are willing to buy insurance...they have seen their businesses getting affected during covid and their money refunds getting stuck during the three covid waves," Sabina Chopra, co-founder and chief operating officer for corporate travel, and head industry relations, Yatra.com said.

Following the covid outbreak in March 2020, air travel was suspended for two months before it was gradually resumed in May 2020 until it was allowed to operate at full capacity in October 2021. In overseas travel, the government allowed scheduled commercial international flights with effect from March 2022 after a two-year hiatus. “The average room night per booking for April-June quarter increased for domestic and outbound holiday packages. The average nights booked for outbound packages for the summer quarter is 27% higher than last year’s corresponding period; and almost 85% higher than the pre-pandemic average. In domestic packages, too, we have seen a 54% increase in average room nights booked this year over the corresponding period in 2019," Rajesh Magow, group chief executive officer, MakeMyTrip said.

More passengers are also looking to book tickets with zero cancellation charges and full refund, despite making travel plans in advance, having experienced last-minute flight cancellations during covid. "Last year was all about unplanned travel but travellers used to book closer to the date of travel. This year, we don't have revenge tourism. It is business as usual...people are booking 4-6 months ahead of travel...but people are looking for flexible options which can be changed one day prior," Chopra said. Domestic air travel demand has seen a sharp rebound since December. Indian airlines carried a record 13 million passengers in March, up by over 11% compared to the corresponding months of 2018 and 2019, according to Directorate General of Civil Aviation data.

Air passenger traffic for March was also 7% higher than February, and 21% from a year ago, the data showed. "There has been an increase in demand for domestic flights to tourist destinations. This has led to an increase in airfares on the top travel sectors in India, where we have witnessed an approximate airfare increase by an overall 30-40%," Nishant Pitti, CEO and co-founder, EaseMyTrip said. More people have also started opting for leisure and sustainable travel options. "Sleep tourism to improve one's quality of sleep, nature-focused ecotourism and adventure tourism are the new trends being opted by people who wish to go one step beyond," Pittie said.

(The writer is Anu Sharma.)

TOP

HEALTH INSURANCE

Safety net: Covid-19 cases up, check if policy covers at-home care – Business Standard – 27th April 2023

The resurgence of Covid-19 has reignited fears of infection and the financial burden of medical treatment. The importance of assessing one's health insurance coverage and financial preparedness can't be overstated.

Inadequate coverage

The previous waves offer a few lessons. "Medical costs tend to shoot up in a crisis. During Covid, hospitalisation was two-three times more expensive than normal. The frequency of hospitalisation also rose," says Kapil Mehta, co-founder, SecureNow. Many either did not have health insurance or had policies with insufficient sum insured, which was inadequate to meet the expenses of multiple hospitalisations.

SAFETY NET Plans that pay for at-home treatment and consumables (sum insured of ₹15 lakh)

Insurer	Plan	Premium (₹)*	Consumables (PPE kits, etc)
Aditya Birla Health Insurance	Activ Fit Plus	21,307	With non-medical expense waiver rider
Care Health Insurance	Care Supreme	22,605	With Care Shield rider
Manipal Cigna Health Insurance	Prime Advantage	30,301	With non-medical expense rider
Star Health Insurance	Star Assure	30,822	Covered
Niva Bupa Health Insurance	Reassure 2.0 Platinum	34,413	With Safeguard+ rider

*Premiums are for a family floater covering two adults and one child aged 35, 33, and 5 years respectively, based in Delhi Source: Policybazaar.com

Many also had disease-specific plans. "It is better to have a comprehensive health insurance plan rather than a disease-specific one. We don't know the nature of the next pandemic. Broader covers offer more security," says Mehta.

Expenses not covered

Even those who had comprehensive policies discovered that they did not cover many Covid-related expenses. They had to pay for them out of their own pockets. "Many policies offered limited coverage for at-home (domiciliary) treatment. Many also offered inadequate coverage for personal protective equipment (PPE)," says Rahul M Mishra, co-founder & director, Policy Ensure.

He adds that many policies had co-payment requirements and high deductibles, which again translated into out-of-pocket expenses (OOPE).

Fill in gaps
Check if your health policy will pay for these expenses. If not, port to a better policy or fill in the gaps with riders. "Your policy should provide comprehensive coverage, which includes hospitalisation, day care procedures, domiciliary hospitalisation, and treatment of common critical illnesses," says Naval Goel, chief executive officer (CEO) and founder, PolicyX. He adds that the policy should offer the option to increase the sum insured and pay a no-claim bonus. Says Siddharth Singhal, business head-health insurance, Policybazaar.com: "By paying 5-7 per cent extra premium, you can buy a rider that will cover the cost of consumables."

If the sum assured is inadequate, enhance it or buy a super top-up policy. "Take a basic cover of ~5-10 lakh and then buy a super top-up cover. Opt for a deductible equivalent to the basic policy. This will make the super top-up cover affordable," says Mishra. Also consider purchasing a daily cash benefit rider or a standalone daily cash benefit policy. This pays a fixed sum for each day of hospitalisation, which can be used to meet OOPE.

Remember a key point about making a claim for domiciliary treatment. "A registered MBBS doctor must recommend that hospitalisation is a must but can't be done due to non-availability of beds at a nearby hospital or because the patient is not in a condition to be moved," says Singhal.

Health care fund

You must also have a health care fund.

"In most claims, about 85 per cent of costs are paid and 15 per cent are outside the ambit of coverage. A health care fund can take care of this. Keep this fund independent of other investments. Put this money in a bank deposit or a short-term debt fund," says Mehta. He adds that one needs to top this up over time as medical inflation is above 10 per cent.

Systematic investment plans (SIPs) can help. While the amount required in the fund will vary from person to person, ~10 lakh should suffice in most cases.

(The writer is Sarbajeet K Sen.)

TOP

Zero waiting period: Why are insurers denying customers this benefit? – Live Mint – 27th April 2023

Health insurance is a critical protection coverage for individuals and families to mitigate their financial burden against healthcare expenses. However, most health insurance plans come with terms and conditions mentioned in the policy document. 'Waiting period' is one such term that many insurance companies incorporate in their health plans. The implication: such insurance policies do not come into effect immediately after its purchase. It also means that a policyholder can make a claim only after the waiting period is over. Insurers incorporate different waiting periods in their plans, starting from a 30-day initial waiting period for all non-accidental claims and between one and four years for specific diseases and surgeries. Policies that have an waiting period of 30 days will not cover any illness during this time unless it is for hospitalization due to an accident. Policies with a two-year waiting period will not cover hospitalization and surgeries for kidney stones, hernia, cataract, hysterectomy, and joint replacements for the first two years. At present, 14 of the top 15 health plans recognised by Mint Beshak insurance ratings have a 30-day wait period for any claim apart from an accident. This means even hospitalization due to fever, malaria, dengue, etc is not covered in the first 30 days. These 14 companies also have a two-year waiting period for ailments such as cataract, hernia, hysterectomy, etc.

A zero-waiting period is a feature that enables customers to get full coverage the moment they buy a health insurance plan. Besides hospitalization due to accidents, a policy with a zero-waiting period will provide coverage for all diseases with immediate effect. While such a policy has benefit for customers, many insurers avoid this feature. The primary reason is the lack of trust due to information asymmetry across buyers and sellers of insurance products. Many customers look to buy health insurance only when they are diagnosed with a disease. However, the business model of insurance companies depends on spreading a measurable risk across a bigger pool of customers—they need a good mix of healthy customers as well. Currently, insurers maintain this balance by creating such wait periods in their policies. In a zero waiting period regime, this delicate balance breaks as many customers who are diagnosed with a disease will want to buy insurance just before the treatment. This will lead to a significant surge in the proportion of unhealthy customers in the portfolio, resulting in higher risk exposure to the insurers and more expensive insurance policies.

In the lending industry, this trust issue has been resolved by the launch of industry-wide trust-marker like CIBIL score which indicates the creditworthiness of the customer based on past transactions. CIBIL score has not only democratized data across stakeholders but also ensured that it drives right customer behaviour and also allows companies to innovate. Lenders are now able to weed out the bad customers (a small minority) and offer superior customer experiences to the good ones. How can insurance companies strike the right balance between risk exposure and customer benefits? For insurance companies to offer coverage from day zero, they must have a robust system in place to assess the health of their customers. Mandating medical tests for all eligible customers can help insurers accurately determine the health of the individual and thereby offer rates accordingly. The digitization of health records and the ease of customer data flow across various ecosystem players as part of the Ayushman Bharat Digital Mission (ABDM) charter can further help insurance companies underwrite better and offer better rates to customers based on their health.

Lastly, the regulatory authority should allowing insurers to reject claims of customers who lie about their health conditions. This will coax customers to be honest about their health condition. Combining all these data points, we can have an industry-wide health index score, which drives the right behaviour for the customer and allows insurers to bring in superior customer propositions. Technology, coupled with the right expertise and partnerships, can sow early seeds to equip insurance companies to deliver zero-waiting periods in their health plans. We then only need a few insurance companies to stick their neck out and do what is right for the customers.

(The writer is Rupinderjit Singh.)

TOP

ESIC-run social security scheme adds 1.22 million new members in Feb – Live Mint – 25th April 2023

Around 12.26 lakh new members joined the Employees' State Insurance Corporation (ESIC)-run social security scheme in February 2023, according to an official data released on Tuesday. The latest data is part of a report -- Payroll Reporting in India: An Employment Perspective - February 2023 -- released by the National Statistical Office (NSO). It showed that the gross new enrolments with ESIC rose to 1.49 crore in 2021-22, from 1.15 crore in 2020-21. It was 1.51 crore in 2019-20 and 1.49 crore in 2018-19. The report said gross new enrolments with ESIC from September 2017 to February 2023 were 8.02 crore. The NSO report is based on the payroll data of new subscribers of various social security schemes run by ESIC, the Employees' Provident Fund Organisation (EPFO) and Pension Fund Regulatory and Development Authority (PFRDA). According to the report, net new enrolments with retirement fund body EPFO stood at 10.15 lakh in February 2023.

It showed that from September 2017 to February 2023, around 6.35 crore (gross) new subscribers joined the Employees' Provident Fund scheme. According to the Employees' Provident Funds and Miscellaneous Provisions Act, firms with more than 20 employees must provide workers with subscription to the retirement fund manager. New subscribers to the EPFO can therefore be taken as proxy for job creation in the labour market. The report said since the number of subscribers is from various sources, there are elements of overlap, and the estimates are not additive. "41,46,283 new subscribers joined and contributed in the NPS central government, state governments and corporate schemes during September, 2017 to February 2023," the report said.

(The writer is Saurav Anand.)

TOP

Group Health Insurance: What are the benefits of OPD coverage for Indian employees? – Live Mint – 25th April 2023

As the Indian workforce continues to adapt to new ways of working in the wake of the pandemic, employee wellness has become a top priority for companies in the last three years. The rising incidence of health issues among employees has made it necessary for companies to provide comprehensive health insurance plans that include coverage for outpatient care.

Our data shows us the following:
Mental illness, in particular, has become a pressing concern in recent times, with increasing work pressure, long hours, and a lack of work-life balance taking a toll on employees' mental health. Our recent study revealed that over 77% of its mental health telehealth consultation bookings came from young adults aged between 21 and 30, followed by 17% from millennials aged between 31 and 40. With the aim of making mental healthcare available to all, IRDAI has recently mandated mental illnesses to be included in regular health insurance coverage.

OPD coverage gap
Unfortunately, many employees still face high out-of-pocket expenses for routine medical needs such as mental health, skincare allergies, eye-related diseases, sleep apnea, obesity, diabetes, and respiratory problems. Although basic health insurance typically covers only hospitalisation, a significant portion of healthcare expenses arises from doctor consultations, diagnostics and medications. The State of Employee Benefits 2023 report reveals that while 65% of India's out-of-pocket medical expenses come from out-pateint expenses, less than 2% of Indian companies offer OPD (Out-patient Department) coverage with insurance. This highlights the need for insurance coverage for outpatient care.

The current scenario of workplace and employee well-being in Indian companies
Employee attrition rate is a major concern for most companies. Employers are becoming increasingly aware that providing employee benefits is one of the ways to retain their top talent. According to a survey by the Society for Human Resource Management (SHRM), employee benefits are the third most important factor that employees consider when deciding to stay with a company.

The rising health issues among employees and their family members
Mental illness is not the only health issue plaguing employees. Skincare allergies, growing eye-related diseases, and other chronic health conditions like obesity, diabetes, and respiratory problems are also on the rise (as observed by teleconsultations on Plum telehealth).

The alarming gaps in insurance covers as part of GHI provided by employers
The lack of insurance coverage for outpatient care is a significant gap in the group health insurance (GHI) provided by employers. Basic health insurance plans typically cover only hospitalisation, leaving

employees to pay for routine medical needs out of their own pockets. A recent report by Niti Aayog's 'Health Insurance for India's Missing Middle' states that a larger share of households are catastrophically impacted by out-patient expenses relative to in-patient expenses. 80% to 85% of catastrophically affected households incur OPD expenses, compared to 45% to 50% for OPD.

Current insurance plans vs the ideal insurance plan with OPD covers
Today, OPD coverage can cover treatments including dental and vision treatments, physiotherapy, doctor consultations, vaccinations, prescribed medicines and supplements, AYUSH treatments, diagnostics, and annual health check-ups. An insurance policy that offers outpatient department (OPD) benefits can help cover these expenses, making it particularly advantageous for individuals with high out-of-pocket costs or parents with young children who may require frequent over-the-counter medicines or medical tests.

Amid the current environment of uncertainty, it is essential for companies to pay attention to their employees' holistic health. The costs of healthcare in India are rising, and a single illness can drain a family's lifetime savings. Therefore, as employers, it is important to cover employees' and their families' healthcare costs and also any ancillary costs that can occur due to accidents or lifetime disabilities.

Employee health benefits should not stop at just group health insurance. Including OPD coverage in health insurance plans provided by companies for their employees is a wise decision that can benefit both the employees and the company. By providing comprehensive health insurance coverage, companies can demonstrate their commitment to their employees' well-being and promote a healthy work culture.

(The writer is Abhishek Poddar.)

TOP

MOTOR INSURANCE

You can save 20 percent on car insurance premium if you buy Pay As You Drive; who should opt for it? - The Economic Times – 26th April 2023

Car insurance has traditionally been standardised in India. Even if your car hits the road once a month or less, you had to buy at least a third-party motor insurance. Along with it, if you included own-damage car insurance, you had to pay a hefty premium for your car until recently. There was no difference between heavy car users and light car users. However, motor insurance policies have become more customer-friendly over the past few years. Now, car owners have the option to tailor their vehicle insurance policy, especially their own-damage parts as per their driving profile. At the end of the day, you need an insurance policy to cover risk and the amount of the risk varies from one individual to another, depending on how much they drive, and how responsibly they drive. One such tailor-made plan is the 'Pay As You Drive' motor insurance policy. Let's understand what it is and how it works.

The 'Pay As You Drive' insurance product is a comprehensive own damage (OD) plus third party (TP) policy where the third party premium will be decided as per the norms while the comprehensive own damage premium will be calculated based on how many kilometers you plan to drive in a given timeframe. Insurance companies generally offer it as an add-on cover.

There are two basic types of 'Pay As You Drive' policies — one is based on the kilometers driven and the other is the number of days the insurance policy is on, explained Ashwini Dubey, Head - Motor Insurance Renewals, Policybazaar.com. The kilometer-based plans generally start from 2,500 kilometers per year and have different slabs of 5,000 kilometers, 7,500 kilometers, 10,000 kilometers, and so on, he added. To gauge usage, insurance companies generally install a tracking device in your car or use a mobile application.

For example, under HDFC ERGO's 'Pay As You Drive' – Kilometer Benefit Add-On cover, if you are driving less than 10,000 kilometers a year, you can claim a benefit of up to 25 percent of the basic own-damage premium at the end of the policy year. The discount will vary depending on the kilometers you drive. In case you continue to renew the policy with the insurer, you get an additional discount of 5 percent on the basic own damage premium if there is no claim in your previous policy.

What happens if you exceed the kilometer limit? Typically, the third-party cover will remain active but there will be no own-damage cover in case of a claim. Generally, insurers give you the option to top up your coverage with more kilometers if you exhaust the previously chosen mileage plan for that year.

Another variation of the 'Pay As You Drive' policy is Switch On/Off motor insurance where you can turn your own-damage cover on while you are driving and switch it off when you are not using your car. Kotak Meter (Switch On/Off) allows you to turn off your own-damage cover when you are not driving. For every continuous 24-hour period where your own-damage cover is off, you will get one bonus day as a reward. Among others, ICICI Lombard, Zuno General Insurance (previously known as Edelweiss General Insurance), Acko General Insurance, Digit General Insurance, and New India Assurance also offer 'Pay As You Drive' motor insurance policies.

Pay As You Drive: Up to 20% savings on OD premiums

'Pay As You Drive' covers are based on a simple principle that you should pay less premium for insurance if you drive less. If you are sure about lower vehicle usage during the year then instead of a flat rate, you can pay the insurance premium as per your actual usage. "The premiums for 'Pay As You Drive' is lower than a general car insurance, but it depends on insurers," said Ashish Lath, Business Head, InsuranceDekho. The premium of 'Pay As You Drive' insurance will depend upon various other factors. "The premium of 'Pay as you Drive' insurance depends on several factors, such as the type of car you have, the age of the car, and the level of coverage needed," said Pooja Yadav, Chief Product Officer, of Zuno General Insurance.

Now how much will you save if you opt for a 'Pay as you Drive' policy? Answering this, Ashish Lath said, "The higher the slab you choose, the higher the premium and vice versa, People opting for Pay As You Drive insurance can save 5-20 per cent over a general car insurance plan." "The exact amount of savings depends on your car's model, age, and place of registration. For a five-year-old Maruti Swift, you can save up to 20 per cent on its own-damage premium," Dubey explained.

Echoing the same, Animesh Das, Senior Director – Motor Underwriting at ACKO said, "A car owner can save up to 20 per cent of the insurance premium by opting for such plans." Do note that the exact amount of savings will depend upon various factors. "'Pay As You Drive' is an add-on offered under a regular motor insurance policy hence, all coverages and benefits under the motor policy are also available. Those who have limited use of their cars can have significant savings on their annual premium by opting for 'Pay As You Drive'," said Yadav.

Who should buy 'Pay As You Drive' insurance?

'Pay As You Drive' motor insurance policies are most suitable for those who drive less, said Bahroze Kamdin, Partner, Deloitte India.

a)Those who work remotely or from home, do not drive their cars regularly. They can use 'Pay As You Drive' motor insurance to save some premiums.
b)'Pay As You Drive' insurance is customised for people who mostly use company-provided transportation, or public transport for the work commute and rarely drive their cars.
c)Senior citizens or retirees who use cars for limited occassions can also opt for 'Pay As You Drive' insurance.
d)'Pay As You Drive' is tailor-made for those who drive their cars only on rare occassions such as homemakers.
e)Those who have multiple vehicles and use one car regularly and the other cars sparingly can go for 'Pay As You Drive' insurance for those cars which are used rarely.
f)Those who live in a tier-III city and beyond, and their car usage is usually less than 10,000 kilometers per year, then the Pay As You Drive cover is the right plan for them, said Ashish Lath.

g)Lastly, anyone who drives less than 35 miles per day can opt for 'Pay As You Drive' insurance, as per ICICI Lombard. "While purchasing a Pay As You Drive insurance policy for your car, you need to keep a check on factors such as the type of car you drive, the km you would be covered in a year, the previous year's claim status, etc.," said Lath.

'Pay As You Drive' insurance premium: Old cars vs new cars
The premium of 'Pay As You Drive' usually varies for old and new cars primarily because the risk factors are different. The IDV is also lower for older cars ages and higher for newer cars. Since older cars tend to be driven less on average than newer cars, the premium tends to be lower for older cars, said Dubey.

Should you add add-ons to the 'Pay As You Drive' policy?
You can add add-ons to your 'Pay As You Drive' policy. "Most insurers offer add-ons in 'Pay as You Go' products. While the core of the insurance policy is to cover the damages, it will be covered with the 'Pay as You Go' product. Although different companies may have some conditions like the number of claim limits, deductible, etc. it is best recommended to get add-ons to fully protect the vehicle, said Animesh Das, Senior Director – of Motor Underwriting at ACKO.

(The writer is Anulekha Ray.)

TOP

Do women car-owners need motor insurance add-ons? – Financial Express – 24th April 2023

Women drivers are a growing demographic — according to Statista, 6.8% driving licences were issued to women in 2019 (latest data), of the total 206 million that year in India. Several reports also show that women are generally safer on the road than men (they tend to be more cautious and less likely to engage in risky driving behaviours). But despite being less likely to be involved in accidents, women drivers can still benefit from additional protection on the road.

While third-party insurance is mandatory for all car owners, it is always recommended that one opts for comprehensive motor insurance that covers damage to the owner's car and third-party liabilities. But there are still certain damage expenses that comprehensive motor insurance might not cover. This is where policy add-ons come to your rescue, offering enhanced coverage. Particularly for women drivers, there are a few motor insurance add-ons that should be considered.

For women who are primary earners
The 'daily allowance cover' is an add-on that pays for your commute to work in case your car has broken down and is getting repaired. This add-on comes in handy for women who are single mothers or sole breadwinners of the family. It typically provides a sum of up to Rs 500 to cover daily transportation costs, usually for a two-week period. The coverage, however, may differ in terms of the amount and duration depending on the insurer. This option is particularly beneficial for those who rely on one vehicle. It's important to note that this add-on is valid only if your car is getting repaired at a garage that's in your insurance company's network.

Protection when travelling alone
Roadside assistance is an essential add-on for all drivers, especially for women. A car can break down at anytime, anywhere, and if it happens in the middle of nowhere, women drivers can face a great deal of inconvenience. Roadside assistance coverage can provide support in the event of a breakdown, flat tyre, or other mechanical issues, ensuring that women are not left stranded in an unfamiliar area, and unable to seek help.

Women should speak to their insurance provider to discuss which level of coverage may be appropriate for their individual needs and circumstances.

Good driving behaviour gets rewarded
Pay How You Drive (PHYD) plans are based on telematics devices installed in the car to track the driving behaviour of the driver. PHYD is especially beneficial for women drivers as they generally demonstrate safer driving behaviours than men, resulting in lower insurance premiums.

Under the PHYD model, the driving habits are tracked, and drivers are rewarded with a discount on their premium for good driving behaviour. Women who follow rules and drive carefully will end up paying a lower premium than someone who violates rules or crosses the speed limit. This add-on helps in maintaining road safety by rewarding drivers who practice safe driving habits.

Protection for valuable belongings
The 'personal belonging cover' is a useful add-on for women who commute to work on a car on a daily basis and carry valuables with them. While comprehensive motor insurance policies may cover the cost of any damage to the car, these don't cover the cost of personal belongings that are damaged or stolen. This cover provides coverage for loss or damage to personal belongings that are kept inside the car, up to a certain limit.

It's important to note that this add-on comes with a few exclusions of its own. Some of these are:
—Any incident that has occurred due to the policyholder's negligence;
—Claims arising out of a borrowed property;
—Personal belongings that were left in the car overnight;
—Loss of items due to a car accident.

Pay only for the distance you travel
While Pay As You Drive (PAYD) is technically not an add-on, it's a highly recommended comprehensive plan for women drivers. It allows the policyholder to pay the premium as per driving frequency. One can purchase from pre-decided distance slabs like 2,500 km or 5,500 km, as per need, and pay the premium according to that. Alternatively, one can choose the model where they can switch off their policy when their car is not being used, ultimately reducing the premium. This option works best for women who work remotely or in a hybrid model or those who don't drive often and prefer public transportation or cabs instead. It is always advised to compare multiple options online before making a decision. Also, don't forget to read the policy fine-print thoroughly before you buy any plan.

TOP

PENSION

Higher pension | EPFO to wait for number of applicants before releasing calculation process – The Hindu – 28th April 2023

Even as the last date to file joint options to claim higher Provident Fund pension ends on May 3, the Centre has decided to wait for the total number of applicants before releasing the procedures to calculate the pension and the share of employees. The amendments to the Employees' Pension Scheme of 1995 to decide the future of the Centre's budgetary support of 1.16 percent of wages to the higher pension of a member of the Employees' Provident Fund Organisation (EPFO) is also likely to take time. Both decisions are important for implementing the Supreme Court order of November 4, 2022, on the higher PF pension. A senior government functionary said that the calculation will be done once there is an assessment of the total applicants. "We will work out the calculation based on the number of applicants," he said, adding that an assessment can be made about the government's contribution and EPFO's role only after looking at the total number of applicants. When asked about the amendments to the EPS 1995 for clarity on the contribution of the employee and the government, he said the Centre is working on it. "The Union Labour Ministry is working on it," he added.

(The writer is A M Jigeesh.)

TOP

Enrolments under Atal Pension Yojana cross 52 million – Financial Express – 28th April 2023

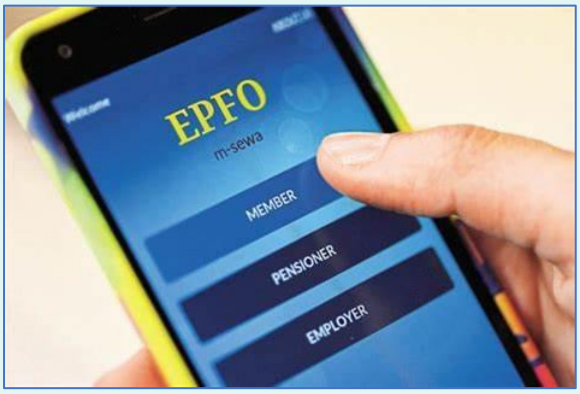
Total enrolments under Atal Pension Yojana (APY), a government-backed scheme guaranteeing a minimum monthly pension of Rs 1,000-5,000 to the subscribers based on their contributions, crossed the 52 million mark on March 31. The scheme enrolled more than 11.9 million new subscribers in FY23 as compared to 9.9 million in FY22, clocking more than 20% growth, the finance ministry said in a statement. As of date, the total assets under management (AUM) in APY is more than Rs 27,200 crore and the scheme has generated an investment return of 8.69% since inception on May 9, 2015. Under APY, a subscriber would receive a lifelong minimum guaranteed pension of Rs 1,000 to Rs 5,000 per month from the age of 60 years, depending on their contributions. The same pension would be paid to the spouse of the subscriber after the demise of the subscriber and on the demise of both the subscriber and spouse, the pension wealth as accumulated till age 60 of the subscriber would be returned back to the nominee.

Twelve states, namely Bihar, Jharkhand, Assam, Uttar Pradesh, West Bengal, Madhya Pradesh, Tripura, Rajasthan, Andhra Pradesh, Chhattisgarh, Odisha and Uttarakhand have achieved their annual enrolment targets with the help of their respective State Level Banker's Committee (SLBCs). In the Public Sector Banks (PSBs) category, 9 banks achieved the annual target while Bank of India, State Bank of India, and Indian Bank sourced more than 100 APY accounts per branch.

Under the Regional Rural Banks (RRBs) category, 32 banks achieved the annual target while Jharkhand Rajya Gramin Bank, Vidharbha Konkan Gramin Bank, Tripura Gramin Bank and Baroda Uttar Pradesh Gramin Bank sourced more than 160 APY accounts per branch. Also, Tamilnad Mercantile Bank, Dhanlaxmi Bank and Airtel Payments Bank achieved the annual target allocated by the ministry of finance. The Pension Fund Regulatory and Development Authority (PFRDA) conducted 47 APY outreach programmes and Town Hall meetings pan India at various locations, in coordination with SLBCs and RRBs. Many initiatives were taken, such as the launch of a digital onboarding facility using Aadhaar, the launch of revamped APY app,17 podcasts for creating awareness about the benefits of APY, and the launch of a Chatbot facility for seeking basic information on APY.

TOP

Uptick in PF enrolment, 1.38 cr net users joined EPFO scheme in 2021-22 – Business Standard – 27th April 2023



There was an uptick in PF (Provident Fund) enrolment in India during 2021-22, with 1.38 crore net subscribers joining the Employees' Provident Fund Organisation (EPFO) scheme, indicating a higher number of people joining the formal workforce, according to a report called the Karnataka Jobs Report 2022-23 by service provider Quess Corp and Federation of Indian Chambers of Commerce and Industry (FICCI). This trend is continuing in 2022-23, which suggests that formal employment is expected to increase further.

The latest EPFO payroll figures from the past five years (2017-22) indicate that Maharashtra, Karnataka, Tamil Nadu, Gujarat, and Haryana have contributed significantly to the overall net EPFO new payrolls, accounting for 60.54 per cent of the total. These states also registered the highest number of new Employees' State Insurance Corporation (ESIC) members as of March 2021, with steady growth in formal jobs observed in the top five states. Maharashtra, Karnataka, and Tamil Nadu are among the top-performing states in terms of GDP growth, which explains their consistent contribution to the EPFO database.

"Given the burgeoning growth of key sectors in India and the noticeable uptick in formal employment there is a sense of optimism regarding the future of the country's economy," said Lohit Bhatia, President of Workforce Management, Quess Corp. The report findings based on an analysis of EPFO, ESIC database and estimation of government employees showed that the state of Karnataka has about 24.7 per cent of its workforce employed in the formal sector, which is 4.74 per cent higher than the national average of 20 per cent, creating promising opportunities for the state's industry and trade prospects. The report also highlights that Karnataka accounts for nearly 11 per cent of the net new formal job additions in India. "The findings in the report indicate that Karnataka is a leader in formal job creation in India," said K Ullas Kamath, Chairman, FICCI Karnataka State Council. "Undertaking skilling efforts at graduation level with a constructive partnership with industry, Government, and academia can fast-track the progress of formal job creation, especially in a large number of MSMEs, booming IT, and tech-driven sectors."

According to the data, the expert services category, comprising manpower agencies, private security agencies, and small contractors, among others, has emerged as the primary formal job creator, responsible for approximately 38 per cent of the new formal jobs generated in the last five years. The demand for temporary or contract-based workers across various industries has fuelled this growth. Additionally, the government's efforts to formalize the informal sector have resulted in a higher number of small contractors and other informal businesses registering with the EPFO and contributing to the creation of formal jobs.

The remaining eight major sectors, including building and construction, trading and commercial establishments, engineering, developing electronic, mechanical, and general engineering products, textiles, and garment making, together added around 1.56 crore jobs, which is around 62 per cent of the new formal jobs added. The Building and Construction sector is the second-largest job creator, with consistent growth in formal job creation. The growth is attributed to the government's emphasis on creating smart cities and enhancing infrastructure, along with the rising demand for infrastructure and real estate projects. The textile industry has also shown signs of recovery with a significant increase in PF-linked employees in the last five years. This growth is attributed to the surge in demand for textile products both domestically and internationally, along with favourable government policies such as the Production Linked Incentive (PLI) scheme.

Agriculture dominates India's informal job market with over half of e-Shram portal registrations. The report also delves into the analysis of India's informal workforce and estimates that around 45.6 crore individuals are engaged in this sector. Out of India's estimated working population of 57 crore, only 20 per cent (11.4 crore) are employed in the formal sector. While the e-Shram portal (the centralised database of unorganised workers) has seen a notable 28.55 crore individuals registering as of December 2022, approximately 17.05 crore informal sector workers are yet to register. Uttar Pradesh has the highest number of registrations on the e-Shram portal, with 8.3 crore workers registered, followed by Bihar, West Bengal, Madhya Pradesh, and Maharashtra.

The dominance of the agriculture sector on the portal is apparent, with more than half (52%) of the informal job registrations being from this sector. This is because it is the largest employer in the informal sector in India. The construction sector (9 per cent) has also witnessed a significant number of registrations on the portal. This is due to the increased focus on infrastructure development and urbanization in India, resulting in more employment opportunities in the sector. Workers may have registered on the portal to access better job opportunities. Apart from agriculture and construction, other sectors that have seen significant informal job registrations on the e-Shram portal include domestic and household workers (10 per cent), apparel (6 per cent), and miscellaneous (4 per cent).

(The writer is Peerzada Abrar.)

TOP

More flexibility for NPS soon via systematic withdrawal plans: PFRDA chief – The Hindu Business Line – 27th April 2023

The low-cost National Pension System (NPS) will soon have a new feature of Systematic Withdrawal Plans, adding to the sheen of the popular retirement planning product, said PFRDA Chairman Deepak Mohanty. This new feature will give flexibility to NPS subscribers to opt for the facility of systematic withdrawal post retirement of subscribers at monthly, quarterly, half yearly and annual rests, Mohanty told businessline.

This flexibility is essentially targeted at non-government sector subscribers — corporate and all citizens model categories — the growth driver for NPS assets last fiscal. The upcoming feature is also significant, given the perceived low annuity returns in the Indian financial system. In FY23, as many as million new subscribers came to the NPS fold from the non-government sector. “In this fiscal (2023-24), we expect this to increase to 13 lakh new subscribers,” Mohanty added. Mohanty, who assumed charge at the helm of PFRDA in mid-March this year, said the rollout of this systematic withdrawal feature will happen this year. Indications are that it would be a reality in third quarter this calendar year.
“The CRAs (central record keeping agencies) are working on this,” said Mohanty.

PFRDA is looking to allow systematic withdrawal in terms of either units or in the form of periodic lumpsum amount, depending on the subscriber’s choice. At present, under NPS, a subscriber has to, on retirement, invest at least 40 per cent of the accumulated corpus in annuities. The remaining 60 percent can be withdrawn for any of his end use purposes, including investments in other assets. Now, the PFRDA is planning to give the subscriber flexibility to leave the residual amount (other than 40 per cent that goes for annuities) within the NPS system, and avail pension at monthly, quarterly, semi-annual or annual rests till the age of 75, Mohanty explained. “So, from 60 years [on retirement] till 75 years you as NPS subscriber can remain within NPS system and avail monthly, quarterly, semi-annual or yearly systematic withdrawal. Either you can take your 60 per cent at one go when you retire at 60 years or stretch it over next 15 years till you turn 75 years. You get higher return and redeem as you go,” said Mohanty.

He also said that PFRDA Board has already given its nod for introducing this flexibility to NPS subscribers. Another interesting aspect of this systematic withdrawal plan is that it would serve as a competing product to the annuities, said Mohanty. NPS subscribers would now compare the returns through this facility with those for annuities and accordingly decide if they should raise the proportion of annuity investments beyond the statutory defined 40 percent or not. Currently, NPS subscribers can even park the entire retirement corpus in annuities on retirement.

AUM milestone
Mohanty said that NPS assets have touched about ₹9.2 lakh crore and well on course to touch a milestone level of ₹ 10 lakh crore by September end. He also felt that the introduction of new tax regime (which is neutral to all savings instruments) was not going to be dampener for NPS demand. “ I think the hiccups we saw in the last two months of March quarter will soon be ironed out and we will return to previous growth trajectory. People should choose NPS after all things considered including the returns,” Mohanty added.

RRB push
Mohanty said PFRDA will this year focus energies on distributing NPS through Regional Rural Banks. “We will engage with sponsor banks and induce RRBs to offer NPS. This has been an untapped segment for us,” he said. Asked about interest rate movements in the system and its impact on NPS assets growth, Mohanty highlighted that 10-year G-sec yield has softened after the RBI’s rate pause in its recent monetary policy and trading in the range of 7.11-7.27 per cent. With NPS assets being marked to market and debt instruments comprising 84 per cent of investments, a falling interest scenario supplements growth of overall AUM, he noted.

(The writer is KR Srivats.)

TOP

‘NPS AUM to touch Rs 10 trillion by Q2 of FY24’ – Financial Express – 27th April 2023

The National Pension System (NPS) will step up outreach to corporates and the unorganised sector in rural areas to widen the coverage of the retirement benefit net, the Pension Fund Regulatory and Development Authority (PFRDA) chairman Deepak Mohanty said. The regulator is also reviewing regulations and reducing the compliance burden on the intermediaries, he told Prasanta Sahu in an interview. Edited excerpts.

How was the NPS performance in FY23?
The Atal Pension Yojana (APY) added 11.9 million subscribers in FY23 compared with 9.9 million in FY22. The non-government sector (corporate and citizens other than APY) also crossed a landmark of 1 million new subscribers in FY23 compared to 0.975 million in the previous year. On APY, one has to appreciate that the achievement is on a high base as more than 50 million have been on-boarded so far.

Normally, we see a surge in new subscriptions during the last quarter of a financial year. There was some change in tax provisions in the new income tax regime (nil tax for income up to Rs 7,00,000 sans exemptions and deductions), which has impacted the drive as there are many who largely join for tax benefit, particularly the youngsters. But, this is only temporary.

What are the targets for FY24?
We hope to enrol around 13 million on the APY side in FY24. In the non-government sector, we will try to enroll 1.3 million new subscribers. These are indicative numbers, we could also exceed given the potential that we have. In terms of assets under management (AUM), NPS has crossed Rs 9.17 trillion as on April 22 and we will be crossing Rs 10 trillion by the end of the second quarter of FY24.

What is the strategy to enrol more people under NPS?
Formal salary jobs are relatively less in our country. Even in the formal sector, NPS onboarding is quite large. But the take-up rate with the employees is relatively low because they're given an option. So, obviously, the focus area would be to create more awareness among employees on NPS. We are planning to scale up engagement with the human resource department of large corporates and industry bodies.

Boosting NPS
In the rural sector, agriculture workers' income is lumpy, and they don't get regular income. So NPS is a suitable product for them because they don't have to put regular savings into that, only once a year contribution is required and the minimum contribution is Rs 1,000. We are also trying to onboard Regional Rural Banks, which are important intermediaries in rural areas to offer APY and other NPS schemes.

What are the new initiatives being taken by PFRDA?
As announced in the finance minister's Budget speech, regulators are reviewing regulations and reducing the compliance burden on the intermediaries and on the whole ecosystem. We are also making a comprehensive review of regulation and we have also set up a committee under the chairmanship of the former chief of the Insolvency and Bankruptcy Board of India MS Sahoo to look into this issue. Secondly, we are planning to put in the public domain a statistical handbook, which will give cross-section and time-series data on various aspects of pension and this will be available on our website. The NPS equity scheme has given close to a 12% average annual return since inception, 9.4% by the Central government scheme and 9.25% by the State government scheme. These are quite good returns compared to similar products. People would have information on this through the time series data and so they can make an informed judgment on joining NPS.

(The writer is Prasanta Sahu.)

TOP

Whole-annuity NPS can fetch OPS-like pension: PFRDA chief – Financial Express – 27th April 2023

The accumulated corpus of a subscriber under the contributory National Pension System (NPS) can generate more than 50% of the last pay drawn as pension after a government service period of 30-33 years, Pension Fund Regulatory and Development Authority (PFRDA) chairman Deepak Mohanty said on Wednesday.

The remark comes when a government panel is reviewing NPS and exploring ways to make it more attractive in terms of risk-free pension payouts. The review is in the wake of many state governments reverting to the defined-benefit-based old pension scheme (OPS), and more announcing plans to follow suit.

"Certainly, with the full contribution (100%) invested in annuities or a similar product, NPS will generate (returns sufficient for providing) more than 50% of the last pay drawn as pension. Of course, the exact pension would vary depending on grade and promotion, and is subject to various assumptions and calculations," Mohanty told FE.

Mohanty is a member of the committee headed by finance secretary TV Somanathan to review the nearly two-decade-old NPS, with an intent to enable it to provide higher pensionary benefits.

However, the NPS corpus might not still be be enough if the pension monies were to be compared with the fiscally non-viable and non-contributory OPS for pre-2004 staff, who get annual increments in pension, linked to inflation. As the corpus remains fixed post-retirement, the initial higher pension gains will peter out if inflation-linked increments are to be factored in, an analyst said.

While ruling out reversing the pension reforms and going back to the fiscally-disastrous unfunded OPS, which entails up to 50% of the last pay drawn as pension from the Budget to the pre-2004 government staff, the Centre is conscious of increasing resonance of the demand for revival of OPS, ahead of the state assembly/general elections in 2023-2024.

Under OPS, a government employee is entitled to 50% of his/her last salary as a pension if he/she has completed 33 years of uninterrupted service. Employees with uninterrupted service of more than 10 years and less than 33 years are entitled to pension on a pro-rata basis. Their pension is increased by 6-8% annually based on inflation.

According to the extant NPS norms, a maximum of 60% of the accumulated NPS corpus from contributions during a person's working years is allowed to be withdrawn at the time of retirement. Such withdrawal is also tax-free. The subscriber has to invest a minimum of 40% of the corpus in annuities for a regular pension. However, it is not a guaranteed pension as returns are linked to markets.

Declining to comment on deliberations of the NPS committee, Mohanty said: "Even some countries which have defined benefit plans, fund them via means like a payroll tax. Having a completely unfunded system has its own risk in terms of sustainability." "The terms of reference (of the committee) also suggest we also look at how we can do things differently for NPS, so that it becomes more beneficial to the pensioners."

Seemingly keeping electoral gains in mind, many Opposition-ruled states — Rajasthan, Chhattisgarh, Jharkhand and Punjab — have announced a return to OPS. However, only two states stopped fresh contributions to NPS in FY23 for their staff after they reverted to the non-contributory OPS, indicating the moves are for political mileage as they also have lingering doubts about OPS sustainability.

"OPS is an open-ended promise, and no one knows how much it will end up costing the country, given the imponderable of longevity of lives. There is also the inflationary linked pension revision which again, is difficult to estimate in advance," said Kulin Patel, senior consultant at pinBox, a global social pensionTech. "To replicate OPS-style benefits, NPS is probably going to require 50% more or higher contribution rates than today."

Andhra Pradesh has floated the idea of guaranteeing 33% of an employee's last drawn salary if he/she contributes 10% and 40% if the contribution is 14%. However, no details of the scheme are yet available.

(The writer is Prasanta Sahu.)

TOP

NPS adoption by central public sector at 13-month high in February – Business Standard – 25th April 2023

Adoption of the National Pension Scheme (NPS) by the employees of central government and central public sector enterprises (CPSEs) increased to a 13-month high in February, signaling accelerated fresh formal hiring by the public sector. The latest NPS data released by the National Statistical Office (NSO) on Tuesday showed the number of new monthly subscribers under the central component of the NPS increased by 7.5 per cent to 13,282 in February from 12,349 in January 2023.

Earlier, 13,421 new subscribers had joined the NPS in January 2022. Since the Centre has mandated the NPS for all of its new employees, analysts believe the monthly subscription figures can be considered as a proxy for new employment generation by the central government and CPSEs.

Of the total 13,282 new subscribers who joined the NPS in February under the central government and CPSUs, the share of women subscribers, however, fell to 20.7 per cent from 29.1 per cent in January. Similarly, the share of young subscribers (18-28 years) also fell to nearly 64 per cent in February from 70 per cent in the preceding month. The rise in new subscriptions in February was led by people of 28 years of age and above, as their share rose to 35.9 per cent from 29.9 per cent in January.

However, Mukesh Anand, assistant professor at the National Institute of Public Finance and Policy (NIPFP), said the spike in the new subscribers in February was not entirely due to the new hiring and could be a result of the increase in tier-II or voluntary accounts under the NPS as a number of employees tend to take the benefit of tax rebates and other incentives provided under it, at the end of the financial year.

“Hence, the current spike shows that the NPS can be made attractive with the right incentives. It is hoped that the recently formed committee to review the NPS would come up with the right innovations. Moreover, this spike could also be a result of the various Rojgar Melas that the prime minister has been conducting in the previous months and those bulk appointments are now beginning to show up,” he said.

The spike seen in the new subscribers in February under the NPS comes in the wake of the massive decline seen in the formal employment in February, as new monthly subscriptions under the Employee Provident Fund (EPF) fell to a 21-month low (738,052), from 819,659 in January. Similarly, according to the data released by the Centre for Monitoring Indian Economy (CMIE), which conducts its own surveys, India’s unemployment rate had risen to 7.45 per cent in February from 7.14 per cent in the previous month.

The NPS data showed the new subscribers under states fell for the fourth consecutive month to 33,152 in February from 35,253 in January. Earlier, a few Opposition-ruled states, including Rajasthan, Chhattisgarh, Himachal Pradesh, Jharkhand, and Punjab, had announced a return to the Old Pension Scheme (OPS), thereby abandoning NPS. Hence, it cannot be used as an exact metric to gauge hiring at state level.

Managed by the Pension Fund Regulatory and Development Authority, the NPS is designed on a defined contribution basis, wherein both the subscriber and the employer contribute an equal amount to his/her account. It was made mandatory for all new central government employees from January 1, 2004, except the armed forces and, thus, the NPS data can be used as a proxy to gauge the number of new jobs created under the central government.

(The writer is Shiva Rajora.)

TOP

National Pension System likely to get a facelift – Financial Express – 24th April 2023

The recently-formed committee on the National Pension System (NPS) will review the nearly two-decade-old scheme with an intent to enable it to provide higher pensionary benefits, with higher contributions from both the government and employees.

According to a source, the panel, headed by finance secretary TV Somanathan, might suggest guaranteeing a certain pension similar to the Old Pension Scheme (OPS), but without reverting to the non-contributory system. The proposal is to usher in the guaranteed component "in a graded manner", so as to avoid a high upfront fiscal cost.

While ruling out reversing the pension reforms and going back to the fiscally-disastrous unfunded OPS, which entails up to 50% of the last pay drawn as pension from the Budget to the pre-2004 government staff, the Centre is conscious of increasing resonance of the demand for revival of OPS, ahead of the state assembly/general elections in 2023-2024. Under OPS, a government employee is entitled to 50% of his/her last salary as a pension if he/she has completed 33 years of uninterrupted service. Employees with uninterrupted service of more than 10 years and less than 33 years are entitled to pension on a pro-rata basis.

According to the extant NPS norms, 60% of the accumulated NPS corpus from contributions during a person's working years is allowed to be withdrawn at the time of retirement. Such withdrawal is also tax-free. The balance 40% is invested in annuities, which, according to an estimate, could provide a pension equivalent of about 35% of the last pay drawn. However, it is not a guaranteed pension as returns are linked to markets. There is no silver bullet and governments across the world are facing this issue of giving higher and guaranteed pensions for many years now, said Kulin Patel, senior consultant at pinBox, a global social pensionTech.

"OPS is an open-ended promise and no one knows how much it will end up costing the country, given the imponderable of longevity of lives. There is also the inflationary linked pension revision which again, is difficult to estimate in advance," said Patel. "To replicate OPS-style benefits, NPS is probably going to require 50% more or higher contribution rates than today." Seemingly keeping electoral gains in mind, many Opposition-ruled states — Rajasthan, Chhattisgarh, Jharkhand and Punjab — have announced a return to OPS. However, only two states stopped fresh contributions to NPS in FY23 for their staff after they reverted to the non-contributory OPS, indicating the moves are for political mileage as they also have lingering doubts about OPS sustainability.

Patel said increasing contributions in a phased and fairer manner. "So, as people age, their contribution should increase every five years or so. The government should never fix the contribution rate at the beginning of the enrolment," Patel said. Currently, the government contributes 14% of pay and employee contributes 10% to the NPS corpus. The biggest cost in the OPS in India is the inflation linkage, which increases pension 6-8% each year. However, such inflation linkage has to be capped under NPS. "For a country and the economy like India, if we're looking at a long-term inflation of between 4-6%, it can guarantee at least inflation-linkage revision of up to 2.5-3% per annum to manage the costs going forward," Patel said.

The government can get the employee unions to understand that from an affordability perspective as a baseline, the guaranteed pension would be 35 or 40% or whatever the number is worked out by saying that more likely than not, because of the modelling/projections, most people will actually do much better in the longer term, Patel added. Andhra Pradesh has floated the idea of guaranteeing 33% of an employee's last drawn salary if he/she contributes 10% and 40% if the contribution is 14%. However, no details of the scheme are yet available.

Another option is that if the entire/states' corpus or 58.3% of the corpus built from the central/state government contribution (14%) is annuatised/invested in some innovative product, the pension in NPS might be 45-50% of the last drawn salary, another source said. If actual returns work out to be less than the guaranteed amount, the gap could be bridged by the government concerned by contributing a little more to NPS like in the Atal Pension Yojana (APY). In the government-backed APY that guarantees a minimum monthly pension of `1,000-5,000 to the lower-income group subscribers based on their contributions, the actuarial estimates found a corpus gap of `5,000-6,000 crore, which the Centre is bridging from Budget with a provision of `800 crore in FY23 to start with. However, if the pension has to be revised annually to factor in inflation, some additional mechanism has to be worked out to meet the additional expenses.

(The writer is Prasantu Sahu.)

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New EPFO circular clarifies how much one needs to pay to get higher EPS pension – Live Mint – 24th April 2023

The Employees Provident Fund Organisation (EPFO) has issued new details for scrutiny of information and wage details submitted by the employee and employer for higher pension. The EPFO issued a circular on 23 April in which it stated that applications and joint options for higher pension will be examined by the field office. In case, the requirements are complete, the wage details submitted by the employers will be verified with the data available with the field offices.

The EPFO circular had also provided for the higher pension option for those eligible subscribers who either contributed on actual wages higher than ₹5,000 or ₹6,500 per month prevalent threshold pensionable salary or exercised their option for higher pension or their request for higher pension was declined by EPFO authorities before the amendment to EPS-95 in 2014. The eligible subscribers would have to apply jointly with their employer for the enhanced benefit in the application form prescribed by the commissioner and all other required documents like joint declaration etc.

"The cases where FO details and employers' details match, the dues will be calculated and an order will be passed by APFC/RPFC-II/ RPFC-I for depositing/transferring the dues. The cases where there is a mismatch, the same will be informed to the employer and the employee/pensioner by APFC/ RPFC-II. They will be given a time of one month to complete the information," EPFO said in its circular.

If the application for higher pension and joint option not approved by the employer:
"In case submitted application form / joint option is not approved by the employer, before any rejection, an opportunity will be given to the employer for providing any additional proof or evidence or correct any mistakes/errors (including those made by employees / pensioners). Such opportunity will be for a period of one month and under Intimation to the employees / pensioners, the circular said.

If the information submitted is found incomplete or erroneous
The EPFO in it circular said," In cases where the submitted information is not complete or seems erroneous or any information in application/ joint option form needs correction request or not found eligible, APFC/RPFC-II will seek information from the employers under intimation to the employees / pensioners within one month. If complete information is received, the case shall be processed further as at 3 above. However, if, complete Information is not received within one month, the order will be passed on merit by the APFC/RPFC-II/RPFC-1."

Grievance Redressal:
Any grievance by the applicant can be registered on EPFIGMS after submission of his request form and payment of due contribution, if any. The registration of such grievance shall be under specified category of higher pension with reference to Supreme Court Judgment dated 04.11.2022. All such grievances shall be addressed and disposed of at the level of Nominated Officer. Grievances will be monitored by the Officer In-Charge of Regional Office and Zonal Office.

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IRDAI CIRCULAR

Topic	*Reference*
Master Circular on Registration of Indian Insurance Company, 2023	https://irdai.gov.in/web/guest/document-detail?documentId=3321302

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COI TRAINING PROGRAM

Training Programme Schedule for the month of May and June 2023

For registration kindly mail to college_insurance@iii.org.in

Sr. No.	Title of the Training Program	Training Dates	Timings (IST)	Fees for Online	Fees for Residents	Fees for Non-Residents	Type of Program
			May - 2023				
1	Risk Management and Insurance Products-CT-Mumbai	8th to 9th May, 2023	10.00 am to 5.00 pm	–	Rs. 10000/- + 18% GST	Rs. 7200/- + 18% GST	Offline-Calendar Programme-Mumbai
2	Enterprise Risk Management (ERM) and the role of the Chief Risk Officer(CRO)-CT-Kolkata	8th to 9th May, 2023	10.00 am to 5.00 pm	–	Rs. 10000/- + 18% GST	Rs. 7200/- + 18% GST	Offline-Calendar Programme-Kolkata
3	Regulatory Drawing Board–A Comprehensive Program for Insurance Regulators-CT-Mumbai	8th to 11th May, 2023	10.00 am to 5.00 pm	–	$ 400 USD		Offline-Calendar Programme-Mumbai
4	Understanding IFRS 17-CVT-Mumbai	9th May, 2023	10.00 am to 1.00 pm	Rs.1500/- + 18% GST	–	–	Online-Calendar Programme-Mumbai
5	Key Performance Indicators (KPIs) in Life Insurance Companies-CT-Mumbai	11th May, 2023	10.00 am to 5.00 pm	–	Rs. 5000/- + 18% GST	Rs. 3600/- + 18% GST	Offline-Calendar Programme-Mumbai
6	Crop Insurance: Focus- PM Fasal Bima Yojana-CT-Mumbai	11th to 12th May, 2023	10.00 am to 5.00 pm	–	Rs. 10000/- + 18% GST	Rs. 7200/- + 18% GST	Offline-Calendar Programme-Mumbai
7	Fire Insurance Management and Standardised Product-CVT-Mumbai	15th to 16th May, 2023	10.00 am to 1.00 pm	Rs.3000/- + 18% GST	–	–	Online-Calendar Programme-Mumbai
8	Marine Cargo Insurance Management:	15th to 17th May, 2023	10.00 am to 5.00 pm	–	Rs. 15000/- + 18% GST	Rs. 10800/- + 18% GST	Offline-Calendar

	Underwrting and Claims-CT-Kolkata						Programme-Kolkata
9	Agriculture Insurance-CT-Mumbai	17th to 18th May, 2023	10.00 am to 5.00 pm	–	Rs. 10000/- + 18% GST	Rs. 7200/- + 18% GST	Offline-Calendar Programme-Mumbai
10	Risk Inspection & Management for Risk Engineers-CT-Mumbai	18th to 19th May, 2023	10.00 am to 5.00 pm	–	Rs. 10000/- + 18% GST	Rs. 7200/- + 18% GST	Offline-Calendar Programme-Mumbai
11	ERM and Risk Based Capital-CT-Mumbai	18th to 19th May, 2023	10.00 am to 5.00 pm	–	Rs. 10000/- + 18% GST	Rs. 7200/- + 18% GST	Offline-Calendar Programme-Mumbai
12	New Vistas in Life Insurance Underwriting-CVT-Kolkata	18th May, 2023	10.00 am to 1.00 pm	Rs.1500/- + 18% GST	–	–	Online-Calendar Programme-Kolkata
13	Health Insurance: Medical Management and Fraud Control-CT-Mumbai	22nd to 23rd May, 2023	10.00 am to 5.00 pm	–	Rs. 10000/- + 18% GST	Rs. 7200/- + 18% GST	Offline-Calendar Programme-Mumbai
14	Underwriting and Valuation Surplus in Life insurance Companies-CT-Kolkata	22nd to 23rd May, 2023	10.00 am to 5.00 pm	–	Rs. 10000/- + 18% GST	Rs. 7200/- + 18% GST	Offline-Calendar Programme-Kolkata
15	Investment Management in Insurance Companies-CT-Mumbai	24th to 25th May, 2023	10.00 am to 5.00 pm	–	Rs. 10000/- + 18% GST	Rs. 7200/- + 18% GST	Offline-Calendar Programme-Mumbai
16	Internal Financial Control (IFC) in Life Insurance Companies-CT-Mumbai	25th to 26th May, 2023	10.00 am to 5.00 pm	–	Rs. 10000/- + 18% GST	Rs. 7200/- + 18% GST	Offline-Calendar Programme-Mumbai
17	Impact of Risk Management in Insurance Business and the Need for Stress Test-CVT-Kolkata	25th to 26th May, 2023	10.00 am to 5.00 pm	Rs.6000/- +18% GST	–	–	Online-Calendar Programme-Kolkata
18	Impact of Risk Management in Insurance Business and the Need for Stress Test-CT-Kolkata	25th to 26th May, 2023	10.00 am to 5.00 pm	–	Rs. 10000/- + 18% GST	Rs. 7200/- + 18% GST	Offline-Calendar Programme-Kolkata
19	Suitability Assesment and Product Recommendation-CT-Mumbai	29th to 30th May, 2023	10.00 am to 5.00 pm	–	Rs. 10000/- + 18% GST	Rs. 7200/- + 18% GST	Offline-Calendar Programme-Mumbai

June- 2023							
20	Understanding Electric Vehicle Insurance-CVT Mumbai	1st to 2nd June, 2023	10.00 am to 1.00 pm	Rs.1500/- + 18% GST	–	–	Online-Calendar Programme-Mumbai
21	Basics of Aviation Insurance-CT Mumbai	5th to 6th June, 2023	10.00 am to 5.00 pm	–	Rs. 10000/- + 18% GST	Rs. 7200/- + 18% GST	Offline-Calendar Programme-Mumbai
22	Liability Insurance - Appreciation-CVT Mumbai	7th to 8th June, 2023	10.00 am to 1.00 pm	Rs.1500/- + 18% GST	–	–	Online-Calendar Programme-Mumbai
23	Life Office Financial Management and Investments-CVT Kolkata	7th June, 2023	10.00 am to 1.00 pm	Rs.1500/- + 18% GST	–	–	Online-Calendar Programme-Kolkata
24	Taxation(IT & GST) in Life Insurance-CT Mumbai	7th to 8th June, 2023	10.00 am to 5.00 pm	–	Rs. 10000/- + 18% GST	Rs. 7200/- + 18% GST	Offline-Calendar Programme-Mumbai
25	Marketing Strategies for Branch Managers and Heads of Marketing Units : Life Insurance-CT Mumbai	7th to 8th June, 2023	10.00 am to 5.00 pm	–	Rs. 10000/- + 18% GST	Rs. 7200/- + 18% GST	Offline-Calendar Programme-Mumbai
26	Investment Awareness-CVT Mumbai	8th June, 2023	10.00 am to 1.00 pm	Rs.1500/- + 18% GST	–	–	Online-Calendar Programme-Mumbai
27	Understanding Life Insurance Operations for Middle Level Managers-CT Mumbai	8th to 9th June, 2023	10.00 am to 5.00 pm	–	Rs. 10000/- + 18% GST	Rs. 7200/- + 18% GST	Offline-Calendar Programme-Mumbai
28	Insurance Survey (Pre Acceptance and Post Loss) Report Writing-CT Mumbai	8th to 9th June, 2023	10.00 am to 5.00 pm	–	Rs. 10000/- + 18% GST	Rs. 7200/- + 18% GST	Offline-Calendar Programme-Mumbai
29	Workshop on Soft Skills for team managers and team leaders-CT Mumbai	12th to 14th June, 2023	10.00 am to 5.00 pm	–	Rs. 15000/- + 18% GST	Rs. 10800/- + 18% GST	Offline-Calendar Programme-Mumbai
30	International Reinsurance Program-CT Mumbai	12th to 17th June, 2023	10.00 am to 5.00 pm	–	$ 600 USD		Offline-Calendar Programme-Mumbai
31	Creating High performers in Banca Channel - CVT Mumbai	14th June, 2023	10.00 am to 1.00 pm	Rs.1500/- + 18% GST	–	–	Online-Calendar Programme-Mumbai

	Ind-AS and Accounting Standards for Life Insurance-CVT Mumbai	15th to 16th June, 2023	10.00 am to 1.00 pm	Rs.3000/- + 18% GST	–	–	Online-Calendar Programme-Mumbai
32	Liability Insurance: Focus - Casualty Lines-CT Mumbai	15th to 16th June, 2023	10.00 am to 5.00 pm	–	Rs. 10000/- + 18% GST	Rs. 7200/- + 18% GST	Offline-Calendar Programme-Mumbai
33	Managing Liability Insurance: Marketing, Underwriting and Claims (Otherthan Motor TP and Cyber Liabilities)-CT Kolkata	16th to 17th June, 2023	10.00 am to 5.00 pm	–	Rs. 10000/- + 18% GST	Rs. 7200/- + 18% GST	Offline-Calendar Programme-Kolkata
34	Managing Liability Insurance: Marketing, Underwriting and Claims (Otherthan Motor TP and Cyber Liabilities)-CVT Kolkata	16th to 17th June, 2023	10.00 am to 5.00 pm	Rs.6000/- + 18% GST	–	–	Online-Calendar Programme-Kolkata
35	Customer Service and Claims Management - CT Mumbai	19th to 20th June , 2023	10.00 am to 5.00 pm	–	Rs. 10000/- + 18% GST	Rs. 7200/- + 18% GST	Offline-Calendar Programme-Mumbai
36	Sales Cycle Management-Power Selling - CT Mumbai	19th to 20th June , 2023	10.00 am to 5.00 pm	–	Rs. 10000/- + 18% GST	Rs. 7200/- + 18% GST	Offline-Calendar Programme-Mumbai
37	Ind-AS and Accounting Standards for Insurance - CT Kolkata	19th to 20th June , 2023	10.00 am to 5.00 pm	–	Rs. 10000/- + 18% GST	Rs. 7200/- + 18% GST	Offline-Calendar Programme-Kolkata
38	Programme on Anti-Money Laundering (AML), KYC and Counter-Financing of Terrorism(CFT) - CVT Mumbai	20th June, 2023	10.00 am to 1.00 pm	Rs.1500/- + 18% GST	–	–	Online-Calendar Programme-Mumbai
39	Insurtech and Agriculture - CVT Mumbai	21st June, 2023	10.00 am to 1.00 pm	Rs.1500/- + 18% GST	–	–	Online-Calendar Programme-Mumbai
40	Principles of Valuation - Life - CVT Mumbai	21st June, 2023	10.00 am to 1.00 pm	Rs.1500/- + 18% GST	–	–	Online-Calendar Programme-Mumbai
41	Personal Financial Planning and Life	22nd to 23rd June , 2023	10.00 am to 5.00 pm	–	Rs. 10000/- + 18% GST	Rs. 7200/- + 18% GST	Offline-Calendar

	Insurance - CT Mumbai						Programme-Mumbai
42	Motor OD Insurance - Underwriting and Claims - CT Mumbai	22nd to 23rd June, 2023	10.00 am to 5.00 pm	–	Rs. 10000/- + 18% GST	Rs. 7200/- + 18% GST	Offline-Calendar Programme-Mumbai
43	Industrial Risk Inspections: Methods and Reporting-CVT Kolkata	22nd June, 2023	10.00 am to 1.00 pm	Rs.1500/- + 18% GST	–	–	Online-Calendar Programme-Kolkata
44	Management of Renewable Energy Insurance - CT Kolkata	22nd to 23rd June , 2023	10.00 am to 5.00 pm	–	Rs. 10000/- + 18% GST	Rs. 7200/- + 18% GST	Offline-Calendar Programme-Kolkata
45	Management of Renewable Energy Insurance-CVT Kolkata	22nd to 23rd June , 2023	10.00 am to 5.00 pm	Rs.6000/- + 18% GST	–	–	Online-Calendar Programme-Kolkata
46	Basics of Life Insurance for New Entrants in Life Insurance Companies-CT Mumbai	26th to 27th June , 2023	10.00 am to 5.00 pm	–	Rs. 10000/- + 18% GST	Rs. 7200/- + 18% GST	Offline-Calendar Programme-Mumbai
47	Management of Fire Insurance (Material Damage and LOP)-CT Mumbai	26th to 27th June , 2023	10.00 am to 5.00 pm	–	Rs. 10000/- + 18% GST	Rs. 7200/- + 18% GST	Offline-Calendar Programme-Mumbai

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