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COLLEGE OF INSURANCE

INSUNEWS - WEEKLY E-NEWSLETTER

22ND – 28TH JULY 2023

QUOTE OF THE WEEK

"Really, the only thing that makes sense is to strive for greater collective enlightenment."

ELON MUSK

Insurance Term for the Week

Collision Insurance

Collision insurance is coverage that reimburses the insured for damage sustained to their automobile when they are not at fault. This type of insurance is separate from a comprehensive automobile insurance policy but often added an extension. When two drivers are in an accident, collision insurance pays for the damage, and it will cover damage from potholes, and accidents involving an inanimate object.

Collision coverage is often expensive to purchase, but premiums may be lowered by choosing a $500 or higher deductible. Comprehensive auto insurance covers events out of a driver's control. Collision insurance cover events within a driver's control or when another driver hits your car.

INSIDE THE ISSUE

INSURANCE INDUSTRY

Credit a better bet for fintechs eyeing expansion: PBFintech's Yashish Dahiya – The Economic Times – 28th July 2023

Major Indian fintech startups looking to enter insurance after tasting success in payments or wealth management should focus on credit, given the higher margins available there, PBFintech chairman Yashish Dahiya said. In a free-flowing conversation from Dubai, Dahiya, who helms the Gurugram-based company that runs insurance marketplace Policybazaar and credit marketplace Paisabazaar, pointed out that those wishing to invest in the insurance space should put their money onpeople who have shown some returns already. Most of the disruption in the insurtech space is taking place in distribution, which is just a $250 million revenue opportunity, he noted. While admitting that there is a viable business to be set up in digitising the physical agent network, Dahiya said there is definitely a bubble building up in the insurtech space with respect to sky high valuations. "You have to always pass on 95 percent of what you earn to these agents and on top of that it is a 'buy' market with almost no loyalty," he said. Policybazaar itself is pushing into the physical distribution space with the PoSP (point of sales person) business, but Dahiya wants to grow slowly, keep costs under check and wait for the competition to burn out.

Dahiya pointed out that technology is one way to reduce costs, and that embedded insurance is an even more efficient route. Without data analytics and tech, the long term growth and viability of the insurance industry will be under question, he said, adding that the regulator (Insurance Regulatory and Development Authority of India) is also moving in that direction. Though 95 percent of insurance in India is still sold offline, if one takes a 20-year view, then data and tech is the future, he added. Players like PhonePe entered into insurance after tasting success in payments. Amazon became an insurance distributor after grabbing market share in ecommerce and payments. While he did not single out any company, but Dahiya said that the real margins are in credit. Also, it is tougher to sell health insurance vis a vis a credit card or a personal loan. So startups will do better by going after credit rather than chasing insurance. Insurance is a misunderstood market and people like to hear what they do not understand, he said. "People are wasting time trying to do insurance," he added.

While the insurance industry talks about a 5 percent penetration, Dahiya has a contrarian view. The industry should focus on pushing health and term insurance penetration which isan even smaller fraction of this 5 percent, he said. Given 75 percent of the insurance market is actually selling savings products, Dahiya feels the focus should instead be on the 'protection gap' in the market. Globally, 'protection gap' is defined as the amount of insurance that is economically beneficial for the country compared to the amount of insurance that is actually purchased. According to Dahiya, rather than focusing on the insurance penetration number, the industry should look to plug the protection gap in the economy."In the last 10 to 15 years, our sum assured would have more than quadrupled," he said. Even though India is a country with a very low price of insurance, Indians do not buy protective cover, as they believe the family will bail them out in a health emergency. But Dahiya believes with more and more people living in nuclear families, there will hardly be anyone to help during a crisis. Even corporate insurance cover will not be enough in case someone develops a chronic illness, he pointed out. In 80 percent of those cases, the person ends up losing the job and the protection, he said.

He feels the industry and media needs to do more to showcase real-life case studies to enforce the habit of buying insurance among Indians. While the sector regulator has taken great efforts to ensure lifelong renewability of health policy in India, Dahiya feels Indians should take advantage of such benefits and spend on buying health cover for themselves. Policybazaar has spent around Rs 2,500 crore since inception to promote health and term insurance, Dahiya said. Even now, it is spending around Rs 300 to Rs 400 crore on campaigns every year, he added. The industry can do something by pooling its resources together like what AMFI (Association of Mutual Funds in India) has done for the mutual fund space, but he does not want to wait for that. Dahiya is doing around 100 advertising campaigns every year to push health and term cover to consumers. Dahiya is hopeful that an initiative like online insurance marketplace Bima Sugam will help companies get better access to data, prevent fraud and also create stronger underwriting systems. As an industry, insurance does not talk of underwriting enough and focuses more on sales and marketing. If Bima Sugam becomes the pool for data, that will be a great thing to happen to this space, he said.

(The writer is Pratik Bhakta.)

TOP

Understanding risk assessment in corporate insurance – The Times of India – 25th July 2023

Finding the right people for the job is a key challenge for organisations and retaining them for a longer period is even a herculean task. There could be number of reasons for the employees to look for another job, but corporates can give them a reason to stay back with the right kind of incentives and partnerships, over and above the salary promised. Corporate insurance is one such benefit that can appeal employees to join a company and get retained for a longer period of time.

Corporate insurance plays a crucial role in safeguarding employees from various risks. As the business landscape continues to evolve, the risk management strategies in corporate insurance are also undergoing significant changes. This article aims to explore how corporate insurance is evolving in risk management strategies, focusing on the assessment of employee risks, eligibility criteria, and a comparison with personal insurance.

Below are the different parameters for risk assessment in corporate insurance.

Risk Assessment Factors in Corporate Insurance vs. Personal Insurance: Corporate insurance and personal insurance often differ in terms of risk assessment parameters due to the unique dynamics involved. While personal insurance primarily focuses on the individual's characteristics and lifestyle, corporate insurance takes into account various organizational factors, which can include:

Occupational Hazards: Corporate insurance considers the specific risks associated with an employee's job role and work environment, which may not be relevant in personal insurance. The nature of the employee's work and associated hazards are evaluated to determine the level of risk. For example, employees working in high-risk occupations such as construction or mining may be considered to have a higher risk profile.

Group Dynamics: It assesses risks based on the collective characteristics and health patterns of a group of employees, allowing for a more holistic understanding of potential risks.

Organizational Considerations: Corporate insurance takes into account the financial stability of the organization and the potential impact of insurance claims on the company's operations.

Risk Assessment of individual employees in Corporate Insurance: After taking into account the various organizational factors, corporate insurance also evaluates the potential risks of offering insurance to every individual employee. The risk assessment of employees involves a comprehensive evaluation of various factors to determine the level of risk they pose to the organization.

Health and Medical History: Factors such as pre-existing medical conditions, lifestyle choices, and family medical history may be assessed to understand the potential health risks an employee might bring.

Lifestyle and Habits: Certain personal habits, such as smoking or excessive alcohol consumption, may impact an employee's risk profile. Such factors are considered during the risk assessment process.

Travel Patterns: If an employee frequently travels to high-risk locations or engages in activities that involve travel-related risks, it may be taken into account during the risk assessment.

Employee Ineligibility for Specific Insurances: In cases, where an employee is found ineligible for a particular insurance coverage after the risk assessment, alternative options may be explored. These options can include customized coverage where, corporate insurance providers may offer tailored coverage options that align with an employee's specific risk profile. This approach allows companies to address individual needs while mitigating potential risks. Exclusion clauses-in certain cases, an insurance policy may include exclusion clauses that specifically excludes coverage for pre-existing conditions or high-risk activities. This ensures that the insurance coverage remains viable for other employees while minimizing potential risks. Supplementary Coverage– Employers may provide supplementary insurance plans or employee benefits to compensate for any gaps, identified during the risk assessment process. These additional benefits can help enhance the overall coverage and well-being of employees.

In conclusion, corporate insurance is evolving in its risk management strategies to address the dynamic business environment. Through robust risk assessment of employees, tailored coverage options, and consideration of organizational factors, corporate insurance providers are adapting to better protect businesses and their workforce. More and more companies should join the force of providing corporate insurance to employees, as it can provide significant financial protection to people. By embracing technology and focusing on prevention, companies can stay ahead in managing risks effectively and ensuring the well-being of their employees.

(The writer is Aftab Chaz.)

TOP

Balancing Health and Financial Security through Insurance Policies – The Economic Times – 22nd June 2023

In the fast-paced world today, individuals aspire to accomplish two fundamental goals. One is a healthy lifestyle and second the financial security. While good health is imperative, the necessity of protecting one's financial well-being cannot be undermined. In my view, I am totally convinced that insurance policies are vital in finding a balance between health and financial stability.

The most valuable asset one can have is undoubtedly their health. Nonetheless, unexpected medical emergencies can happen at any moment, causing significant financial strain on individuals and their loved ones. This is where insurance policies, particularly health insurance, come into play. Health insurance provides comprehensive coverage for medical expenses, guaranteeing that individuals can receive the required treatment without depleting their savings or jeopardizing their financial security.

The foremost benefit of health insurance rests on its ability to provide access to quality healthcare. It allows policyholders to receive timely medical attention, diagnostic tests, surgeries, and specialised treatments that may otherwise be too expensive. By having a health insurance policy, individuals can focus on their recovery without being concerned about the financial consequences of their healthcare needs.

Furthermore, health insurance promotes preventive healthcare practices for individuals and families. Many insurance policies include requirements for regular health check-ups, screenings and vaccinations. By promoting preventive care, the policyholders can detect probable health issues at an early stage, which leads to timely interventions and improved health outcomes. Such a preventive approach not only contributes to individual well-being but also reduces the burden on the healthcare system.

Another crucial aspect to consider is disability insurance, that provides income replacement in the event of a disabling injury or any such illness. Disability insurance ensures and provides scope for individuals to maintain their standard of living and empowers them to meet their financial commitments even when they are unable to work.

Additionally, by enabling health and financial security through insurance policies, most individuals can alleviate risks and ensure their health and well-being. Insurance serves as a safety net, that offers contentment and security. It also allows individuals to focus on living their lives, knowing that they have substantial protection against any unprecedented circumstances.

In today's world, insurance policies play a crucial role in maintaining a balance between health and financial security. Whether it's health, life, or disability insurance, these policies provide individuals with essential protection during difficult times. By investing in insurance, one can prioritize their health and wellbeing, secure their financial future, and enjoy a peaceful life with the assurance they deserve.

(The writer is Pooja Yadav.)

TOP

LIFE INSURANCE

Growth in new business for private life insurers slows down – Financial Express – 27th July 2023

The value of new business (VNB) for private sector life insurers in the first quarter of FY24 seems to be in the slow lane.

For example, SBI Life Insurance and ICICI Prudential Life Insurance witnessed a fall of 1% and 7%, respectively, in their VNB in the first quarter of FY24 on a year-on-year (YoY) basis. While HDFC Life Insurance reported a growth of 18%, the percentage increase on a YoY basis was lower than Q1FY23, at 25%. In addition, for the life insurance major, the VNB margin in the first quarter was lower than the company's full-year guidance as well.

The numbers are significantly lower than the trend seen the last five years. That is, the VNB compound annual growth rate (CAGR) over the past five financial years (FY18-23) for most large private sector players has been closer to 30% versus sub 20% five years ago. Macquarie Equity Research feels that VNB margins of the private life insurance companies have more or less peaked. Additionally, another dampener for life insurers has been the new tax liability on policies with over Rs 5 lakh premium. This is quite likely to have reduced investor interest in such policies and have an adverse impact on the purchase of new policies for tax-saving purposes.

For HDFC Life Insurance, whose business was expected to be impacted by 10-12% after the new tax ruling, saw its VNB margin grow by 110 basis points YoY at 26.2%, marginally lower than 27.6% in the last financial year. Talking to FE, the insurance company's executive director & chief financial officer, Niraj Shah, said the volume of policies above. Rs 5 lakh got impacted in Q1FY24 as expected due to the government's move to tax incomes from such policies from this financial year. "But that is something which is more than made up by the growth in the lower than Rs 5 lakh policies segments," Shah added.

For SBI, the VNB fell 1% YoY to Rs 870 crore during Q1FY24 for SBI Life Insurance. During the period, VNB margin declined 260 basis points YoY at 28.8%. "SBI Life reported lower-than-expected 1QFY24 VNB growth, driven by 160 bps YoY VNB margin compression (28.8%) attributable to a higher share of ULIP products (up 6% YoY at 53%)," a Macquarie Equity Research said in its report on Wednesday. "Overall, (SBI Life) management remains confident about delivering FY24 VNB margin of around 28%, while maintaining its aspiration of ~20% individual APE growth. As the year progresses, growth and persistency will catch up," according to Emkay Research.

For HDFC Life, the annual premium equivalent (APE) grew by around 13% YoY. "With new business APE growth expected to be better in H2, we expect the full-year FY24 margin to be similar to FY23 by the end of the year. We expect VNB expansion in FY24 to be led by APE growth rather than any significant margin expansions," HDFC Life MD & CEO Vibha Padalkar said during an analysts call after the results announcement.

For SBI Life, APE growth was subdued at 4% YoY, and retail protection growth was relatively lower than peers at 5% YoY. "Low growth of APE and retail protection is due to a higher base, as per management. Further, persistency ratios for the 13th (85%) and 25th month (76%) declined 60 bps and 260 bps YoY, respectively," said the Macquarie report on SBI Life. ICICI Prudential Life Insurance's APE witnessed a 3.9% YoY fall at Rs 1,461 crore during the first quarter while VNB margin also de-grew 100 basis points YoY at 30%.

"Through Q1FY24, we have observed an improving trend in business, with double-digit growth in APE for the month of June 2023. Our efforts towards expanding the protection business are visible in the 62% year-on-year growth in the retail protection segment, and this has led to the overall protection business contributing nearly a quarter of the total APE," said ICICI Prudential Life Insurance MD & CEO Anup Bagchi.

"We will continue to make progress against the 4P framework of premium growth, protection business growth, persistency improvement, and productivity enhancement. We expect that our performance in these aspects will translate into our objective to grow absolute VNB," ICICI Prudential Life's CFO Dhiren Salian said during an analysts call.

(The writer is Mithun Dasgupta.)

TOP

Importance of Buying Term Life Insurance at Early Stage of Life – Live Mint – 25th July 2023

"Regardless of the coverage amount a customer may choose, initiating one's financial journey with a Term Plan at an early age will yield more advantages as compared to those in the late 40s." opines **Mr. Manoj Jain, Sr Vice President and Head - Digital Business at Canara HSBC Life Insurance**, as he sheds light on the importance of buying a term plan early in life. Read on to know more on the benefits of insuring yourself at an early age.

Buying a life insurance policy is somehow the last thing on the to-do list when a person starts their career in the 20s or 30s. Not many realise that life insurance is a safety blanket that will keep our family financially secure and running in times of distress. In fact, in my recommendation, the best time to buy a term life insurance plan is actually when a person is young as that is time when one can save on the premium and can even enjoy tax benefits which come with it.

The one reality that the pandemic has underlined for all of us is that life is unpredictable and no one knows when an unfortunate event can occur. This may lead a person or their family in a state of distress for not having an optimum financial cover. A term insurance plan is one of the most traditional yet popular types of life insurance available in the market today. Term life insurance provides a lump sum payment to the insured's family in an unfortunate event, ensuring that the claimant's family is financially secure even in absence of the policy holder. A term plan is an assurance that your loved will be able to enjoy the current lifestyle and fulfil their future needs such as higher education for children, buying a home or marriage even in your absence. All of life's important milestones or unpredictable financial stresses can be well absorbed with the help of sufficient term life insurance plan.

It is very important that one should opt for an insurance coverage that is at least 10 times the annual income so that the amount is adequate to meet family's expenses and future needs. Term life insurance plan should ideally be bought earlier in life stages as this helps with better premium rates along with additional benefits which comes over time once invested.

Listing some of the features which are primarily attached with Term Life Insurance plans -

Enjoy affordable premiums
One of the main advantages of buying a term plan early on in the life is the amount of premium that one will have to pay. When we structure policies, insurance premiums are built on a crucial factor of life expectancy, which is higher when one is younger. So, the earlier you plan to buy a policy, the lesser will be the premium. In fact, the customer ends up paying more premium amount for the same coverage if they start the term plan in their 40s compared to those taking it a decade sooner.

Coverage for longer
Term life insurance usually offers longer insurance term which actually passes on the benefits to insured's family in case of any unforeseen unfortunate event. A customer can even take a cover for 40 years or more to ensure that in case any uncertainty comes after his earning age, it will be well catered by term insurance plan.

Higher Insurability or Lesser chances of rejection
Higher chances of insurance coverage rejections happen if the age of the insured is or above 40s. This generally happens as when one enters the 40-age bracket, there are increased chances of suffering from ailments as compared to when a person is younger. Hence, it is advisable to buy a term plan in their younger days or as soon as they start earning. The premium usually tends to be on the higher side if any of the medical conditions like hypertension, or diabetes are developed in the given time.

Enjoy tax benefits
Another major benefit of buying a term plan is the tax benefits that come along. The premium paid towards term insurance plan can be claimed as a deduction under Section 80 (C) for an amount of up to ₹1.5 lakh a year.

Block your premiums for additional cover in future
Some term insurance policies also offer a feature to block your premium rate at the time of buying policy for additional coverage in future. It ensures increase in the base sum assured in the next few years at the same premium rate. This particular benefit actually works against inflation and keeps the base premium rate intact over the years irrespective of age even if the customer starts the policy early.

Conclusion
With all such listed benefits, buying term insurance at the right age with the right cover offers many benefits and can help achieve financial stability for your family while maintaining the same lifestyle even if the bread winner/policy holder is not there. One of our latest offerings from Canara HSBC Life Insurance- "Young Term Plan" is a good option here as this comes with all the features a customer requires to start with their first term plan. It not only provides financial stability at affordable premiums but also lets a customer choose from various add-on benefits such as block your premium, critical illness benefit, accidental death benefit etc. to enhance the coverage.

TOP

Term insurance and income tax – breaking down Section 80C – Telegraph – 24th July 2023

Term insurance is the simplest form of life insurance that provides only death benefit to the nominees of the insured person. With term insurance, your insurance provider promises to pay a specific amount, known as the sum assured, to your beneficiaries in case of your death, in exchange for premiums. You do not receive any death benefit if you survive the policy term.

Premiums paid on term insurance plans are eligible for tax benefits under various sections of the Income Tax Act, 1961. Here, we break down the benefits under section 80C.

What is section 80C of the Income Tax Act, 1961?
Under section 80C of the I-T Act, you can get a tax deduction of up to ₹1.5 lakh per financial year on specific investments. These include investments in Public Provident Fund (PPF), National Savings Certificate (NSC), or National Pension Scheme (NPS), premiums paid on life insurance policies, etc. Note that deductions

Section 80C and term insurance

To claim deductions under 80C for life insurance, you ought to know the following:

Eligibility

To be eligible for tax deductions, your life insurance policy must be in your name. You can also claim deductions for policies taken in the names of your spouse or children, provided you pay the premiums. In this case, you are called the proposer of the policy.

As a member of Hindu Undivided Family (HUF), you can claim deductions for policy taken in the name of any members of the HUF.

Limits on the deduction amount with respect to sum assured

The deductions under section 80C are applicable only if the premium paid does not exceed 20% of the sum assured for policies issued on or before 31st March 2012 and 10% for policies issued on or after 1st April 2012.

Minimum holding period

You must hold a term life insurance policy for at least 2 years to claim deductions against it.

Illustration

Let's assume that you bought a life insurance policy in May 2011 with a sum assured of ₹2.5 lakh. Since the policy was bought before 31st March 2012, you can claim 80C deduction on premium paid up to 20% of sum assured as deduction, which in this case will be ₹50,000 (20% of ₹2.5 lakh). Now, let's say you bought a life insurance policy in June 2014 for your spouse with a sum assured of ₹2 lakh. On this, you can claim a deduction on premium payment of up to 10% of sum assured, i.e., ₹20,000 (10% of ₹2 lakh) since you meet the eligibility criteria.

Other tax benefits of term insurance

Per Section 10 (10D) of the I-T Act, the sum received by the beneficiaries on the death of a life insured is tax-free.

Bottom line

Term insurance offers a valuable opportunity to save taxes while securing your family's future. However, it is essential to evaluate your insurance needs and financial obligations while searching for term plans. The best term insurance plans in India are low-cost yet offer multiple plan options, different payout options and flexibility to increase or decrease your life coverage according to your needs. Choose a policy that best aligns with your financial goals and enjoy the benefits of Section 80C to optimise your tax savings.

TOP

GENERAL INSURANCE

Growing non-life insurance business to drive up number of non-life insurance agents – Asia Insurance Review – 28th July 2023

Data released by General Insurance Council shows that nearly 700,000 agents sell non-life insurance in India.

Overall, the total number of non-life agents declined marginally from 682,000 in the financial year ended 31 March 2022 (FY2022) to 677,000 in FY2023, reported Cafe Mutual, an industry platform for mutual fund professionals.

Mr Nikhil Bharadwaj, vice president & head of corporate communications at Bajaj Allianz General Insurance, believes that the number of agents will increase considering the growing demand for non-life policies. He said, "Insurance is still predominantly based on conversations, and we need advisors to have these conversations."

Number of non-life insurance agents			
General insurer	**No of agents 2023**	**No of agents 2022**	**Change**
HDFC Ergo General Insurance	137,540	134,802	2,738
The New India Assurance	111,339	107,694	3,645
United India Insurance	88,942	87,490	1,452
National Insurance	60,823	56,762	4,061
Bajaj Allianz General Insurance	51,050	47,605	3,445
The Oriental Insurance	49,354	48,651	703
ICICI Lombard General Insurance	45,189	42,487	2,702
Tata AIG General Insurance	34,010	58,160	-24,150
Reliance General Insurance	33,706	33,482	224
SBI General Insurance	16,337	14,676	1,661
IFFCO-Tokio General Insurance	9,491	12,123	-2,632
Royal Sundaram General Insurance	9,223	8,438	785
Future Generali India Insurance	7,823	7,578	245
Cholamandalam MS General Insurance	7,222	7,206	16
Kotak Mahindra General Insurance	3,749	1,755	1,994
Shriram General Insurance	2,866	3,543	-677
Universal Sompo General Insurance	2,613	4,233	-1,620
Liberty General Insurance	2,513	2,427	86
Go Digit General Insurance	1,336	957	379
Magma HDI General Insurance	852	692	160
Zuno General Insurance	762	756	6
Raheja QBE General Insurance	21	20	1
Acko General Insurance	7	6	1
Navi General Insurance	6	198	-192
Total	**676,774**	**681,741**	**-4,967**

TOP

Accident insurance: Rs 299 lakh accident insurance for just Rs 10, know how – Patrika – 26th July 2023

Postal Department Scheme:
Mass accident protection insurance is a very mandatory responsibility, to fulfill your duty towards yourself and your family, by knowing the correct premium for the mass accident.

Postal Department Scheme:
For those unable to get insurance at an expensive premium, the Department of Posts' India Post Payments Bank has come up with a special group accident protection insurance, in which the beneficiary will be insured for Rs 299 lakh with a premium of just Rs 399 and Rs 10 a year. After the end of one year, this insurance will have to be renewed next year. For this, it is mandatory for the beneficiary to have an account in India Post Payments Bank. This information was given by The Postmaster General of Varanasi Zone, Krishna Kumar Yadav.

Group Accident Protection Insurance:
Good scheme for people aged 18 to 65 years Postmaster General Krishna Kumar Yadav said that under an agreement between India Post Payments Bank and Tata AIG, people between 18 and 65 years of age will get this collective accident insurance cover. Under this, both types of insurance cover will get a cover of Rs 10 lakh in case of accidental death, permanent or partial total disability, amputation or paralysis.

Also, in this insurance, you will get an IPD cost of up to Rs 60,000 for treatment during accidental hospitalization and a claim of up to Rs 30,000 in OPD. At the same time, the premium insurance of Rs 399 will include all the above benefits, in addition to all the above benefits, the cost of up to one lakh rupees for the education of two children, one thousand daily expenses in the hospital for ten days, the cost of transport up to Rs 25,000 for a family living in another city and up to Rs 5,000 for the funeral in case of death. People can contact their nearest post office for registration in this group accident insurance facility.

(The writer is Ritesh Singh.)

TOP

Adequate insurance cover offered for nuclear incidents in India: Jitendra Singh – Live Mint – 26th July 2023

Union minister Jitendra Singh on Wednesday said that there was adequate insurance cover offered for nuclear incidents in the country.

In a written reply to a question in the Lok Sabha, the minister said, India has enacted Civil Liability for Nuclear Damage (CLND) Act 2010 to provide for civil liability for nuclear damage and prompt compensation to the victims of a nuclear incident through a no-fault liability regime channelling liability to the operator.

Under the Act, the operator has to maintain insurance or financial securities or a combination of both, for covering his liability in respect of the nuclear incident. The Act also limits the liability of the nuclear operator for each nuclear incident.

The minister informed that without an insurance cover or financial securities, nuclear facilities cannot be operated, and operators are mandated to renew insurance policy or financial securities before the expiry of the period of validity.

The liability of the nuclear operator in the event of a nuclear incident is classified into three distinct categories. For nuclear reactors with thermal power equal to or above ten MW, the liability stands at an amount of rupees one thousand five hundred crores. In the case of spent fuel reprocessing plants, the liability is set at rupees three hundred crores. For research reactors with thermal power below ten MW, fuel cycle facilities (excluding spent fuel reprocessing plants), and transportation of nuclear materials, the liability is limited to rupees one hundred crores.

India Nuclear Insurance Pool (INIP) was set up with GIC-re, and several other Indian insurance companies with a capacity of 1500 crore on 12 June, 2015 to provide insurance to cover the liability as prescribed under CLND act, 2010. In addition to providing coverage for operators' liability, the INIP will also address liability-related concerns of suppliers (Both Domestic and Foreign). GIC-Re along with Several other Indian insurance companies are currently the participants in the insurance pool.

Under the CLND Act 2010, the central government may review the amount of the operator's liability from time to time and may specify, by notification, a higher amount for compensation, if deemed necessary.

TOP

HEALTH INSURANCE

Patient-centric Approach, Better Insurance Coverage Needed to Counter Infertility Epidemic: Experts – Latestly – 27th July 2023

Addressing the challenges of the Assisted Reproductive Technology (Regulation) Act, 2021, along with an integrated patient-centric approach can play a pivotal role in countering infertility in India, experts said on Thursday.

At the fourth edition of the IVF Summit, stakeholders from verticals such as insurance, public health, policy regulations, pharma and in-vitro fertilisation (IVF) experts, deliberated on the critical aspects associated with infertility treatment in the country.

The day-long virtual summit on July 21 was organised by Integrated Health and Wellbeing Council in partnership with Bharat Serums and Vaccines ahead of the World IVF Day, which is observed on July 25. Dr K Madan Gopal, an advisor of the Public Health Administration Division in the Union Health Ministry's National Health Systems Resource Centre, said, "Affordable and cost-effective fertility treatment is essential and it is a work in progress as far as government perspective is concerned."

"Meanwhile, we need to ensure that the Assisted Reproductive Technology (Regulation) Act is implemented in letter and spirit for better patient outcomes," he added. Bharat Serums and Vaccines Managing Director and CEO Sanjiv Navangul said infertility is a growing public health concern and the stigma attached with the condition needs to be addressed in a holistic manner. "As a market leader in this business, Bharat Serums and Vaccines remains committed to bringing the most advanced treatments that address reproductive health challenges while working towards expanding access and ensuring availability of these treatments to all couples seeking these," Navangul said.

"In our endeavour to build an Atmanirbhar Bharat, as an industry, we must remain focused on driving supply chain efficiencies and cost optimisation by reducing our dependence on imports of raw materials," he explained. The summit witnessed discussions on the Assisted Reproductive Technology (Regulation) Act, role of awareness, the need to make infertility treatment affordable through insurance and the future revolutions driving IVF technology in the country.

Integrated Health and Wellbeing Council CEO Kamal Narayan said the diagnosis and treatment of infertility frequently receive inadequate prioritisation in development policies and reproductive health strategies, and are seldom covered by public health financing.

"An emphatic patient-centric approach that empowers patients as the most important aspect of the treatment journey, along with improving their quality of life, mental health and family life, is imperative and the Integrated Health and Wellbeing Council continues to be associated with the cause to highlight the uncertainty and distress that such couples face and create a better health care ecosystem for them," he said.

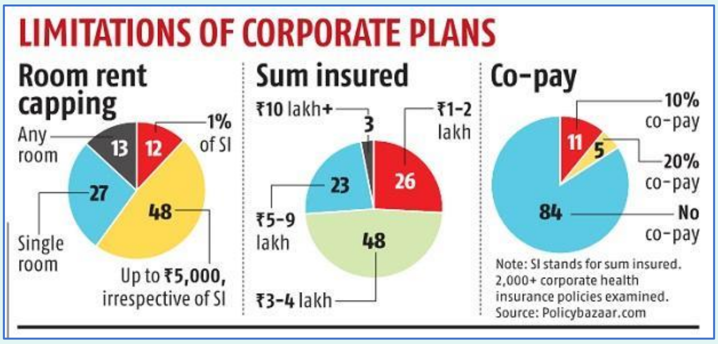
India faces a double burden of rising infertility owing to lifestyle changes, coupled with stigma and taboo attached with the condition. This makes it impossible to discuss the issue and seek medical intervention, Narayan added.

He pointed out that the absence of insurance coverage for procedures such as IVF makes it difficult for a large population to take advantage of advanced techniques in fertility treatments. The experts at the summit highlighted the need for better policy regulations and insurance, counselling and attitudinal change among families through engagement and awareness.

TOP

Relying solely on corporate health insurance plan can impact your finances – Business Standard – 26th July 2023

A recent study of over 2,000 corporate health insurance policies by PolicyBazaar found that they come with a number of limitations. While an employer-provided cover can serve as a valuable first line of defence, employees should not rely on it alone. Room rent capping: The Policybazaar.com study found that 12 percent policies impose a room rent cap equivalent to 1 percent of sum insured, while another 48 percent limit the room rent at Rs 5,000 per night. If a corporate policy offers a sum insured of Rs 3 lakh and imposes a room rent cap of 1 percent, the maximum room rent allowed would be only Rs 3,000 per night, insufficient for securing a single, air-conditioned room in a top-tier hospital in a metro. Imagine that a person's corporate cover allows him maximum room rent of Rs 5,000 per night, but she opts for a room that costs Rs 10,000. Says Yashish Dahiya, co-founder, PolicyBazaar.com, "The room rent cap is 50 percent of the actual rent in this case. The fallacy most people commit is to think they will only have to pay the balance Rs 5,000 out of their own pocket. In reality, the insurer will apply proportionate deduction and pay only 50 percent of the overall bill." The study found that 26 percent of policies offer a sum insured of only Rs 1-2 lakh, while another 48 percent provide coverage worth Rs 3-4 lakh. Corporates do so to curtail their premium cost. However, a sum insured of up to Rs 4 lakh can prove inadequate in case of a serious ailment.



Many policies come with a 10-20 percent co-payment requirement. This means the customer has to pay 10 (or 20, as the case may be) percent of the bill out of his pocket, with the insurer paying the balance 90 percent. Corporate covers also come with a sub-limit, typically Rs 25,000, for cataract. With the rise of less-invasive procedures, however, treatment costs can go up to Rs 1.5-2 lakh. It ensures greater precision in surgical procedures, but corporate health insurance plans may not fully cover such surgeries. Corporate policies are reducing the breadth of coverage. "Most only cover the employee and his immediate dependants, like spouse and children. Older dependants -- like parents and in-laws -- are not covered as doing so drives up the premium," says Apaar Kasliwal, executive director, PolicyBoss.com. Corporate health insurance is contingent on one's employment with a company. Job changes (to a company that doesn't offer this cover), layoffs, or starting one's own venture can result in loss of coverage. Corporate plans do have their merits. The employee doesn't bear the premium cost. Says Kasliwal, "Corporate plans cover pre-existing diseases (PEDs) from day one, without a waiting period."

Notwithstanding the limited sum insured, these policies can take care of shorter-duration hospitalisations for non-serious ailments. Postponing the purchase of a retail policy until retirement, as many do, can prove risky. "At 58-60, you may have a few chronic ailments due to which insurers may not offer you a policy," says Dahiya. Even if they do, the policy may have a limited sum insured, or come with a waiting period for PEDs. The retail policy must have adequate sum insured so that it is able to cope with India's 12-15 percent healthcare inflation. "Buy as much sum insured as your pocket allows. Health insurance premiums don't increase proportionately with the sum insured," says Dahiya. Kasliwal suggests purchasing a minimum base cover of Rs 10 lakh and supplementing it with a super top-up. Avoid policies with room rent capping or disease-wise sub-limits. "Families with young children should have a policy with an OPD cover. HNIs, who may want to go abroad to get a serious ailment treated, may opt for a policy that offers global coverage," says Dahiya. Kasliwal suggests choosing a policy whose cashless network includes hospitals in your vicinity.

(The writer is Karthik Jerome.)

TOP

Voluntary health insurance and its expansion – Hindustan Times – 26th July 2023

With the launch of Pradhan Mantri Jan Arogya Yojana (PMJAY), insurance is no doubt set to play a dominant role in India as seen in other countries, in its path towards universal health coverage (UHC). Approximately 46% of the population in India is covered through some form of health insurance, mostly shallow, providing in-patient services. These schemes form multiple risk pools extending from social health insurance like the Central Government Health Scheme (CGHS) and Employee State Insurance Scheme (ESIS) for formal employees (10% of the population) to private and commercial health insurance plans purchased by private companies, individuals and families voluntarily, also termed as Voluntary Health Insurance (VHI). The PMJAY, a central and state government-sponsored insurance scheme, was introduced in 2018 to cover those below the poverty line (BPL), expected to cover 40% of the population. There are variations seen in the breadth and depth of coverage in PMJAY across states. Some states have expanded the scheme to cover those on the edge of poverty but not BPL, while others are moving towards universal health insurance coverage for the entire population like in Meghalaya, Odisha, West Bengal and Tamil Nadu. According to the National Health Accounts, 14% of the total health expenditure for 2019-20 fell under insurance schemes. According to the Insurance Regulatory and Development Authority of India (IRDAI), the penetration of insurance and the number of lives covered have increased considerably in the last decade, with 520 million lives (36%) covered by some form of health insurance in 2022 – this excludes CGHS and ESIS. But there still remains a large section of the population, over 30% in the informal sector, that is bereft of any health insurance. They are known as the 'missing middle' – they are neither supported by an employer-based scheme due to informality of work nor do they fall below the poverty line to be covered under the government-sponsored schemes. Their income ranges from very low- to high-income brackets. The upper classes in this category purchase insurance voluntarily.

Given the low commitment of the government towards health spending for decades, experts contend that this scenario might continue for some time with some incremental increase. Till the government commits to spending substantively on health, India might have a case for expanding VHI by making it more accessible to its population. The VHI in its present form is regressive due to its commercial nature, targeted to those who can purchase the expensive policies and also denies insurance for individuals who are at high risk due to age and/or pre-existing illnesses. The government could take the initiative to expand VHI by making it more accessible to the 'missing middle' and in doing so has to play a strong regulatory role in addressing the inherent market failures that arise. Regulatory frameworks and operationalising these under government stewardship must be a pre-requisite and a necessary condition for expanding VHI. The expansion would include increasing demand for health insurance for a larger risk pool. This could be possible with complete to partial subsidisation for those in the informal sector who are poor and not covered by PMJAY; by making contributions income-rated so as to allow cross-subsidisation; and by standardising packages, protocols and pricing through negotiations with insurance companies and private providers. This also becomes a way of regulating the private sector. Drawing lessons from countries such as Indonesia, Japan, South Korea, China, Thailand, Chile and Mexico, one gets insights on VHI enhancement; the extent of subsidisation for non-poor informal-sector workers; creating standardised packages across income groups; and the establishment of an autonomous insurance regulatory body pooling funds for the entire population that regulates insurers and providers.

The IRDAI in its present form plays a limited role that is restricted to standardising health insurance policies and regulating the entry of private insurance companies into the market, and does not wield its capacities to the fullest. IRDAI could play the role of the regulatory body and have a separate sub-agency looking just at health insurance (along with the National Health Authority - NHA). Apart from creating standards, it could pool funds; minimise frauds in the system that harm beneficiaries; generate and collate quality data from providers so that evaluations can be done and the system can be made more efficient through reforms by creating space for experimenting, piloting and innovations and move towards greater depth of coverage. Data with IRDAI and NHA should be made public for evaluations leading to reforms. Making VHI accessible under the government's stewardship and regulatory frameworks would be an interim step towards providing shallow but universal coverage, to begin with. As government funds are made available, VHI schemes can move towards mandatory national health insurance to merge with PMJAY with a greater depth of services.

The idea of UHC is the equitable expansion of health services with adequate financial protection for the entire population with comprehensive services. Equitable progress towards UHC requires attention to the regressive approach of VHI. It should not be blindly promoted but should be used as an interim tool towards the path to universal coverage. This would also mean restructuring the supply side for making the national insurance scheme effective, especially strengthening of primary health services. Given the complex health service system in India, this could be one way of moving towards minimising market failures; reducing fragmentation in financing, provisioning and governance; and the gradual reduction of Out-of-Pocket Expenditures on Healthcare (OOPE).

TOP

Cut health insurance premium not coverage - The Hindu Business Line – 24th July 2023

The health insurance industry in India has experienced remarkable progress, with public sector insurers amassing an impressive ₹272 billion in insurance premiums. Similarly, private insurers contributed almost ₹159 billion, while standalone health insurers accounted for about ₹151 billion. These figures underscore the growing recognition and significance of health insurance in safeguarding individuals and families against unexpected healthcare costs. Taking care of health and protecting yourself from unforeseen medical expenses is essential, especially in a country like India with rising healthcare costs. However, rising premiums on such insurance can strain finances. The good news is there are practical strategies to cut the premium without sacrificing the coverage you need. Here is how: Take time to research and compare plans from multiple insurers. Don't just focus on the premium amount; consider factors such as coverage limits, deductibles, copayments, and the network of hospitals and clinics associated with each plan. By making a thorough comparison, you can find a policy that not only fits the budget but also provides comprehensive coverage you need.

In the process of selecting a health insurance plan, it would be prudent to take into account the option of availing a higher deductible. It refers to the amount an individual must pay from his/her pocket before becoming eligible for insurance coverage. Higher deductible results in bearing more upfront expenses, which, in turn, cuts risk for the insurer and leads to lower premium. However, it is vital to pick a manageable deductible amount to prepare for unforeseen medical emergency. In India, many health insurers provide wellness programmes and preventive-care benefits one should embrace. These services often incorporate annual health check-ups, screenings, and vaccinations. Availing them can aid in effectively managing health and early identification of any potential underlying health concerns. This procative method not only helps maintain good health but also cuts the probability of requiring expensive treatments later on. Some insurers may offer incentives or discounts to policyholders prioritising preventive care.

Selecting family floater plans is highly recommended, if you have a family. The policies cover the family under one plan and are often more economical than buying individual policies. They offer shared coverage and guarantee comprehensive protection. However, it is important to evaluate the sum insured to ensure it satisfactorily fulfills the healthcare needs of all members. Incorporating healthy habits into daily routine can surprisingly lead to a reduction in premium. In India, insurers frequently provide policyholders with discounts or incentives if they prioritise physical and emotional well-being. Those not smoking or exercising regularly may qualify for lower premiums. It is imperative to perform a yearly assessment of the policy during the renewal phase. As healthcare needs progress, you must take the opportunity to meticulously evaluate the present coverage, advantages, and restrictions. Verify if your policy is still congruent with your necessities and financial plan. If you realise your current policy no longer meets your needs or if you find more economical alternatives, do not hesitate to investigate changing to another insurer or plan that provides superior value for money. By being proactive and keeping track of the policy, you can ensure adequate coverage at acceptable cost.

(The writer is Siddharth Singhal.)

TOP

Health insurance for the differently abled - Deccan Herald – 23RD July 2023

Economies thrive when more and more people in society are financially empowered and secure, regardless of their background. Financial freedom and security bring a sense of dignity, confidence, and stability to individuals and their families. It is everyone's right, irrespective of their physical abilities, cognitive capacities or the fact that they might be suffering from any chronic illness.

The governments and regulatory bodies in India are working persistently towards the cause of financial inclusion. Over the years, Indian insurance companies have also been working relentlessly to cover every Indian with vital insurance coverage and are actively coming up with products that bring insurance protection to as many citizens as possible. In line with the mission to provide accessibility of health insurance, insurers have designed products that cover differently-abled people, including those suffering from mental illness and people afflicted with HIV/AIDS. The insurance regulator, IRDAI, provided elaborate guidance towards the same, in line with which insurers have introduced the products.

What the policy typically covers?

The policy covers hospitalisation expenses for medical treatment of illness or injury, including pre and post-hospitalisation expenses and day-care expenses. The policy cover is not limited to traditional medical treatments; it also covers AYUSH treatment, which includes cover for ayurveda, yoga and naturopathy, unani, siddha and homeopathy.

The cost of modern treatments like oral chemotherapy, robotic surgeries, stem cell therapy, and deep brain stimulation are also covered, to name a few. Ambulance charges up to a certain limit, as specified in the policy, are covered as well. The policy will cover the pre-existing conditions mentioned in the policy like low vision, blindness, locomotor disability, and mental illness. Please note these pre-existing conditions may vary from insurer to insurer, and one must thoroughly check the list of what is covered to avoid confusion at a later stage.

Important points to keep in mind

While filling out the proposal form, disclose the disability if any, in detail; one would require to submit the disability certificate issued by the competent authority and may also be asked to submit the latest medical reports along with the proposal form. The cover is available on an individual basis, and it can be purchased for oneself, spouse, parents, and children. Like most general insurance policies, this is also an annual policy and can be renewed by the insured at the year-end, like any other policy. Read the policy document to understand the extent of the cover, sub-limits, and policy conditions; this helps avoid any confusion at the time of the claim.

Such products will surely take financial inclusion to the next level in the country and will help bring more Indians under the ambit of insurance. In the time of ever-growing medical inflation and the early onset of medical issues, health insurance for all is the need of the hour, and it is great to see that such products are increasingly gaining popularity.

(The writer is T A Ramalingam.)

TOP

Govt to launch Ayushman Bhav to achieve 100% coverage of health schemes - Business Standard – 22nd July 2023

The Union health ministry is planning to launch 'Ayushman Bhav' programme to ensure optimum delivery of all state-run health schemes to every intended beneficiary, including those in the last mile. Ayushman Apke Dwar 3.0, Ayushman Sabha, Ayushman Mela and Ayushman Gram are some of the activities planned under the programme, official sources told PTI.

"The aim of the campaign is to ensure comprehensive and saturation coverage of all health schemes so that every eligible beneficiary is able to avail their benefits," an official source said. Ayushman Apke Dwar 1 and 2 drives have been conducted successfully. Under the Ayushman Apke Dwar 3.0, an intensive drive will begin from August 1 to ensure full saturation, the sources said.

Ayushman Sabha will be a village-level campaign led by the village health, sanitation and nutrition committee to ensure the benefits of all the health schemes of the central and state governments reach the intended beneficiaries, they said. These will also enhance awareness about the importance of Pradhan Mantri Jan Arogya Yojna (PMJAY) health insurance scheme cards and their distribution and generating Ayushman Bharat Health Accounts (ABHA) numbers, they said. The campaign will also help in making people aware about the importance of utilising screening services for non-communicable diseases (NCD) and sickle cell disease through health and wellness centres and also about communicable diseases such as elimination of tuberculosis, among others.

"These village sabhas will also help in generating awareness about reproductive and child health issues, immunisation, nutrition and anaemia. Besides, they will foster social accountability of the health systems to the community to express their issues and concerns related to the health services provided at AB-HWCs," an official source explained. Ayushman Sabhas will be organised in each village where PMJAY cards will be distributed and information provided about PMJAY empaneled hospitals in the area and what all packages of treatments can be availed under the scheme.

The third pillar of Ayushman Bhav programme -- Ayushman Mela -- will be held at the level of Ayushman Bharat Health and Wellness Centres (AB-HWCs). As part of it, medical camps will also be organised at medical colleges at community health centre level. "There are 705 medical colleges, both in public and private sector. So each medical college may organise around 50 medical camps annually and target at least 300-400 OPD treatments. "All medical colleges together may be able to give treatment to at least 1.25-1.5 crore patients per every in camo mode at community health centres," the source said.

The aim of Ayushman Melas would be to build awareness on healthy behaviours and provide early diagnosis through screening, comprehensive primary health care services with drugs and diagnostics, teleconsultation with health specialists, and appropriate referrals with a special focus on marginalised people for a continuum of care. These will also be used for routine immunisation, NCD screening, mental healthcare, elderly care services, among others. They can be conducted on a weekly basis.

"The objective is to reach those people who are excluded from speciality health services and make available specialty medical services up to block level which have a shortage of specialist doctors," the official source elaborated. The fourth pillar Ayushman gram is envisaged to achieve 100 per cent coverage of PMJAY card distribution, ABHA id generation, immunisation coverage, NCD screening, among others.

"Whichever village will be able to saturate all the schemes, it will be declared an Ayushman gram and also will be given a certificate," the source said.

TOP

MOTOR INSURANCE

What add-ons should a car insurance policy have to prevent damages from floods? Amjad Khan answers – The Economic Times – 27th July 2023

We will definitely talk about the add-ons and how one should make their car monsoon ready. But with the monsoon that has already happened in major parts of India and damaging not just the property but other than that the cars as well. And we have seen across India that there were so many videos, so many footages of cars just going up in the way like a river and at this point in time just wanting to understand that what should a consumer or the car owner take in mind or consider in mind whenever they are stuck in such kind of a situation. What all things get covered in the insurance and what all not.

So, yes, we have witnessed a lot of monsoon chaos in the last 10 years. In fact, I would like to bring to highlight one thing that next 10 years. In fact, I would like to bring to highlight one thing that next 10 years what we are going to witness in terms of the top two discussions the world is going to o through is – one is AI and second is climate change.

So, we leave AI aside and look at climate change because that is something which we have been seeing incessantly increasing every year on year and India is no exception to that.

We have seen how the rains have impacted every year for the last 10 years. You have seen the impact of this year 2023 happens to be north of India where we have seen flooding all across the entire northern region of our country and we have seen the amount of chaos it has created.

This is going to continue because the climate change starts with a lot of slow process and it is not something it is not going to change overnight.

So, we got to be better prepared there and with all these floods coming in India, the National Disaster Management Association has declared India to be a flood prone country.

And now coming back to motor insurance, we got to ensure that motor insurance is adequately covers everything possible because the losses would just run into one which could be even total loss as well.

Now in the monsoon time, especially in the monsoon time we have to ensure couple of things which are really-really important. One is the protection of your engine which is called as the engine protection cover.

This is the most critical add-on which we should have under our car insurance policy.

What this does is it protects the engine in case of any water ingestion happens in the engine because of which the engine seizes completely so that is a big-big dent onto our savings and if that is not a part of your comprehensive insurance policy that could be a big-big dent to us.

Engine protect is a very critical cover we should have during all times, especially monsoon where flooding can hamper your car claims. The second most critical add-on under the car insurance policy I would suggest is to have a 24x7 roadside assistance.

I think this is one thing which is very critical because whenever your car just breaks down or it stops because of X, Y, Z reason, when you have a 24x7 roadside assistance extension, a ride on cover like this your car can be immediately towed back to the nearest garage and get it repaired.

So, the hassle of moving to the right place to get your car repaired is removed off if you have a 24x7 roadside assistance. Third is emergency evacuation of your car that simply means that if you are hundred kilometres away from radius of the city and sudden breakdown happens there, there is an assistance if you have this extension onto your car policy where the car can be picked up and taken to the nearest possible garage for it to be repaired.

So, these three are the most critical components to be looked at especially during monsoons because this can happen to anyone, at any place across.

Now the other couple of things which I would like to highlight is one is your return to invoice value so that is very important here because what happens in case of a total loss or a situation where it is beyond repairs the cost can be reinstated back to the invoice value which basically saves you from any additional output from your pocket and the return to invoice value takes care of that.

Yes, your car insurance policy should also has an add-on like a zero depreciation which basically takes away the depreciation cost from you and the insurance company reinstates the value plus including the depreciation of the car during a claim and consumables that is another very important cover which we should look at as an add-on, so basically this will cover things like your nut bolt, your clutch plate, gearbox and all those stuff which are usually not covered under the policy. So, the consumable coverage also plays a very important role to make it a comprehensive car insurance policy.

Whenever a person is stuck, what we are getting to understand is that whenever they are stuck in a flood-like situation, the suggestion is that not to put on or turn on your engine. Is that the case that investors or the consumers rather, they really need to take care of and any advice on that?

Yes, so that is absolutely right especially when the car is in a flood-like situation, we should never set our engine on because there is something called hydrostatic impact on the car, which completely disables your engine permanently. So that is why it is not advisable whenever the car is in a situation like that, we should never turn on our engine. So that is the first mandate which the insurance company will give you whenever you take an add-on of the engine protect.

You did touch upon a lot of add-ons but exactly how much costly or how much pocket-heavy these add-ons could be, if you can just give us some idea on that?

Yes, so before I come to the approximate pricing on the add-ons, I think it is very important for us to understand what is the average price of a motor car insurance policy.

So looking at that, whenever we buy a new car, approximately 2% of the showroom price is what your insurance price would be.

So that is the range it falls into. And if we assume that we take all the add-ons which we discussed, which are essential, so probably 0.5% of your showroom price would be the cost of taking all the six add-ons under your comprehensive car insurance policy. Somewhere around, if I have to put that into numbers, a car worth Rs. 20 lakhs would cost you around Rs. 6,500-7,000 for these six add-ons.

Is there any criteria on the time period as well because if somebody is shifting from one place to another and maybe that area is not prone to flooding, can this add-on be removed? Anything on that?

Once you have opted for an add-on, that stays till the continuity of your policy. Once the policy comes up for renewal, probably then you can look at if you want to eliminate. But I do not think there is a reason why anybody would opt out of an add-on because these got to stay in the policy because situations are very uncertain in the last 10 years. Barring one year in the last decade, there has been surprises all across in cities where they had never experienced any kind of flooding situation. You take Bangalore as an example, you take Delhi as an example, you take Rajasthan, there are multiple such examples. So I think once you opted for an add-on, it is a great thing, we got to continue with it.

In the add-ons and the list that you have shared, anything that the consumers generally tend to overlook and which is important in your eyes, anything that you wish to highlight on that particular front?

We are a very price-sensitive country, honestly. So the moment we talk about add-ons, people look at the price, what is the impact coming onto their pockets and I think that becomes the most important deciding factor apart from understanding the risk associated with your car insurance to have those kinds of coverages.

So if you eliminate that, I think the outlook should always be to ensure that your car is adequately covered at all times because the moment we have a claim, I think we have a two-way loss. One, if we do not have the add-on, the amount of the claim goes from our pocket. And secondly, next year when you renew the policy, your no-claim bonus goes out of the window. So that increases the price during the renewals as well.

You did discuss upon a lot of add-ons but amongst the list, which are some of the most important ones that the consumer should definitely not ignore, and maybe if they have to pay that 0.5% extra on their overall policy cover, then they should definitely look into that and look to maybe pay that money.

So according to me, the top three here would be engine protect, your 24-7 roadside assistance and your emergency coverage beyond 100 km of limit. These should be the top three. While I say that, there is no importance which goes down to the other three. They are as critical as they can, especially to return to invoice values, a great cover to have wherein in case of a total loss or irreparable situation, the insurance company will put the claim back to the invoice value rates. So that is how on priority we should look at. But otherwise, I would honestly say every single component under the add-on covers is as critical as it can get because it is just a matter of time when you have a claim under one of those.

TOP

Advantages of buying car insurance online - Financial Express – 24th July 2023

Having a valid car insurance policy is of utmost importance for every car owner, providing them with essential protection against uncertainties while driving. With the advent of technological advancements, buying car insurance online has become increasingly convenient and accessible. This modern approach to purchasing car insurance brings forth a plethora of benefits and advantages that surpass traditional methods.

Let's delve into the array of positive aspects that buying car insurance online has to offer:

Benefits of buying car insurance online:

1. Convenience and Time-Saving
Buying car insurance online is incredibly convenient. "With just a few clicks, you can access a wide range of insurance providers, compare policies, and obtain quotes. Online platforms allow you to explore options at your own pace, anytime and anywhere, making the entire process more efficient and time-saving," says Venkatesh Naidu, CEO, Bajaj Capital Insurance Broking Ltd.

2. Wide Range of Choices
Buying insurance online gives you access to a wide range of choices. You can explore numerous insurance providers, compare their coverage, premiums, and additional features. This empowers you to make an informed decision that aligns with your specific needs and budget.

3. Transparency
Buying car insurance online ensures transparency in policy details and pricing. Online platforms provide comprehensive information and easy access to policy documents. They present coverage options, deductible amounts, terms and conditions, and policy exclusions in a clear and transparent manner. This transparency helps you make an informed decision, avoiding any hidden surprises or misunderstandings that may occur.

4. Customization

Online car insurance platforms offer flexibility and customization options. You have the freedom to tailor the coverage to your specific needs by adjusting policy features, deductibles, and add-ons. This allows you to see how these adjustments affect your premiums, enabling you to create a policy that precisely fits your requirements and budget. The ability to customize your policy is a significant advantage offered by online platforms.

5. Instant Quotes and Policy Issuance

Online car insurance platforms provide instant quotes based on your inputs, allowing you to quickly compare multiple options. "Once you've selected a policy, the online process enables immediate policy issuance. This speed and efficiency are particularly useful when you need insurance urgently, such as when purchasing a new vehicle or renewing an expiring policy," says Naidu.

6. Easy Policy Management

Managing your car insurance policy becomes effortless when you purchase it online. You can easily access your policy documents, update personal details, make changes to coverage, and renew your policy online. "Online platforms often provide user-friendly interfaces and mobile apps, allowing you to manage your policy conveniently from anywhere. This level of control and convenience helps you stay on top of your insurance requirements without any unnecessary hassle," says Naidu.

In today's digital era, buying car insurance online offers unparalleled benefits that make it an attractive option. By leveraging technology, you can ensure a smooth and efficient experience while obtaining the coverage that best suits your needs.

(The writer is Sanjeev Sinha.)

TOP

CROP INSURANCE

Farm insurance scheme rejigged for fast payouts – Hindustan Times – 25th July 2023

The Union government has rejigged operational guidelines for the Pradhan Mantri Fasal Bima Yojana (PMFBY), the flagship subsidized farm insurance scheme, under which the Centre will release its share of premium even if the states don't. The Centre hopes this will help to quicken settlements, an official said.

Claimants can get partial payouts proportionate to the Centre's share on time while earlier guidelines stipulated that central funds were to be released only when states release theirs. Under the old framework, claims could only be settled once both the Centre and states released their subsidy shares in full.

The PMFBY is the country's main subsidized crop insurance scheme, where farmers pay between 1.5% and 2% of the premiums depending on crop cycles. The remaining premium is shared 50:50 between the Centre and state governments. In case of northeastern states, the Centre pays 90% of the premium subsidy. The agriculture ministry has also launched app-based enrolments of farmers from this kharif season. Using the AIDE app, authorized intermediaries will be able to enrol cultivators. Since July 1, nearly 31,000 applications have been processed insuring nearly 23,000 hectares, the official said.

From this year, the government will move to advanced digital technologies developed by the Indian Space Research Organisation to assess crop damage and yield losses to speed up settlements. The application, called YES-TECH, has been used for trials and pilot studies for two years before being standardised for the PMFBY by the Mahalanobis National Crop Forecasting Centre.

Many states have opted out of the scheme in recent years, swamped by delayed payments that make them politically unpopular. Assessment of crop damage is a time consuming process. Among many issues, disagreements over the claim to premium and claim settlements ratios are reasons for delayed payments to cultivators.

Two states, with significant impacts of heatwaves and high claims, which had opted out of the PMFBY, are back in. Andhra Pradesh, which sees dire hot spells in summers, rejoined in the PMFBY in 2022 and Punjab agreed to run the insurance scheme again from this year's kharif or summer-sown season primarily to mitigate weather risks.

"The delinking of release of central share with states' share will speed up settlements because some claims can be fully or partially settled from the Centre's share," the official said, seeking anonymity. The changes in the financial guidelines follow after long-drawn discussions between states and the Centre to set up a joint corpus of funds for premium payouts, over which consensus could not be achieved. Launched in June 2016, the PMFBY replaced a web of complicated, multiple farm insurance schemes, all running simultaneously, with a single countrywide plan.

"The reasons for delays were two-fold," an insurance-provider executive said. One, assessing crop damage itself is a time consuming process, involving physical cutting and weighing of dried damaged crops to determine yield losses, technically called "crop-cutting experiments". Secondly, fiscally burdened states often lagged deadlines for releasing their share of premium.

(The writer is Zia Haq.)

TOP

SURVEY AND REPORTS

Policybazaar releases report on purchase of insurances – Bizz Buzz – 25th July 2023

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

The report revealed that the majority of Indians are aware of health and life insurance. In South India, the survey findings revealed that the respondents are more aware and financially prudent to buy health insurance. The need to be covered under some policy (corporate, parents, or own) was the top trigger for the purchase of health insurance amongst South Indians. In addition, people in the South seem to be more intrinsically driven to ensure financial security through life insurance than those in the other regions of the country. While fear remained the major behavioural trigger, people in South India were more affected by watching others suffer in the absence of a deceased loved one (45 per cent vs 35 per cent India average) or feel safer due to the life insurance payout (43 per cent vs 34 per cent India average). Even though loan liabilities played the least role in influencing purchase consideration for life insurance across India (15 per cent), they were significantly higher in the South (21 per cent) than in the other parts of the country.

Also, a significantly higher proportion of respondents in the South (56 per cent) relied more on insurance-specific websites (including insurer websites and policy comparison websites) vs. 43 per cent across India. The findings revealed that online adoption and new-age digital companies were more appealing to people in the South. On the launch of the report, Sarbvir Singh, CEO, Policybazaar, said, "Policybazaar's efforts to maximize insurance penetration are in alignment with the IRDAI's vision of a fully insured India. In order to achieve that objective, we need to deeply understand the changing consumer needs. With a detailed series of face-to-face interactions, we have gone beyond tier-I and tier-II cities in this research and also explored the perspectives of tier-III India. We hope that the insights from our research will pave the way for more relevant and consumer-centric solutions from the insurance industry."

Key observations of the survey:

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

Two key reasons that deterred the purchase of both health and life insurance included affordability issues and difficulty in understanding the product. While more than 40 per cent respondents cited high premiums as the reason for not purchasing health and life insurance, around 53 per cent found the products/ process difficult to understand and thus, dropped out. This indicates a clear need for education in the category along with simpler, more affordable options. The earlier this education starts, the easier it will be to hit the message home. Around 80 per cent respondents across health and life insurance looked online for information before purchasing the policy. However, over 85 per cent ended up purchasing offline primarily through an agent they knew or was recommended by friends and family.

TOP

INSURANCE CASES

Doc, not insurer can decide hospitalization' – The Times of India – 26th July 2023

The Surat District Consumer Redressal Commission has reprimanded a private health insurer for rejecting the hospitalization claim of a Covid-19 patient, saying that only the doctor can decide on the need for hospitalization and not the company. The commission ruled in favour of Amitkumar Goyal, a resident of Vyara in Tapi district, whose mediclaim of Rs 86,250 as a hospital bill was turned down by Star Health and Allied Insurance Co. Ltd which cited the 'admission not required' clause.

According to case details, Goyal purchased a mediclaim policy of Rs. 10 lakhs from the insurance company for April 30, 2020 to April 29, 2021. On November 18, 2020, he was admitted to a private hospital in Surat where he was diagnosed with viral pneumonia and Covid-19. After treatment, he was discharged on November 25. On February 22, 2021, the company rejected the claim following which Goyal moved the consumer commission seeking compensation for mental harassment and the hospital expenses.

During the hearing, the insurance company argued that the patient was not required to get admitted as his illness was not serious. On the other hand, the complainant showed his Covid-19 report and CT scan with 20% to 25% infection in his lungs. The Commission observed that doctors are the best to decide on admitting the patient to the hospital. "The insurance firm had failed to take into consideration the CT scan report in which Covid-19 infection was seen. The claim was rejected unreasonably and unjustly," it noted. The company was ordered to pay Rs. 86,250 claim with 9% interest and Rs. 3,000 for mental harassment.

TOP

SC Directs New India Assurance Co. To Reimburse Medical Expenses Incurred By Insured In 2014 Road Accident In Nepal – Verdictum – 26th July 2023

The Supreme Court in a road accident case of 2014 that took place in Nepal has directed the New India Assurance Co. Ltd. to reimburse the medical expenditure incurred by the insured for the treatment of the injured husband and deceased wife. The Court allowed an Appeal challenging the impugned order of the National Consumer Disputes Redressal Commission (NCDRC), whereby the plea for reimbursement of medical expenses was rejected. The Court noted that the reading of the order of the District Consumer Disputes Redressal Forum (DCDRF) shows that the claims as per the terms and conditions incorporated in the insurance policy had to be released if found admissible and to the extent of the insured's entitlement. Therefore, it was natural for the Appellate to assume that the claim would include medical expenses incurred by him in a vehicle accident.

The two-judge Bench of Justice B. V. Nagarathna andJustice Ujjal Bhuyan asserted, "We do not think that is a correct reading of the Order of the District Forum inasmuch as the District Forum had specifically referred to medical bills at Exhibits C-19 to C28 and had directed the insurance company to release the amount found admissible to the complainant-appellant. The appellant herein was naturally under the impression that the amounts covered under the medical bills would also be payable". Advocate Ritesh Khatri appeared for the Appellant and Advocate Rameshwar Prasad Goyal appeared for the Respondents. The Respondent insured the Appellant's vehicle, which was initially covered in India and later in Nepal. The vehicle met with an accident and the Appellant claimed to have paid various amounts, including medical expenses and compensation, to the affected parties. The Respondent refused to pay the claimed amount, so the Appellant filed a complaint with the DCDRF. The DCDRF ruled in favour of the Appellant, but the Respondent appealed to the State Consumer Disputes Redressal Commission (SCDRF). The SCDRF dismissed the appeal. The Respondent then filed a revision petition with the National Consumer Disputes Redressal Commission (NCDRC). The NCDRC upheld the previous rulings but did not award medical expenses.

The Court noted that the main issue pertains to the reimbursement of medical expenses incurred by the Appellant. The Bench observed that the contention of the Respondent, that there was no evidence to show that the Appellate incurred the medical expenses, was incorrect. "In this regard, our attention was also drawn to the copies of the said Exhibits by way of filing an application for filing additional documents. Learned counsel for the respondent-insurer did not dispute the fact that the evidence in the form of Exhibits C-19 to C-28 were on record…. Learned counsel for the insurance company has not disputed these documents, instead, the contention of the insurer before the NCDRC was that "there is no evidence on record" to show that the payment was made. This is not a correct submission or statement made on behalf of the insurer", the Bench observed.

The Court asserted that the NCDRC erred in its order to disallow the reimbursement of medical expenses on the basis of the arguments presented by the Respondent. The Bench noted, "However, the NCDRC, on the basis of the submission of the learned counsel for the insurer, disallowed the disbursement of the medical bills on the premise that there was no evidence on record and that the appellant herein had not contested the Order of the District Forum before the State Commission". Accordingly, the Apex Court allowed the Appeal and set aside the impugned order of the NCDRC, while directing the concerned authorities to release the said amount to the Appellant within a period of one month from the date of the judgment.

Cause Title: Hem Raj v. The New India Assurance Co. Ltd. (2023 INSC 644) Click here to read/download Judgement

(The writer is Jayanti Pahwa.)

TOP

Pay Rs 8K compensation to litigant, insurance firms told - The Tribune – 24th July 2023

A city resident has accused an insurance company, a financer, and an authorised service centre of unfair trade practices and negligence. The complaint alleged that despite completing all the necessary requirements, the insurance claim for a damaged mobile phone had not been settled by the involved parties.

45 days given for compliance

- The Consumer Commission directed both the companies to pay Rs 9,457, the repair charges paid to service centre by the complainant, along with an interest rate of 6 per cent per annum from July 29, 2020, until the amount is realised.
- Additionally, they were ordered to pay compensation of Rs 8,000, including litigation expenses, for causing mental harassment to the complainant. Both parties were given 45 days to comply with the order
-

According to the complainant, Sangharash Kumar, he purchased an OPPO Reno 2F 8+128 GB on February 17, 2020, from a dealer. The phone was insured by the HDFC Ergo General Insurance company, who had a contract with an insurance company CPP Claims Management. The insurance policy, starting from February 17, 2020, until February 15, 2021, was initiated by the financer on behalf of the owner. A premium of Rs 1,924 was paid for the insurance to HDFC Ergo.

The incident in question occurred on July 28, 2020, when the owner accidentally dropped the mobile phone while descending a flight of stairs, resulting in damage. Following the incident, he approached the financer i.e., Bajaj Finserve, who directed them to contact the insurance company, who further advised him to have the phone repaired at an authorised service center and obtain a repair quotation.

"Upon visiting the service centre, the owner was quoted Rs 9,457 for the repairs, which were promptly paid in cash. The damaged phone was left with the service center for repairs on the same day. On July 29, 2020, the phone was returned to the owner after repairs were completed, along with the previously damaged part. The owner then submitted all the required documents, including the original bill, consumer claim form, and a cancelled cheque to the insurance company," claimed the complainant.

(The writer is Avneet Kaur.

TOP

No damage signs not enough to say vehicle wasn't involved - The Times of India – 22nd July 2023

Just because there is no visible damage caused to the offending vehicle, it cannot be concluded that it was not involved in a road accident, the Dharwad bench of Karnataka high court has noted.

A division bench, comprising Justices SG Pandit and Vijayakumar A Patil, rejected the insurance company's plea and awarded Rs 13.1 lakh more than the compensation given to the accident victim by a tribunal. "During the course of investigation, police have drawn up a panchanama (witness testimony), seized the Mahindra Bolero and filed a chargesheet against its driver, establishing that the vehicle was involved in the accident. The contention by the insurance company is contrary to the evidence on record," the bench noted.

Partly allowing the appeal filed by family members of the deceased, Santhosh Mahadev Ghadi, the bench directed Reliance General Insurance Company Limited to pay an enhanced compensation of Rs 45.1 lakh with 6% interest to the claimants. Santhosh was riding his bike from Koundal village in Khanapur taluk of Belagavi district to Goa on Khanapur-Hemmadaga Road on March 6, 2016. At 6.45am, he reached Dongargao Cross, when the speeding Mahindra Bolero from the opposite direction dashed against his motorcycle, killing him.

Santhosh's brother Srikanth registered a complaint and his parents and wife Ujwala moved the Motor Accident Claims Tribunal at Khanapur for compensation. On June 16, 2019, the tribunal awarded Rs 32 lakh. The family filed an appeal seeking higher compensation, claiming that Santhosh was working in MRF tyre factory in Goa, earning Rs 35,000 per month.

The insurer filed an appeal, claiming the Mahindra Bolero was not involved in the accident as it had suffered no damages and it was a hit-and-run case involving an unknown vehicle. The insurer also claimed that Santhosh was not wearing a helmet. As the offending vehicle had no permit and fitness certificate, the owner and the driver should be held responsible, it argued.

However, the division bench noted that the averments in the complaint and police probe had established involvement of the Mahindra Bolero. "The insurance company hasn't examined any independent witness to substantiate its plea. Nothing prevented the insurer from examining the driver of the vehicle before the tribunal. The firm hasn't cross-examined the brother of the deceased, who registered the complaint."

The bench rejected the argument that the deceased was not wearing a helmet, by pointing out that the insurer hadn't placed that plea before the tribunal and also hadn't given any evidence. "The deceased was aged about 31 at the time of the accident and his income was assessed at Rs 20,000 per annum. However, the tribunal committed an error in not awarding any compensation towards future prospects. The deceased was a permanent employee in MRF Limited. As per a Supreme Court's judgment, the claimants being legal heirs of the deceased are entitled to compensation under the head of loss of future prospects of the deceased."

(The writer is P Vasantha Kumar.)

TOP

PENSION

Employees Provident Fund Interest Rate: 8.15 percent interest on PF deposits to be credited for FY 2022-23 - Financial Express – 24th July 2023

Employees Provident Fund Interest Rate Update: Soon, 8.15% interest on deposits into your Provident Fund account for FY 2022-23 will be credited. The Central Government has ratified 8.15% interest rate on EPF deposits for FY 2022-23. This rate is marginally higher than what was credited into the PF accounts of depositors by the EPFO for FY 2021-22. On 28th March 2023, the Employees Provident Fund Organisation (EPFO) announced a margin increase in the EPF interest rate to 8.15 per cent for FY 2022-23. The 8.15% interest will apply to deposits made by over six crore EPF subscribers in FY 2022-23.

In an official order released today (July 24), the EPFO asked the Employees Provident Fund field offices for crediting the interest at 8.15 per cent on EPF for 2022-23 into the accounts of members. "The Ministry of Labour and Employment, Government of India, has conveyed the approval of the Central Government under para 60 (1) of Employees' Provident Fund Scheme, 1952 to credit interest @ for the year 2022-23 to the account of each member of the EPF Scheme as per the provisions under Para 60 of EPF Scheme 1952," retirement body EPFO said in a letter sent to field offices.

"You are accordingly, requested to issue necessary instructions to all concerned for crediting the said interest to the members' accounts," it added. The order came after the finance ministry's concurrence to the EPF rate of interest approved by the EPFO's Board of Trustees (CBAT) in March this year. Now the EPFO field offices will start the process of crediting the internet into subscribers' accounts. In March 2022, the EPFO reduced the interest rate on EPF deposits for 2021-22 to a four-decade low of 8.10 per cent from 8.5 per cent in 2020-21. This was the lowest since 1977-78, when the EPF interest rate stood at 8 per cent.

TOP

GLOBAL NEWS

Philippines: Non-life insurers face hardening reinsurance market and more volatile underwriting performance – Asia Insurance Review

Domestic non-life insurers are facing increased negative pressure on the balance sheet strength and operating performance amid rising challenges in accessing reinsurance capacity, says AM Best. he global credit rating agency is revising its outlook on the Philippine non-life insurance market to 'Negative' from 'Stable", citing the challenges the sector faces.

In a new *Best's Market Segment Report*, titled "Market Segment Outlook: Philippines Non-Life Insurance", AM Best notes that the market historically has relied on reinsurance to mitigate underwriting volatility and exposure to catastrophe accumulations, and to subsidise acquisition costs.

Hardening reinsurance market
With hardening reinsurance market conditions globally and a reduced appetite for property catastrophe risks in the Philippines, carriers struggled to place proportional reinsurance programmes in the most

recent 1 January and 1 April reinsurance renewals. This inevitably led to changes in the reinsurance programmes for many non-life insurance companies in the Philippines.

"Property insurance is the largest line of business in the Philippines and has represented 30% to 40% of gross premiums in recent years," said Chris Lim, associate director, AM Best. "Faced with shrinking proportional reinsurance capacity and a reluctance to lose market share, domestic non-life insurers may have limited alternatives but to increase their premium retention and assume higher net retained liabilities."

Underwriting performance

According to the report, AM Best expects that underwriting performance would be subject to greater volatility, driven by increased retained exposure to natural catastrophe risks. With higher retention, non-life insurers bear a heightened sensitivity to climate risks and modelling inaccuracies. Underwriting performance for motor insurance also is likely to be pressured given various headwinds over the near term, including a post-COVID claims frequency normalisation.

Silver lining

Mitigating factors to the negative outlook include insurers' strengthened capitalisation in recent years, supported by a phased increase in the minimum capital requirement.

"This enhanced capital position may provide some Philippine non-life companies better opportunities to support portfolio diversification via expansion into non-property lines; for example, travel and personal accident insurance," said Michael Dunckley, director, analytics, AM Best. "Greater demand for motor insurance given a higher number of vehicle sales projected for 2023 is likely, while growth of the domestic InsurTech space, as well as an increasing use of e-commerce apps, also present opportunities for insurers."

TOP

Vietnam: Insurance market's premium income dips by 1.6% in 1H - Asia Insurance Review

The insurance market has achieved relatively positive results in the first six months of 2023, especially amidst unfavourable macroeconomic conditions and complaints about mis-selling of life insurance plans. Total premium revenue decreased marginally by 1.6% to VND116,984bn ($4.9bn) in 1H2023, according to local media reports citing data from the Ministry of Finance.

Non-life insurance premium revenue reached VND35,587bn, up by 3.31% over the same period last year; while the life insurance sector generated premiums of VND81,397bn, down by 3.6% over the corresponding half in 2022. Insurance claim and benefit payments are estimated at VND35,730bn, an increase of 25.11% compared to 30 June 2022.

Total assets were estimated at VND868,675bn at the end of June 2023, up by 12.2% compared to 12 months previously. Total equity capital was estimated at VND180,407bn as of the end of June 2023, up by 5.03% over 12 months previously.

TOP

Australia: Insurance Council proposes government set up central AI expert body - Asia Insurance Review

The Insurance Council of Australia (ICA) has proposed that the government consider establishing a central AI expertise body (Expert Body), In a response to the Department of Industry, Science and Resources, contributing to the discussion on the development of safe and responsible AI practices in Australia, the ICA says that the Expert Body could be modelled on the United Kingdom's Office for Artificial Intelligence and AI Council.

The Expert Body would house the government's expertise and advise other parts of the government on regulating and engaging with AI. Any department or agency seeking to regulate AI would need to consult the Expert Body. The Expert Body would then make public recommendations to which the department or agency would have to respond in their development of AI regulation. This system would create public accountability for regulators, helping to limit the proliferation of overlapping regulation and ensuring regulation remained sensible and within the government's risk appetite.

Whole-of-government approach

Warning that a non-centralised, uncoordinated model carries risks, the ICA says that the financial services sector is currently experiencing problems arising from a lack of coordination in policy delivery across government. For example, insurers currently have overlapping specific and general cyber security obligations across multiple regulators which in practice increase complexity and compliance costs.

The ICA said, "A whole-of-government approach to AI regulation does not necessarily require a single regulator but it must consider a formal mechanism to ensure that policy actions are coordinated across regulators, which the Expert Body can provide."

Initial tasks

The Council also recommends two initial tasks for the Expert Body:

1. help the government set its risk appetite and develop a national risk statement or similar. The national risk statement would inform the Expert Body's recommendations to government departments or agencies. It would also help non-governmental entities to understand the government's expectations regarding their development and deployment of AI.

2. examine existing regulations and other reforms or strategies (such as the Privacy Act Review and industry codes) impacting the development and deployment of AI to identify gaps and uncertainties and make recommendations to the government on how those regulations could be made clearer and drive better AI-related outcomes for Australians.

Risk-based approach

The Insurance Council also says that gives in-principle support for a risk-based approach to regulating AI. It said in the letter, "When considering the appropriate regulatory landscape for emerging technologies like AI, the focus should be on whether their application could result in new risks or harms and exploit or create gaps in the existing regulatory framework, not only whether risks or harms are possible in the absence of any regulation. Absent this approach, it is likely that AI-specific regulation will overlap or create inconsistencies with existing consumer protection and other regulations.

"We therefore strongly suggest that identified risks of AI be assessed in the context of the existing regulatory framework and this may also facilitate identification of current regulatory requirements that may benefit from guidance in terms of their application to AI."

The ICA encourages the government to clarify the coverage of existing regulations to identify gaps or address uncertainties. "We would also anticipate that potential risks will be identified as AI use cases develop," it added.

TOP

COI PROGRAM CALENDAR

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

COLLEGE OF INSURANCE CALENDAR PROGRAMME FOR THE YEAR 2023- 2024 (Mumbai)							
Sr. No.	**Programs Name**	**Program Start Date**	**Program End Date**	**Prog. Mode**	**Fees for Online**	**Fees for Residents**	**Fees for Non-Residents**
1	Enhancing the Productivity of Specified Persons of Banks, Corporate Agents & Brokers	08-Aug-23	09-Aug-23	Offline		Rs. 10000/- + G.S.T.	Rs. 7200/- + G.S.T.
2	Challenges in Miscellaneous Insurances	10-Aug-23	11-Aug-23	Offline		Rs. 10000/- + G.S.T.	Rs. 7200/- + G.S.T.
3	Liability Insurance: Focus-Event and Film	11-Aug-23	11-Aug-23	Online	Rs. 1500/- + G.S.T.		
4	Webinar on Financial Markets and ULIPs	18-Aug-23	18-Aug-23	Online	Rs. 150/- + G.S.T.		
5	Branding through bonding	24-Aug-23	25-Aug-23	Offline		Rs. 10000/- + G.S.T.	Rs. 7200/- + G.S.T.
6	Marine Cargo Claims and Fraud Management	24-Aug-23	25-Aug-23	Offline		Rs. 10000/- + G.S.T.	Rs. 7200/- + G.S.T.
7	Regulatory Compliance for Insurance Brokers	24-Aug-23	25-Aug-23	Online	Rs. 3000/- + G.S.T.		
8	Techniques for Tele Marketing Teams in Insurance	04-Sept-23	05-Sept-23	Offline		Rs. 10000/- + G.S.T.	Rs. 7200/- + G.S.T.
9	Rural and Livestock Insurance	04-Sept-23	05-Sept-23	Offline		Rs. 10000/- + G.S.T.	Rs. 7200/- + G.S.T.
10	Mega Risk Insurance	11-Sept-23	12-Sept-23	Offline		Rs. 10000/- + G.S.T.	Rs. 7200/- + G.S.T.
11	Marketing Strategies for creating a captive market	12-Sept-23	12-Sept-23	Offline		Rs. 5000/- + G.S.T.	Rs. 3600/- + G.S.T.
12	Liability Insurance Focus Financial Lines - CT Mumbai	14-Sept-23	14-Sept-23	Offline		Rs. 10000/- + G.S.T.	Rs. 7200/- + G.S.T.

COLLEGE OF INSURANCE CALENDAR PROGRAMME FOR THE YEAR 2023- 2024 (Kolkata)							
Sr. No.	**Program**	**Program Start Date**	**Program End Date**	**Prog. Mode**	**Fees for online**	**Fees for Residential**	**Fees for Non-Residential**
1	Raising Effectiveness of Business Development Executives & Managers	11.08.2023	11.08.2023	Online and Offline	Rs. 3000/- + 18% GST	Rs. 5000/- + 18% GST	Rs. 3600/- + 18% GST
2	Annuities as a Distinct Marketing Tool	17.08.2023	18.08.2023	Offline		Rs. 10000/- + 18% GST	Rs. 7200/- + 18% GST
3	Enterprise Risk Management (ERM) and Key Roles of the Risk Owners and CRO	23.08.2023	24.08.2023	Online and Offline	Rs.6000/- +18% GST	Rs. 10000/- + 18% GST	Rs. 7200/- + 18% GST
4	Managing Cyber Risk & Insurance-CT Kolkata	05-Sept-23	06-Sept-23	Online and Offline	Rs.6000/- +18% GST	Rs. 10000/- + 18% GST	Rs. 7200/- + 18% GST
5	Augmenting Women Power in Leadership	11-Sept-23	11-Sept-23	Offline		Rs. 5000/- + 18% GST	Rs. 3600/- + 18% GST