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INSUNEWS - WEEKLY E-NEWSLETTER

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QUOTE OF THE WEEK

"Success is not a matter of mastering subtle, sophisticated theory but rather of embracing common sense with uncommon levels of discipline and persistence."

PATRICK LENCIONI

Insurance Term for the Week

Fidelity Policy

A fidelity policy, also known as fidelity guarantee insurance, is a type of insurance that protects businesses from financial losses caused by employee dishonesty. It can cover losses due to fraudulent activities like theft, embezzlement, forgery, and misappropriation of funds. Fidelity policies can also protect against losses caused by nonperformance of an employee.

Businesses can purchase fidelity policies to mitigate the risks associated with employee-related fraud. Policies can be taken out for named employees or based on positions, and limits can be specified individually. Claims are subject to the terms and conditions set forth in the policy.

Types of fidelity insurance plans available-

- Individual policy
- Collective policy
- Blanket policy
- Floater policy

INSIDE THE ISSUE

INSURANCE INDUSTRY

Insurance: A lot has changed and a lot needs to change - The Economic Times - 28th June 2024

Insurance is on a roll. The recent past, especially the last one year, has seen a lot of action in the seemingly staid sector with the regulator coming up with dozens of new initiatives and the rise of InsurTechs leading to an aggressive digital push by all players. But what kind of difference will it all make? More importantly, what changes should insurance companies be driving? Here's my take.

Evolving insurance industry

Insurance companies today are talking about customer service, product innovation, collaborations with InsurTechs and building innovative distribution channels. This is a shift from the past, where the emphasis was mainly on increasing penetration and financial inclusion.

I have also seen a variety of innovative products being offered– from global covers to dedicated products for women. In fact, since the pandemic the insurance sector has been going through major transformation. In my view, there have been two major changes. First, a lot more people now recognize the value of insurance. Second, insurance companies are embracing advanced technologies at a much higher speed.

This week the GST Council also gave tax relief on transactions to the insurance companies.

What needs to change in insurance

Fifteen years ago, when I started covering insurance, I had to create a dictionary of industry jargon—terms like repudiation, free look period, solvency, underwriting, and sum assured, because they were not regular words and not easy to understand either.

Even after 22 years of privatisation and more than 100 years of the industry, jargon and dominance of English remains, keeping the layman confused and underinformed. Senior industry executives admit that people don't understand the products because of jargon.

One Chief Distribution Officer once told me that they hold numerous workshops just to explain products to their sales force. So why not use simple terms like "chalu khata" or "bachat khata" instead of "agreshit rashi" which banks use?

Insurance companies spend more money on advertisements than on educating customers. Needless to say, both are different. The commissions for the intermediaries are decided by the regulator but the challenge is they must be reasonable. Low commissions will not motivate intermediaries to sell products, leading insurers to find alternative ways to compensate intermediaries, like lavish trips abroad.

Companies should ask more questions while selling policies and fewer when a claim is filed. Currently, it's the opposite because everyone wants to boost their top line. An insurance broker recently told me that InsurTechs offer any sort of discount just to get the business. It's not at all sustainable for them. They just need to keep the top line robust, and then they keep on delaying or rejecting the claims to save their bottom line.

Apart from the simple and jargon-less products, what I think will work the most is the trust factor. People are now understanding the difference between investment and insurance products. They know that investing in mutual fund and taking the SIP route will be far more lucrative than buying insurance as an investment product. So insurers cannot show the same cards now. There are enough case studies of how much more money customers made by investing in mutual funds than in traditional products in the last

10-15 years. A personal finance expert once told me that he only advises clients to go for term insurance and not endowment policies when it comes to life insurance. Hence, there is a dire need of revamping and redesigning the endowment policies. Also, insurance companies will have to pitch for insurance first and then investment.

Make it clear

Remember, the trust will go up only when you deliver what you promised. Often there is a mismatch. Only at the time of claim the customer realises that he is being taken for a ride, which is demotivating. You buy motor insurance and then you realise that it doesn't cover engine, car parts and many things… then the question the customer will have is what is he paying for? Still today the interlinkage between the companies and brokers is so high that it is an unwritten rule that the first-time vehicle buyer has to pay two to three times the premium for buying motor insurance. Why?

Also, the generational change has brought in new challenges. What if a customer buys motor insurance for a Scorpio SUV and then modifies the car with expensive accessories? Insurers have to be far more innovative and simple. A lot has changed. But a lot needs to change, too.

Apart from jargon I strongly feel that the whole product space should go through a content revamp. Customers shouldn't be surprised to find that their motor insurance doesn't cover essential parts. This will reduce mis-selling. For years, insurers exploited system loopholes, but this can't continue. The market is going to be very different henceforth. Remember when you buy a car, it is mandatory for you to buy motor insurance from the showroom, which is almost double the cost. Why?

India next and insurance

When India is marching towards a developed economy we need a set of vision for insurance as well. We can't have the same product, same strategy and same approach when buyers are youngsters, who prioritise cashbacks and experiences. Under the Viksit Bharat theme, the Insurance Regulatory Development Authority has set a vision for "insurance for all" by the time we celebrate 100 years…but a lot needs to change for that. We must start planting the seeds of this transformation today.

(The writer is Amol Dethe.)

TOP

A customer-centric revolution is needed - The Economic Times - 23th June 2024

There is no doubt that India is set to be one of the fastest growing economies in the world for next 5-10 years. In parallel to a >5% compounded growth in per-capita income of Indians from $1,700 in 2016 to ~$2,550 in 2023, there is a paramount need to protect this base. That's where to my belief, insurance plays a critical role. Insurance is built on trust from all ends but the evolution of insurance in India has compromised this very trust. Amongst many things, if consumer-centricity is not brought in urgently, we could be keeping many loose ends as a nation on fundamental risks!

Envision a future where the insurance policies prioritize the customer

Amit, a 34-year-old husband and father of two, wanted clear, jargon-free health insurance for his family. Through a user-friendly platform, he found that perfect plan, gaining peace of mind. When his wife faced a health issue with home treatment, all expenses were seamlessly settled by the insurance company, without any hassles. Besides, for him & his family, he enjoyed 6 specific benefits (besides claims) such that his belief in insurance is what every Indian desires for! The example might sound like a fantasy to many but may not be by 2025.

In parallel consumer-facing sectors in India, most retail platforms offer hassle-free return & exchange policies Even banks often waive late fees with a simple explanation, showcasing the power of customer-centricity. The 12-lakh crore Indian insurance industry is at crossroads with a notable gap between promise and delivery. Urgently needed is a shift towards genuine customer focus. Traditionally product-based, the industry's reliance on complicated jargons and sales-first approaches have built distrust. A recent survey by the Federation of Indian Chambers of Commerce and Industry found that over 40% of

Indians consider insurance policies too complicated. This alone creates a huge security gap, leaving many people vulnerable to unforeseen circumstances.

By building trust and making insurance accessible, companies can encourage greater policy adoption. In fact, a McKinsey & Company report suggests that a consumer-centric approach can deliver a whopping 10% increase in insurance penetration in emerging markets like India. This translates to millions of people being financially protected.

The reality is that happy customers are loyal customers. From policy selection to settlement, insurance companies need to focus on customer experience throughout the insurance journey. Doing this creates a sense of value and satisfaction which in turn increases customer retention. A Harvard Business School study highlights that companies with a strong customer focus retain 90% of their customers, compared to a mere 30% for those with a weak focus. Strong customer relationships are essential to long-term success in the insurance industry.

In the digital age, customer experiences shape brand perception. By prioritizing customers' needs, insurance companies build a reputation for reliability and empathy, attracting new customers and strengthening market position. Embracing transparency would greatly benefit the entire industry. Insurance policies must be clearly worded to reduce confusion and mistrust caused by jargon. Offering customizable plans tailored to specific needs empowers customers and enhances their financial security. Technology is revolutionizing insurance by providing user-friendly interfaces and personalized recommendations based on individual data insights. Understanding policy details ensures consumers feel empowered and confident in their insurance decisions.

The Indian insurance industry can be a powerful safety net for billions of people. By adopting customer centricity, insurers can open a new era of growth and inclusion. It's time to move away from a production-oriented approach and focus on the people we serve. By putting customer needs first, building trust, and leveraging technology, we can create a future where insurance is not just a necessity, but a valuable tool for economic empowerment and security.

(***The writer is Saurabh Vijayvergia.)***

TOP

INSURANCE REGULATION

IRDAI Asks Insurers to Open More Bricks-and-Mortar Branches - The Hindu Business Line – 25th June 2024

The Insurance Regulatory and Development Authority of India (IRDAI) has asked insurers to open more bricks-and-mortar branches alongside stepping up digital offerings.

"Physical presence through brick-and-mortar offices leads a long way in gaining customer confidence particularly in remote locations of the country. Adoption of technology infrastructure to reach out to customers enhances ease, a physical approach which can come in handy to reach the last mile," the regulator said in a master circular on operations.

To instil confidence in customers through visibility, the opening or closing of business units must be done judiciously, safeguarding the interests of policyholders, the regulator said. Places of business should be opened within a year from the date of approval, after which it would lapse.

Overseas liaison office

To open a representative or liaison office outside India, the board of the insurer should approve all the related operational matters.

“The insurer should have appropriate arrangements to ensure that the policyholders’ liabilities that arise out of foreign operations are adequately ring-fenced in order to protect interests of the policyholders residing in India,” it said. A representative or liaison office outside India can undertake development and promotional activities such as gathering financial, economic and commercial information, educating prospects about advantages of insurance, and so on.

They can also promote the company’s products, offer customer service, identify prospects of the host country, and conduct seminars to create awareness on insurance, apart from liaison with foreign brokers and re-insurers for ceding/ accepting reinsurance, and support for formalising treaties.

Life insurance offices
As per IRDAI data, there were 11,256 life insurance offices as on March 31, 2023, which is an increase of 196 from the previous year. Around 59 percent of life insurance offices are in Tier I centres with population of one lakh and above. About 0.76 percent are in Tier VI centres with population less than 5,000. The public sector life insurer had offices in 688 of the 750 districts (92 percent) in the country, whereas private sector insurers had offices in 604 districts (81 percent). Public and private insurers together covered 92 percent of districts.

Non-life insurers
General and health insurers were operating from 9,917 offices as against 10,775 offices as on March 31, 2022. When compared to the previous year, there has been decrease of 1,148 offices for public sector general insurers, an increase of 129 offices for private sector general insurers, , and a decrease of one office for specialised insurers and 162 offices for standalone health insurers. Overall, there is a decrease of 858 non-life insurance offices as compared to the previous year.

(The writer is G Naga Sridhar.)

TOP

IRDAI unveils phygital approach, robust grievance measures in new circular - The Economic Times – 21st June 2024

In a significant move towards policyholder-centric reforms, the Insurance Regulatory and Development Authority of India (IRDAI) has issued a Master Circular to strengthen governance measures in insurers' operations. The new regulations aim to enhance customer service, ensure transparency, and promote fair practices within the insurance sector. The IRDAI Master Circular mandates insurers to implement a technology-driven mechanism for efficient and speedy grievance redressal. Insurers must strive towards achieving "zero grievances" by establishing regular customer interfaces through consumer-friendly processes and running awareness campaigns.

Key requirements include facilitating online submission of grievances, ensuring the registration of all grievances, and strengthening resolution processes with an internal escalation matrix. Additionally, insurers are encouraged to adopt Internal Ombudsman Schemes for further dispute resolution.

Advertisement Integrity and Phygital Accessibility
To ensure advertisements are truthful and not misleading, the circular requires that an Advertisement Committee, approved by the Board, or a senior officer of the distribution channel, examine and approve all advertisements.

Moreover, to make insurance accessible in remote areas, insurers are instructed to adopt a "phygital" approach, combining both physical and digital methods, to open places of business. This hybrid model aims to bridge the gap between urban and rural areas, ensuring broader reach and service availability.

Outsourcing and Service Continuity
The Master Circular also addresses outsourcing activities, stipulating that insurers outsource only permitted activities if they enhance service efficiency and value to the business. Such activities must be overseen by a committee constituted by the insurer's Board.

Policyholders will now have the option to avail themselves of online services or be allotted another insurance agent/sales staff for uninterrupted policy servicing if their current intermediary is no longer associated with the insurer. This measure ensures continuous and consistent service for policyholders.

Streamlining Group Insurance Business

Several provisions are also introduced to streamline group insurance operations:

- Insurers must issue a 'Certificate of Insurance' to all members of non-employer-employee group schemes.
- The consent of the nominee/policyholder/beneficiary is required for repayment of outstanding loans from the proceeds of an assigned policy.
- For group mediclaim policies, no claims can be denied due to the non-availability of details of group members.

Transparency in Unclaimed Amounts

To enhance transparency, policyholders can now access information on unclaimed amounts with any insurer through a centralized link provided on Bima Bharosa. This initiative allows policyholders to track unclaimed funds easily and ensures they receive what is rightfully theirs.

By leveraging technology, enhancing service delivery, and implementing stringent governance measures, the IRDAI aims to empower policyholders and build a more robust insurance ecosystem in India. These reforms are expected to drive better customer satisfaction and foster trust in the insurance sector, ultimately contributing to its orderly growth and development.

(The writer is Sheersh Kapoor.)

TOP

LIFE INSURANCE

Budget Wish-List: Life insurers push for NPS tax benefits on their pension and annuity products - The Hindu Business Line – 26th June 2024

Ahead of the upcoming Budget from the Modi 3.0 government, private life insurers are advocating for tax parity between life insurance annuity or pension products and the National Pension System (NPS). There is also need for separate income tax deduction window for premium paid on term insurance policies, they have suggested. Also, individuals must be permitted to deduct the entire amount paid for Term life insurance premiums from their taxable income, without any decrease due to claims made under other sections, such as 80C, several Chief Executives of private life insurers said. Interestingly, there is also now suggestion to the Finance Ministry to introduce long-term capital gains (LTCG) taxation for all high value traditional life insurance plans (more than ₹5 lakh aggregate annual premium), in line with high value Unit Linked Insurance Plans (ULIPs).

Tarun Chugh, Managing Director & CEO, Bajaj Allianz Life Insurance, said that introduction of LTCG for all high value traditional life products will bring in uniformity and tax efficiency for insurance customers at par with other similar financial products in the market. On pension products, Chugh said that government must align life insurance annuity or pension products with the NPS and allow the similar additional deduction of ₹ 50,000 or more for life insurance annuity or pension products under income tax. Chugh also wanted the Finance Ministry to consider lower GST rate on life insurance products. Prashant Tripathy, Managing Director & CEO, Max Life Insurance, said: “To enhance social and financial security, it is important to introduce a separate deduction for Life Insurance policies, especially Term insurance policies, under Section 80.

Additionally, bringing the pension products of Life insurance companies on par with the NPS by allowing tax deductions of ₹ 50,000 under Section 80CCD will also be a strategic move towards incentivizing long-term financial planning for retirement and will align with broader financial inclusion goals, making vital coverage more affordable for a wider demographic." Satishwar B., Managing Director and CEO, Bandhan Life, said that investing in pension and annuity products is crucial for income after retirement. "Making taxes simpler or removing them for these products will encourage more people to invest in these important financial protections", he said. The current ₹50,000 tax deduction for NPS under Section 80CCD (1B) should also apply to pension and annuity plans provided by life insurance companies to encourage more people to use them, he added.

Satishwar said that permitting individuals to deduct for tax purposes the entire amount paid for Term Life insurance would mean they get the full tax benefit for their insurance premiums, making insurance more financially appealing. S.K.Sethi, Co-Chair, PHDCCI's Banking & Financial Services and Insurance Committee said that tax breaks on the pension products sold by life insurers should be better than those available for NPS. This will help increase the popularity of pension products and help the government in investments in infrastructure projects in a big way in the coming five years, he added. Rakesh Jain, CEO, Reliance General Insurance, said the government must in the Budget increase the upper limit for tax exemption on health insurance premiums to ₹75,000. Also, health insurance must be mandated to all employers for their employees to bring holistic protection to the working class.

Prasun Sikdar, Managing Director & CEO, ManipalCigna Health Insurance, said that the Budget must announce higher allocation of funds for healthcare compared to what was proposed in Interim Budget to meet the targets of the National Health Policy. He also urged the government to reduce the current 18 percent GST rate on essential service like health insurance. "Lowering the GST burden on the health insurance premiums will be a huge respite for missing middle and senior citizens to get access to good quality healthcare they need and help to significantly boost insurance penetration across India by driving affordability," Sikdar said.

(The writer is Kr Srivats.)

TOP

Getting insured is one thing, adequate life-insurance cover is another - Live Mint – 24th June 2024

As a football enthusiast, I find the sport exhilarating. It demands patience, persistence and timing. Its unpredictability adds to its allure. Life, much like a football match, is inherently a series of unpredictable events, emphasizing the necessity of having adequate defences in place, both on field and in terms of financial planning. Appropriate strategies and calculated moves can make all the difference in securing our life goals. Bear Bryant famously said: "Offence sells tickets, defence wins championships." A solid financial plan with the right mix of investment tools builds the defence that you need to secure your financial future.

With increasing financial literacy, rising income levels and greater awareness, along with greater technological adoption and policy reforms, more families in India are recognizing the need for long-term financial planning, including the importance of incorporating life insurance early on as a versatile tool for protection As term life insurance serves as a safety net for loved ones faced with unforeseen circumstances arising from a tragic demise, everyone should have a policy. It doesn't matter whether you are in your early 20s, late 30s, a single mother or a father with dependents. The concept's value explains why life insurance is among the top three most preferred savings instruments in the overall household financial savings mix. It has grown at a compounded annual rate of 11 percent from 2018-19 to 2022-23, contributing 18 percent to total financial savings its penetration inspires optimism. Nearly 60-70 percent of families in India have some or another kind of life insurance cover (credit protection, individual life insurance products, PM Jeevan Jyoti Bima Yojana, etc). It's a positive sign. However, the key question is whether the cover that people in India currently have is enough.

Despite India being one of the world's fastest growing economies, World Bank data suggests that the total sum assured as a proportion of GDP in India is barely 70 percent, as compared to 251 percent in the US, 143 percent in Thailand and 153 percent in Malaysia. This indicates a significant gap in the amount of insurance coverage. When an insurance policy is purchased, the buyer doesn't always factor in the adequacy of the life cover should the need of its use arise. Insufficient coverage could mean that families receive inadequate financial assistance, addressing only a fraction of their needs and rendering the purpose of term plans ineffective. Without adequate life cover, families may be forced to liquidate assets or redeem investments to pay for key financial requirements, which could derail their life goals. It is also a good sign that Indians are increasingly recognizing the need to stay sufficiently protected by insurance policies. But what is an optimal level of life-insurance cover? This can be determined through a comprehensive assessment of current income, savings, liabilities and the family situation. The general rule-of-thumb is to secure cover that is 10 times one's annual income. This will keep the policyholder's family financially well supported in the event of his/her death. In recent times, the sector's regulator, the Insurance Regulatory and Development Authority of India (IRDAI), has embarked on a programme of reforms to facilitate 'Insurance for All by 2047.' Its efforts include improving the business and regulatory environment as well as instituting a risk-based capital regime and implementing International Financial Reporting Standards (IFRS) and the Risk-Based Supervision Framework—all towards deepening India's insurance penetration within the next few years.

While IRDAI's overarching goal is to enable the sector's growth and make insurance accessible to as many Indians as possible, the sector is also seeing constant expansion of the digital ecosystem that is helping insurers pursue their objectives better. Together, the insurance industry and its regulator are taking numerous measures. These include the introduction of simple and innovative products, revamping of distribution channels and the adoption of new technologies to enable faster and more transparent processes. Not only must we increase accessibility to life insurance, as stated earlier, we also need to promote coverage adequacy. We should encourage households to review their portfolios. Remember, like any other financial instrument, a policy purchase needs to be a very well-informed decision. It must take into account one's income, debts and future family expenses. And once a term plan is bought, one should periodically review the coverage, much as we evaluate other expenses and taxes. Foreseeable life events—which can range from a marriage and birth of a child to buying a dream home—can significantly alter one's insurance needs. Regular evaluations can ensure that one's policy stays aligned with likely requirements. Revisiting your coverage doesn't just safeguard policyholders against under-insurance, it also helps rationalize premiums to be paid so that they are not needlessly high.

(The writer is Tarun Chugh).

TOP

New surrender value norms: Life insurers likely to alter product mix - Business Standard – 23rd June 2024

The life insurance industry, which planned to increase its share of non-participating (non-par) products in the overall product mix, after its declining share in FY24, is likely to change its strategy to reduce the impact of the revised surrender value norms. A change in surrender value norms is likely to dampen the growth of non-par products and boost product designing and innovation in the life insurance industry. Non-par product offers guaranteed benefits to a customer according to predetermined choices.

"The industry can reduce the impact of revised surrender value norms using multiple ways. As a result of the norms, the share of non-par products is likely to reduce or result in more production of combo products. The changes can also boost product innovation in the industry," said an insurance official. In FY24, the product mix of life insurance companies had shifted towards unit linked insurance plans (Ulips) due to buoyant equity markets. This shift affected the value of new business (VNB) margin of the life insurers due to lower product margin of the segment. During the post earnings analyst call, all listed life insurance players, including Life Insurance Corporation of India (LIC), talked about focusing on non-par products and increasing their share in the overall product mix. This will help in improving the profitability margin. The Insurance Regulatory and Development Authority of India (Irdai), in its master circular on life insurance products issued on June 12, prescribed enhanced special surrender value (SSV). The circular will be effective from September 30, 2024.

According to the circular, life insurers will have to ensure that the SSV is at least equal to the expected present value of paid-up sum assured, paid-up future benefits and accrued or vested benefits, duly allowing for survival benefits already paid. Also, the surrender value will be applicable after the first year if the first year annual premium has been paid. "The growth of non-par products is likely to weaken, but it will not be merely because of the revised norms but also owing to the buoyant equity market," said another insurance official. However, analysts do not expect a move away from non-par to participating products (par) due to better profitability margin of the former. There is a likelihood of a change in product design. "The insurers could shift their product mix. But, since non-par products have higher margins, insurers could shift product mix from within. They could either redesign their products or sell higher duration products since it is discounted with the 10-year G-sec. Even if it has a slightly lower return profile, the companies could maintain their profitability," said Madhukar Ladha, director - equity research, Nuvama Institutional Equities.

According to the guidelines, benefits are discounted at 10-year G-sec with an additional cushion of 50 basis points (bps) in comparison to the proposal to discount it against 10-year G-sec rates. Apart from the profitability margin, analysts expect that push from the distributors for non-par products before October 2024 is likely to result in an improvement in their sale. "Post change in taxation in the previous Budget (Union Budget FY24), the share of non-par products has already come down from last year. From that base, if at all, for the next 2–3 months, there will be a strong push by the distributor for the existing (non-par) products. So, there could be a higher growth in the non-par segment in the short term. Even after that, considering the flexibility given to customers, there is a possibility that growth may pick up for the segment since it is becoming more flexible for customers. So, I do not see a slowdown with respect to non-par," said Avinash Singh, senior research analyst, Emkay Global Financial Services.

(The writer is Aathira Varier.)

TOP

GENERAL INSURANCE

How Budget can unlock potentials in non-life insurance - Live Mint – 27th June 2024

The Indian insurance industry's growth trajectory aligns with India's aspirations, with Swiss Re, a reinsurance company, projecting it as the fastest-growing among G20 countries between 2024 and 2028. However, there is still much ground to cover. Insurance adoption in India remains low at around 4 percent, with life insurance contributing 3 percent and non-life only 1 percent. There is significant potential for growth in the non-life segment to meet global standards. Incentivizing investments in health insurance. A key driver of the non-life segment is health insurance. In FY24, the health insurance segment surpassed ₹1 trillion in premiums, growing by 20.2 percent.

However, it is also true that close to 73 percent of India's population is not covered by health insurance. If we consider this, along with the fact that at 14 percent, India has one of the highest rates of medical inflation, we have a challenge that needs to be resolved on priority. There is no doubt that a lot needs to be done to promote awareness about adequate medical coverage, especially for families with a significant number of dependents requiring medical care due to age or chronic conditions. Offering a reduction or complete waiver of goods and services tax (GST) on health insurance premiums could encourage purchase and renewals of health insurance in the long term.

Additionally, providing tax benefits for insurance for senior citizens would ensure that all sections of the population are suitably covered in terms of health insurance. It would also be pertinent to mention that including insurance spends by corporates under corporate social responsibility (CSR) could incentivise several companies to opt for comprehensive group health insurance coverage for employees and by extension, their families. The insurance protection gap is an equally formidable challenge. Let's consider property insurance, for instance. Having a roof over one's head to call one's own remains a dream of the average Indian household. Due to government schemes, rising income levels and growing urbanisation, owning a home may have become easier than before, but protecting it from damages remains an area of concern. More than 84 percent of low- and middle-income categories, and over 77 percent from coastal regions and tier II and III cities, do not have property insurance. At the same time, courtesy climate change, the number of natural calamities has only been on the rise, resulting in frequent earthquakes, floods, drought and wildfires, among others.

Given that an individual's significant life savings are invested in property, and it is increasingly being exposed to potential external threats, encouraging investments in property insurance is imperative. Today, property insurance contributes less than 5 percent of total non-life premiums. Similar to health insurance, a GST waiver for property insurance or tax exemptions on the category could go a long way in improving adoption and reducing the protection gap that the government has to bear in case of damages due to natural calamities. Similarly, just as workmen's compensation is mandatory for employee welfare and protection, minimum insurance should also be made mandatory for anyone starting a business. Depending on the type of business, they should be required to have fire, marine and liability insurance, to be able to operate. Further, all listed companies where public money is involved should be directed to conduct insurance audits to weed out potential protection gaps arising from underinsurance, inadequate coverage, wrong policy issuance, etc.

Citizens are a country's most critical asset. For a country like India, which has one of the world's youngest populations, this demographic dividend can lead to next level growth only if they are economically secure. Investing in the future through pension and retirement plans is vital for economic security. Presently, the annuity and pension protection gap in the country is over 93 percent. Given the growing rate of inflation and the cost of living, which is only likely to rise over the years, incentivising increased investments in retirement plans will be important, either by increasing the amount of ₹1.5 lakh under exemption (Section 80C under old tax regime), or by creating separate exemption provisions for pension plans, including those for senior citizens. While the Insurance Regulatory and Development Authority of India (Irdai) and the government are taking steps to enhance insurance adoption, innovation, offerings and affordability, the recommendations made in this column could help accelerate the process.

(The writer is Sumit Bohra.)

TOP

Three state insurers may get Rs 5,000-crore infusion for revival - The Economic Times – 26th June 2024

The government may delay a planned privatisation of state-run general insurers, focusing instead on strengthening the three insurers-Oriental Insurance Co. Ltd, National Insurance Co. Ltd, and United India Insurance Co. Ltd-through capital support and business revival plans. It is expected to infuse about ₹5,000 crore into the three insurers, shelving any privatisation plan this fiscal, said officials aware of the development.

"Deliberations have been held with all stakeholders, and an announcement regarding capital support is expected in the upcoming budget," one of the officials said. He said the final amount may vary but the government is committed to supporting the general insurers to further strengthen their balance sheets.

Solvency ratio for the three insurers remained at about 0.58 as of December 2023, compared to the regulatory requirement of 1.50 times. The solvency ratio is the excess of capital and the value of assets over the insured liabilities. It indicates the buffer an insurer has to settle all claims in extreme situations.

According to a report from rating agency ICRA, the capital requirement of three PSU general insurers (excluding New India) is estimated at ₹9,400-₹10,020 crore to meet solvency of 1.50x as of March 2025, assuming 100% forbearance on the fair value change account, or FVCA. So far, the government has infused ₹17,500 crore in these insurers.

Latest data shows the market share of public sector general insurers fell to 31.18% in FY24 from 32.27% in the year before. The share of private insurers rose to 53.52% from 51.36% during the period.

The ICRA report also pointed out that the combined ratio for PSU insurers, though expected to be lower, will remain weak, impacting net profitability. "We don't expect any privatisation in FY25. This year, the focus will be to strengthen them and regain lost market share through efficient business planning," a second official said, requesting anonymity.

Since 2021, when the Centre notified the General Insurance Business (Nationalisation) Amendment Act, which allows the government to pare its stake in state-run general insurers to below 51%, there has been no movement on the privatisation front. "While the government is committed to its privatisation policy, in this case, we will only start the process when the insurers are financially strong," said the official cited above. An industry executive said there were expectations of the government pushing for privatisation of state-run insurers in view of the Insurance Amendment Bill slated to be tabled this year, which will further liberalise the domestic insurance market.

(The writer is Dheeraj Tiwari.)

TOP

General insurance sector gets Rs 18,000 crore GST bonanza - The Indian Express – 26th June 2024

Ahead of the Union Budget, the general insurance sector has received a bumper relief amounting to over Rs 18,000 crore with the GST Council dropping the tax demand that the insurers had been slapped with. The reliefs allowed by the GST Council include the dropping of GST demands amounting to over Rs 18,000 crore at an industry level, providing a significant respite to the sector, according to the General Insurance Council (GI Council), the apex body of general insurance companies in India. The GST demand was on co-insurance and reinsurance commissions and taxing of reinsurance on crop schemes.

GI Council's argument was that GST demands on co-insurance and reinsurance commissions lack a legal foundation and it also highlighted the implications of taxing reinsurance of crop insurance schemes as it may not benefit the farmers. "These efforts culminated in the GST Council granting the much-needed relief," GI Council said.

The GST relief came after the General Insurance Council actively engaged in gathering industry feedback, organising sessions with insurance players and tax consultants, and coordinating meetings with the Revenue Secretary, Ministry of Finance, said an official. The reliefs were cleared in the GST Council meeting held on June 22.

In a coinsurance arrangement, multiple insurers (leader and follower) cover the risk of the insured. The leader collects the entire premium, discharges GST, and apportions the premium to co-insurers. The Tax department alleged that the follower's share constitutes an "Outward Supply" under GST law, requiring GST payment despite the leader already discharging GST on the total premium. According to the GI Council, the transaction between the Leader and Co-insurer was declared as "no supply" under Schedule III of the CGST Act. "No GST will be paid on such transactions. Past cases will be dropped," it said.

On GST on reinsurance commission, the GI Council said this commission is a deduction from the reinsurance premium paid by the insurer to the reinsurer, which is considered a discount. The tax department alleged that the reinsurance commission is the insurer's income, necessitating GST payment. The transaction of ceding commission/reinsurance commission between insurer and reinsurer declared as "no supply" under Schedule III of the CGST Act. No GST will be paid on such transactions and past cases will be dropped, it said. GST liability on policies under government schemes for farmers/ crop risk was exempted from July 1, 2017. However, reinsurance premiums were not exempt until January 24, 2018. Due to the absence of a specific exemption, the Tax department proposed GST demands for the period from July 1, 2017, to January 23, 2018.

"An exemption notification exempting GST on reinsurance premiums is proposed for the interim period from July 1, 2017, to January 23, 2018. GST demands for this period will be dropped," the council said. Tapan Singhel, MD and CEO of Bajaj Allianz General Insurance, and Chairman of the General Insurance Council, said, "this decision by the GST Council is a testament to the relentless efforts and advocacy by the GI Council. It brings immense relief to the industry and ensures that the intended benefits of insurance reach the end-users without the burden of tax demands.

"The general insurance industry has urged the government to reduce the GST on individual health insurance policies from 18 percent to 5 percent in order to encourage people to avail these policies as a measure of social security. The general insurance industry collected Rs 109,000 crore premium under the health portfolio in fiscal 2023-24.

(The writer is George Mathew.)

TOP

GST Council's tax norm tweaks may ease burden on general insurers - Business Standard - 26th June 2024

The Goods and Services Tax (GST) Council's decision to not levy tax on co-insurance premium and reinsurance commission retrospectively will be a consolation for general insurance companies, experts said.

The 53rd GST Council headed by Finance Minister Nirmala Sitharaman on Saturday announced that no tax will be levied on co-insurance premium and reinsurance commission, retrospectively.

It has also regularised previous show causes and demand notices issued by the authorities on these companies on 'as is where is' basis. It has also regularised previous show causes and demand notices issued by the authorities on these companies on 'as is where is' basis. According to insurance industry officials, the decision is a big solace for the insurance & reinsurance industry as no tax can be levied on co-insurance premium and reinsurance commission. The earlier show cause and demand notices served on Indian insurers and reinsurers for not paying such taxes since 2017 have been put to an end.

Earlier, several Indian general insurance companies, including New India Assurance and ICICI Lombard General Insurance, had received multiple show cause and demand notices in September 2023 from the

GST authorities of various states. This was for not paying relevant taxes at 18 per cent for 5 years from July 2017 till March 2022. These notices were pertaining to non-payment of GST on the co-insurance premium accepted as follower in case of co-insurance transactions and non-payment of GST on reinsurance commission accepted on the reinsurance premium during the time period.

As a result of requests from insurance companies, the GST council clarified that the co-insurance premium apportioned by the lead insurer to the co-insurer for the supply of insurance service rendered by lead and co-insurer to the insured in coinsurance agreements, may be declared as no supply under Schedule III of the CGST Act, 2017 and past cases may be regularised on 'as is where is' basis. The council also announced that the transaction of ceding commission or re-insurance commission between insurer and reinsurer may be declared as no supply under Schedule III of CGST Act, 2017 and past cases may be regularised on 'as is where is' basis. "The forthcoming clarifications will ensure that both taxpayers and tax officers have a clear understanding, thereby streamlining operations and fostering a more business-friendly environment. These decisions reflect a proactive approach by the GST Council to address industry concerns and take mammoth steps towards enhancing the 'ease of doing business'. It will usher in a new era of growth and efficiency for the insurance sector," Arora added. Sitharaman told the media that the GST Fitment Committee had received a request for GST rationalisation on insurance premiums.

And, since the GST Council has to work on it, the topic could not be discussed in the meeting. It may be taken up in the next meet in August. "The expectation that GST will be removed or rate of GST will be reduced on health insurance premium, especially for senior citizens, has not come through. So, the insurance buyer does not have reason to cheer about," said R Balasundaram - secretary general, Insurance Brokers Association of India (IBAI).

Other changes in the GST for reinsurance services included regularization of GST liability on reinsurance services of specified insurance schemes covered by Sr. Nos. 35 & 36 of notification No. 12/2017-CT (Rate) dated 28.06.2017 on 'as is where is' basis for the period from 01.07.2017 to 24.01.2018. GST liability was also regularized on reinsurance services of the insurance schemes for which total premium is paid by the Government that are covered under Sr. No. 40 of notification No. 12/2017-CTR dated 28.06.2017 on 'as is where is' basis for the period from 01.07.2017 to 26.07.2018. 8. Also, the council will issue clarification that retrocession in 're-insurance of re-insurance' and therefore, eligible for the exemption under Sl. No. 36A of the notification No. 12/2017-CTR dated 28.06.2017.

For the life insurers, the GST council mentioned that clarifications will be issued in due course to reduce litigation on pressing issues such as input tax credit reversal for life insurance premiums not included in taxable value. Similarly, clarifications will also be issued on taxability of wreck and salvage values in motor insurance claims, and input tax credit on repair expenses for motor vehicle insurance claims settled through reimbursement.

(The writer is Aathira Varier.)

TOP

HEALTH INSURANCE

Ayushman Bharat scheme: Free medical treatment for citizens over 70 - The Times of India – 27th June 2024

President Droupadi Murmu announced on Thursday that all citizens aged above 70 years will receive free treatment under the Ayushman Bharat health insurance scheme. This declaration was made during her address to the joint sitting of Parliament in New Delhi. President Murmu highlighted the progress of the Ayushman Bharat-Pradhan Mantri Jan Arogya Yojana (AB-PMJAY), which currently provides free health services to 55 crore beneficiaries.

"Further, the Government is going to take yet another decision in this area. Now all the elderly above 70 years of age will also be covered and get the benefit of free treatment under Ayushman Bharat Yojana," she said.

In addition to expanding healthcare coverage, President Murmu noted that the rapid establishment of 25,000 Jan Aushadhi Kendras across the country. These centers aim to provide affordable medicines to the public.

The AB-PMJAY is recognized as the largest publicly funded health insurance scheme in the world, offering health coverage of Rs 5 lakh per family per year for secondary and tertiary care hospitalization to 12 crore families. The scheme mandates State Health Agencies (SHAs) to empanel hospitals under the Hospital Empanelment and Management (HEM) guidelines, ensuring extensive healthcare access.

TOP

Govt proposes IVF treatment coverage in health insurance scheme - Free Journal – 26th June 2024

Good news may come for the childless couples of Rajasthan as the state government is planning to cover the In Vitro Fertilization (IVF) treatment in the health insurance scheme of the state government. The announcement is likely to be made in the coming Budget of the state.

The government has sought the information of cost of IVF treatment from a government run IVF treatment center and ART Center operated in Jodhpur AIIMS.

The tendency of infertile couples to seek treatment through IVF technology is continuously increasing, as this technology is easily available now. In Rajasthan, the cost of treatment through IVF technique is said to be between Rs 90 thousand to 3 lakh.

“Due to the high cost, only financially capable couples or families can afford to take the treatment By including IVF treatment in the government health insurance scheme, even poor families will be able to fulfill their dream of having a child,” said a senior official of the Health Department.

The state government Is running the Chief Minister Chiranjeevi Ayushman Bharat Health Insurance scheme, under which treatment of up to Rs 25 lakh is covered. The scheme was originally launched by the previous Congress government but now the current BJP government is planning to redesign the scheme by covering IVF and some other treatments in the scheme however there are reports of reduction in the total insurance coverage as according to a reply of the state government in the state assembly nobody could avail the full coverage of Rs 25 lakh until now.

(The writer is Manish Godha.)

TOP

Health ministry suspends compulsory linking of CGHS and ABHA ID's - Business Standard – 26th June 2024

The compulsory linking of Central Government Health Services (CGHS) beneficiary ID with Ayushman Bharat Health Account (ABHA) ID has been put on hold until further notice by the Ministry of Health and Family Welfare. The ministry said it had reviewed its earlier orders and linking the two IDs was made optional until further orders, according to an office memorandum signed by Satheesh YH, director, CGHS.

Queries sent to the health ministry remained unanswered till the time of going to press. Experts suggest that while the linkage intended to integrate various government health schemes under the Ayushman Bharat Digital Mission (ABDM), there were practical issues that may have led to the decision.

The health ministry had earlier made it mandatory for all CGHS beneficiaries to link their beneficiary ID and ABHA ID through an order in April this year. The order was scheduled to come into force from April 1, but was later extended till June 30.

While the CGHS scheme provides comprehensive health care services to central government employees, pensioners, and their dependent family members, ABHA ID is a 14-digit number that uniquely identifies a beneficiary in India's digital health care ecosystem. All citizens can open and operate an ABHA account. Currently, more than 4.5 million people and 75 cities are covered under CGHS scheme, of which only 231,134 CGHS ID's had been linked with ABHA ID till June 26, according to information available on the CGHS dashboard.

Highlighting the issues with mandatory linking of CGHS and ABHA ID's, Sunil Rao, chief operating officer (COO), Sahyadri Group of Hospitals, said that data privacy concerns and the current state of technology infrastructure might have led to the decision to keep the order in abeyance. Speaking on privacy concerns, an expert said on the condition of anonymity that the government had not made it explicitly clear how digital records would be protected. "While the government has stated that records stored under ABHA ID are properly encrypted and would be protected under provisions of the Digital Protection of Data and Privacy Act, there is no specific guideline to point out the same," the expert added.

Calling the move a balanced approach, Rao said that making the linking voluntary will allow some time to address data security and system integration issues, which will ensure that when the policy is implemented, it is with full preparedness and broad acceptance. "To guarantee infrastructural readiness and public receptiveness, the government will assess the implementation strategy and seek feedback from relevant stakeholders", he added.

(The writer is Sanket Koul.)

TOP

Cash less... Health cover users borrow to pay bills - The Times of India – 26th June 2024

Many health insurance policyholders who get their claims settled through reimbursement from insurance companies are end up borrowing money or dipping into their long-term savings to cover medical expenses. According to a survey of policyholders, 68 percent of claimants who used the reimbursement method did not have enough liquid savings to pay medical bills.

The incidence of borrowing increased when treatment costs exceeded Rs 1 lakh, with the trend being more pronounced in smaller towns. "The study reiterates the importance of increasing the proportion of cashless claims in line with Irdai's recent initiatives... It is also critical to note that approximately 70 percent of respondents said that they would have either needed financial assistance or drawn upon their investments if cashless claims had not been available," said PolicyBazaar CEO Sarbvir Singh.

While cashless treatment is the preferred option among policyholders, many are unable to access the same with their chosen healthcare providers. Even after increased insurance coverage, about 47% of health costs in India are still paid out-of-pocket - significantly higher than the global average of 18%. The survey also found that 89% of respondents who received cashless claims were satisfied, compared to 79% of those who received reimbursements. Dissatisfaction was higher among reimbursement claimants (12%) than cashless claimants (4%).

Moreover, the average wait time for approval after doctor discharge in the cashless category was 3.8 hours, but 6% of laimants were dissatisfied due to the wait time exceeding 8.5 hours. Under new health insurance guidelines, insurers must clear applications for cashless treatment within one hour and settle claims for discharge within three hours. A key reason for delays in settlement after the discharge was insurers calling for supplementary information, leaving attendants to navigate the complexities of the process.

The findings are part of a study based on a face-to-face survey of 2,128 insurance claimants conducted by PolicyBazaar aiming to assess policyholders' satisfaction with the claim with the claim process. Of the total claimants, 94% had their claims approved, with a higher approval rate of 97% for those who had purchased policies online. Overall, 86% of claimants expressed satisfaction with the process. Among the 6% of claims that were rejected, half of them were due to non-disclosure of pre-existing or uncovered diseases, often attributed to a lack of awareness. The integration of online platforms has reduced the rejection rate from an average of 6% to 2.5%.

The survey also revealed the highest average claim size is in the South at a little over Rs 2 lakh, surpassing the the metro average of Rs 1.6 lakh. By age group, the 56-65 bracket has an average claim size of Rs 2.1 lakh, compared to Rs 1.3 lakh for the 18-35 cohort.

(The writer is Mayur Shetty.)

TOP

Opt for deductible to reduce premium, ensure sub-limits are reasonable - The Economic Times – 24th June 2024

Health insurance plans for senior citizens are becoming popular. According to data from Policybazaar.com, 25 percent of all the health plans sold on their platform are now purchased for senior citizens. About 35 percent of these purchases are by children for their parents. Among their non-resident Indian customers, 60 percent purchase health insurance plans for their parents in India. Two categories of plans are available. The first is the standard health cover, which is open to all age groups, including seniors, now that the regulator has got insurers to remove any upper age limit for entry. The second is plans designed specifically for seniors.

HEALTH INSURANCE PREMIUMS FOR SENIORS: WHAT TO EXPECT

Annual premium (₹)

Insurer	Plan	
Care	Senior Health Advantage	22,611
NIVA BUPA	Senior First Platinum	25,476
CIGNA	Prime Senior Elite Plan	30,200
ABHI	Activ One	38,927
ICICI	Elevate	39,433

Premiums are for a sum insured of ₹10 lakh for a 61-year-old living in Delhi. Compare features as well, not just costs.
Source: Policybazaar.com

Easier access to coverage

The main benefit of a senior citizen plan is witnessed at the time of issuance. "Many seniors already have PEDs. These policies are designed to be issued even to those with a medical condition," says Kapil Mehta, co-founder, Secure Now. According to Ashish Yadav, head of products and operations, ManipalCigna Health Insurance, "Their key feature is comprehensive coverage for medical expenses, including PEDs, from the 91st day onwards."

Siddharth Singhal, business head-health insurance, Policybazaar.com, says in many policies the waiting period can be reduced to day one by paying about 20-odd per cent extra premium. These plans also allow seniors to manage the premium cost by offering features like deductible and copayment. "Earlier, copayment was mandatory in a senior citizens plan but is optional now," says Singhal.

Many of these plans offer home hospitalisation cover. Some offer OPD (outpatient department) and mental health consultations, especially relevant for seniors. Yadav informs that many plans offer higher sum insured options to shield the elderly from rising medical inflation, guaranteed bonus to provide a financial incentive, and preventive care services. These plans also offer lifetime renewability and Section 80D tax deduction. In health insurance plans, the premium increases with age. "Senior citizen plans are not specifically costlier than normal health insurance plans," says Singhal.

Managing the premium

One way seniors can manage the high premiums at their age is by opting for a deductible. "If you agree to pay hospital bills of up to, say, Rs 25,000, you could get a 15-25 per cent discount on the premium," says Singhal. He suggests opting for a deductible rather than a copayment as in the former, the money a customer has to pay from his pocket is capped at a specific amount. In copayment, the customer's liability increases with the size of her bill. Singhal recommends a deductible between Rs 25,000 and Rs 50,000. Premium can also be reduced by opting for a lower room rent category.

Buy adequate sum insured

Purchase a sum insured of at least Rs 15 lakh for each senior citizen. “One reason is high medical inflation of 14-15 per cent. The bigger risk is that later, based on your claim history, the insurer may not agree to hike the sum insured at renewal,” says Singhal.

When selecting a plan, give maximum weight to the waiting period for PEDs. “The shorter it is, the better,” says Mehta. Senior citizen plans tend to have sub-limits. “There could be a cap for specific ailments such as cataract, knee or joint replacement, or for modern treatments. Make sure the caps are sensible,” says Mehta.

(The writer is Sanjay Kumar Singh.)

TOP

Problems in health insurance claim settlement - The Economic Times – 24th June 2024

While health insurers can sometimes be blamed putting customers through unending hardship in clearing claims, many a times it’s the policyholder who is at fault. A significant portion of these health insurance claim rejections can be prevented by asking the right questions during policy selection, carefully reviewing policy documents, and conducting thorough research. This article explores common health insurance claim rejection scenarios and explains how to avoid them.

When Delhi-based IT professional, Amar Pal, met with an accident in Kanpur in August 2022, he was admitted unconscious to a local hospital. He managed to inform his insurer via mail from the small, nonnetwork hospital that did not have cashless facility. After being discharged, he applied for reimbursement in September, but till January 2023, the insurer’s verifying team continued to ask for proof and documents.

After five months of providing what was asked of him, he was told that his claim had been rejected on the grounds of ‘serious discrepancies in the event of hospitalisation’. This, after Pal offered counter-proof for the lapses mentioned by the insurer. “I did not have the strength to pursue the case after five months of back and forth with the insurer,” says the 36-year-old. His claim amount was Rs.1.14 lakh.

Pal isn’t the only one nursing a grudge against health insurance companies over claim settlements. As per the Council for Insurance Ombudsmen’s annual report 2022-23, of the 51,103 insurance complaints received by it between 1 April 2022 and 31 March 2023, nearly 50.6% or 25,873 complaints were related to health insurance. As high as 93.14% of the total entertainable complaints disposed of were about ‘partial and total repudiation of claims by insurer’.

According to a dipstick online survey by ET Wealth, nearly 88 percent of policyholders have faced a problem in claim settlement, with 59 percent citing issues with claim rejection and partial payments. As many as 69 percent claimed their grievances were not suitably resolved by the insurer. “Dealing with health claim rejections can be especially tough when you’re already grappling with a medical issue, but the insurance industry pays more than 90-95% claims, as the data available in the public domain shows. Some claims are rejected on the basis of just a few parameters,” counters Bhaskar Nerurkar, Head, Health Administration Team, Bajaj Allianz General Insurance.

In fact, according to the Insurance Regulatory and Development Authority’s (Irdai) annual report 2022-23, standalone health insurers settled a high 99.48 percent of claims in the first three months of 2022-23, with Care Health Insurance and Niva Bupa Health Insurance scoring a perfect 100 percent, followed closely by ManipalCigna Health Insurance (99.96 percent), Star Health and Allied Insurance (99.21

percent) and Aditya Birla Health Insurance (99.01 percent). The high claim settlement ratios of over 90% among health insurers may seem to be at odds with the survey findings, but it's because besides claim rejections, the study included other issues like partial payments and approval delays. "The main grievances of policyholders include rejection of health claims, deduction in claim amounts, delay in claim settlement, cancellation of insurance policy, etc," says Shilpa Arora, Co-Founder and COO, Insurance Samadhan.

"The biggest challenge in health insurance is lack of efficient claim service, delay in discharges, hospitals not able to understand insurer products and protocol, and health insurers not able to talk in hospital language," says Dr S. Prakash, MD and CEO, Galaxy Health and Allied Insurance. All these inefficiencies translate into claim problems for policyholders.

"Be it the public-sector or private insurance companies, they are just looking for excuses to not pay the claim amount," says Ahmedabad-based Manoj Shah, whose claim was rejected in 2022. However, after a relentless pursuit of over nine months, the 54-year-old managed to secure his claim of Rs.1.05 lakh from the insurer. While health insurers can sometimes be blamed for apathy and putting customers through unending hardship in clearing claims, many a times it's the policyholder who is at fault. "While most rejection reasons can be resolved between the treating hospital and health insurer, rejection due to non-disclosure of pre-existing diseases rests with policyholders. Most of the time, policyholders are not aware of their insurance policy and processes involved," says Arora.

(The writer is Riju Mehta.)

TOP

Policy in the works on fin, health support for elders - The Economic Times – 23rd June 2024

India is considering policy measures for senior care that aim at providing health, financial, social and digital support to its aging population, officials said. All stakeholder ministries, including the ministry of health and family welfare, the ministry of social justice and empowerment, ministry of finance and NITI Aayog are deliberating on the policy contours for elderly care, a senior government official said. The budget next month could unveil the government's action plan for senior care, they said. "Elderly care is one of the top priorities of the government ....some announcements are expected soon in this regard," the official, involved in the deliberations, said, on the condition of anonymity.

The BJP, the majority partner in the ruling coalition government, in its election manifesto had promised measures for elderly care in the wake of major societal change. Under the proposed plan, the government could expand the Ayushman Bharat PM Jan Arogya Yojana for all senior citizens, providing them access to free and quality healthcare, and increasing its coverage to various nonmedical and at-home needs. The government is also in talks with the private sector for a targeted and comprehensive health insurance product besides working on a regulatory framework for the real estate sector to develop senior care facilities, including elderly housing facilities.

Besides, there could be substantial upward revision in the senior citizens' pension to account for inflation to cater to their financial n eeds. The current old age pension under the Indira Gandhi National Old Age Pension Scheme for below poverty line population is Rs 200 a month for elderly people up to 79 years of age and Rs 500 for 80 years and above. This is fully funded by the Centre and the states can make a matching contribution to enhance the social security benefit. On the legal front, the government feels there is a need to strengthen the existing Welfare and Maintenance Act to include components of abuse, harassment, protection, maintenance, and other support specific to the elderly population. Some benefits under the proposed policy could be brought in a graded manner, starting with health and followed by financial, digital and social empowerment of the elderly population.

NITI Aayog pegs India's ageing population to be 319 million or 19.5 percent of the total population by 2050 from 104 million or 10 percent of the population now with the senior care industry estimated at $7 billion (Rs 57,881 crore). At present, healthcare facilities are provided to the elderly under the National

Programme for Health Care of the Elderly (NPHCE) run by the health ministry and the National Action Plan for Senior Citizens under the ministry of social justice and empowerment.

(The writer is Yogima Seth Sharma.)

TOP

MOTOR INSURANCE

CBIC clarifies on taxability of salvage value in motor insurance claims - Business Standard – 27th June2024

The GST (Goods and Services Tax) council has clarified the taxability of wreck and salvage values in motor insurance claims, stating that general insurers have to pay GST liability in case of disposal or sale of the salvage after settling the claims. Salvage value refers to the value of damaged or destroyed property that can be recovered and sold after an insurance claim has been settled. This clarification came in response to requests from industry players seeking clarity on salvage value.

There have been representations from stakeholders seeking clarification as to whether, in the case of motor vehicle insurance, GST is payable by the insurance company on salvage or wreckage value earmarked in the claim assessment of the damage caused to the motor vehicle. The tax authorities explained that in situations where the insurance contract provides for the settlement of claims on full Insured's Declared Value (IDV) without deducting salvage or wreckage value, the property will belong to the insurance company.

In such a case, since the insurance company has to dispose of the property, the outward GST liability on disposal or sale of the salvage is to be discharged by the insurance companies. However, in situations where the general insurance companies are deducting the value of salvage as deductibles from the claim amount, the property belongs to the insured and insurance companies are not liable to discharge GST liability on the same. Insurance companies, which are engaged in providing general insurance services in respect of the insurance of motor vehicles, insure the cost of repairs or damages of motor vehicles incurred by the policyholders.

(The writer is Aathira Varier.)

TOP

SURVEY AND REPORTS

94 percent of Health Insurance Claims Approved; Online Path Achieves 97%: Report – Live Mint – 26th June 2024

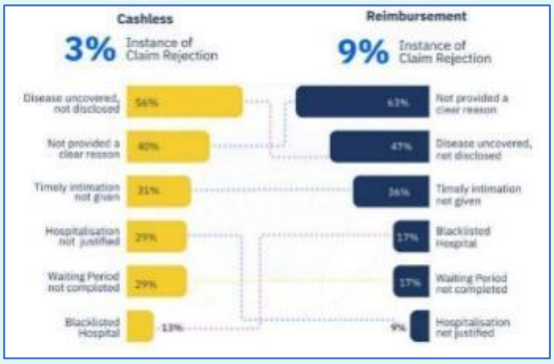
94% of health insurance claims are typically approved by insurance companies, underscoring a robust foundation within the industry, according to a recent report by Policybazaar. Notably, this figure climbs to 97% for claims initiated through online channels, demonstrating the efficiency and potential transparency facilitated by digital platforms in the claims process.

Furthermore, the integration of online platforms results in a significant decrease in rejection rates, dropping from an average of 6% to just 2.5%.

Claim Payouts and Consumer Satisfaction
While approval rates are encouraging, the report identifies an area for improvement in claim payout amounts, which currently stand at 87%. Ensuring a 100% payout percentage remains an aspiration, particularly by enhancing awareness about add-ons like consumables cover.

Customer Satisfaction: A Key Metric
Customer satisfaction emerges as a pivotal metric in evaluating the health insurance landscape. The report highlights that 86% of customers reported satisfaction with their claim experiences. This positive

feedback reflects the industry's ongoing efforts to meet and exceed customer expectations, bolstering overall trust in insurance providers.



Reasons for Claim Rejections

Despite high approval rates, a significant proportion of claim rejections (6%) stem from non-disclosure of pre-existing or uncovered diseases. This issue underscores the importance of transparent communication between insurers and policyholders at the time of purchase to prevent such pitfalls.

Role of Intermediaries in Claim Reversals

The involvement of intermediaries in the claims process significantly influences the outcomes. When customers resubmit rejected claims themselves, only 6% succeed in having their decisions reversed. However, this rate improves dramatically to 32% with the assistance of offline agents and jumps to 67% when utilising online intermediaries.

Cashless vs. Reimbursement Claims

The report delves into the preferences and challenges associated with cashless and reimbursement claims. Notably, 70% of reimbursement claimants seek financial aid to cover upfront payments, indicating a reliance on out-of-pocket resources due to various factors such as the unavailability of cashless facilities or preferred healthcare providers not being in the insurer's network.

Despite an 86% satisfaction rate, there is room for improvement given the high stakes involved. Key strategies include enhancing cashless claim availability beyond metropolitan areas, improving efficiency in claims processing, and bolstering on-ground presence for psychological comfort, the report highlights.

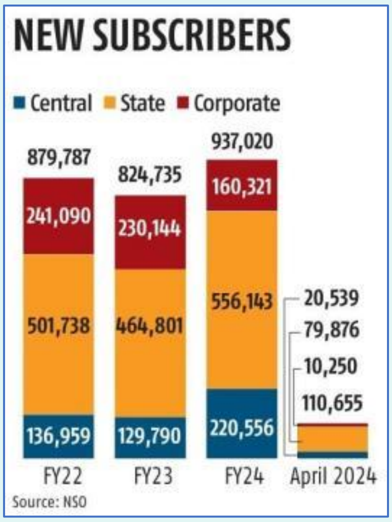
(The writer is Deepika Chelani.)

TOP

PENSION

NPS logs over 110,000 fresh subscribers in April, reveals NSO data - Business Standard – 26th June 2024

As many as 110,655 fresh subscribers joined the National Pension System in April, with state government employees constituting nearly two-thirds of these new subscribers, latest data released by the National Statistical Office on Tuesday showed. Of the total subscribers, 79,876 subscribers belonged to the state governments, while 20,000 subscribers belonged to the central government. On the other hand, only 10,250 subscribers belonged to the corporate segment during the month.



An age-wise analysis showed that 43.8 percent (48,530) fresh subscribers belonged to the 18-28 age group. This is crucial as subscribers belonging to this age group are usually first-timers in the job market and thus reflect its robustness. The National Statistical Office released the compiled payroll data on Tuesday after a gap of three months due to the model code of conduct remaining in place.

Overall, 937,000 subscribers joined the National Pension System during FY24, 13.6 per cent higher than the 824,700 subscribers logged in the preceding financial year.

The corporate component of the scheme is voluntary in nature and includes people working in public sector organisations, private limited companies, or public sector banks among others. The Union government has mandated the National Pension System for all its new employees, hence, this can be used as a proxy to gauge fresh recruitments at the central level. However, since a few states like Rajasthan, Chhattisgarh, Himachal Pradesh, Jharkhand, and Punjab had announced a return to the Old Pension Scheme, thereby abandoning the National Pension System, it cannot be used as an exact metric to gauge hirings at the state level.

Managed by the Pension Fund Regulatory and Development Authority, the National Pension System is designed on a defined contribution basis. Here, both the subscriber and the employer contribute an equal amount to a person's account. It was made mandatory for all new central government employees from January 1, 2004, except the armed forces. Since April 2018, the National Statistical Office has been bringing out employment-related statistics in the formal sector, using information on the number of subscribers under the Employees' Provident Fund Scheme, Employees' State Insurance Scheme, and the National Pension System.

(The writer is Shiva Rajora.)

TOP

NPS corpus may rise 28 percent to Rs 15 trillion in FY25: Regulator - Financial Express – 22nd June 2024

The assets under management (AUM) under the National Pension System (NPS) may rise by a steep 28 percent on year to Rs 15 trillion by end of 2024-25, aided by fresh enrolment of private subscribers and a new "life cycle scheme," Pension Fund and Regulatory Development Authority chairman Deepak Mohanty said on Friday.

This shows even amid the clamour for a return to the old (defined-benefit) pension scheme, and several state governments re-introducing unfunded pension schemes for their staff, with potentially huge costs to the exchequer, the NPS continues to gain traction.

With the government-sector enrolment saturated, PFRDA is encouraging private corporates to enroll their staff under NPS. About 0.87 million new private sector subscribers joined in FY24. According to Mohanty, the new life cycle scheme that will automatically allow people till 45 years of age to invest 50% of their corpus in equity, will be launched by August-September. After the cut-off age, equity exposure will taper off gradually.

An auto-choice lifecycle fund would offer an easy option for those private subscribers who do not have the required knowledge to manage their NPS investment. Mohanty said he would suggest to the government allow the scheme for its staff as well. The proposed scheme is an improvement over the extant LC50 – Moderate Life Cycle Fund which provides a cap of 50% of the total assets for equity investment. The exposure in equity starts with 50% till 35 years of age and gradually reduces as per the age of the subscriber. This extant scheme is also available to the government staff.

Subject to market conditions remain as it is now, Mohanty said the cumulative NPS AUM including Atal Pension Yojana (APY) will likely reach Rs 15 trillion by March 31, 2025. "We expect to add 13 million new APY subscribers in FY25 and as many as 1.1 million private sector subscribers," Mohanty said, stressing that PFRDA is making efforts to expand private subscriber's base as government sector subscribers are saturated.

Despite saturation in enrollment of government employees, the subscriber base under NPS rose by 16% on year to 73.6 million in FY24. As on June 15 this year, the NPS subscriber base has reached 75 million, reflecting an addition of 1.4 million so far in FY25. The average returns generated by pension funds under NPS have been handsome as well. Equities have given a return of 34.8% in one year and 14% since inception. The central government scheme and the state government schemes have given a return of around 11.11% in one year and around 9.2-9.5% since inception.

According to the extant NPS norms, a maximum of 60% of the accumulated NPS corpus from contributions during a person's working years is allowed to be withdrawn tax-free at the time of retirement. The subscriber has to invest a minimum of 40% of the corpus in annuities for a regular pension. However, it is not a guaranteed pension as returns are linked to markets. Annuities could fetch 5% to 7% return per annum depending on the choices made by the subscriber with single-life annuities giving higher returns as the corpus is not returned by the fund manager after the death of the pensioner. Given that the NPS system is giving good returns, the NPS subscribers can stay invested in the NPS till they turn 75 years under the Systematic Withdrawal Plan (SWP) and draw monthly or quarterly or annual basis depending on their requirements.

(The writer is Prasanta Sahu.)

TOP

PFRDA to introduce new life cycle fund option by September - Live Mint – 21st June 2024

India's pension fund regulator plans to launch a balanced life-cycle fund for people who want more equity allocation in their portfolio in the September quarter, said Deepak Mohanty, chairperson, Pension Fund Regulatory and Development Authority (PFRDA) on Friday. "The fund will be an additional option in the auto choice where equity allocation can be maximum up to 50 percent, but the tapering would start only after 45 years of age. This will help subscribers accumulate more corpus in their individual retirement fund," Mohanty said on the sidelines of the PFRDA's Annual Felicitation Program for Atal Pension Yojana (APY) in New Delhi. Life-cycle funds are asset-allocation funds in which the share of each asset class is automatically adjusted to lower risk as the desired retirement date approaches.

Currently, the National Pension System (NPS) offers two choices—active and auto—to subscribers for creating the pension portfolio. In the active choice, subscribers can decide the allocation across equity, corporate bonds and government securities on their own. The auto choice, however, comes with three options: Aggressive fund (75% equity allocation), moderate fund (50% equity allocation) and conservative fund (25% equity allocation). The equity allocation starts tapering off in all options after a subscriber turns 35. That said, auto choice essentially allows a maximum of 20% in the equity fund at 50 years of age, which further tapers down to 15% by the age of 55 years.

Mohanty said the PFRDA added 947,000 new subscribers from the non-government sectors to the NPS in 2023-24. That boosted the NPS' assets under management (AUM) by 30.5% year-on-year to ₹11.73 trillion. The total NPS subscriber base stands at 180 million as of 31 May 2024. The regulator aims to add 1.1 million non-government subscribers in 2024-25. The total gross enrolments under the Atal Pension Yojana (APY) crossed 66.2 million as of 20 June 2024, of which more than 12.2 million were added in 2023-24. "It is the highest ever in a fiscal year since the scheme's inception," Mohanty said.

(The writer is Aprajita Sharma.)

TOP

GLOBAL NEWS

Indonesia: Senior regulatory official emphasises insurance industry reform – Asia Insurance Review

The Financial Services Authority (OJK) currently faces two big challenges in the insurance industry which must be resolved at the same time, according to Mr Ogi Prastomiyono, the regulatory agency's chief executive of Insurance, Guarantee and Pension Fund Supervision.

Resolving current issues in the insurance industry is one main challenge. Many insurance companies are facing problems ranging from liquidity to poor risk management, said Mr Ogi. He was speaking during a webinar organised last week by the Indonesian Economic Scholars Association (ISEI) and the Deposit

Insurance Corporation (LPS). "The OJK is also challenged to develop the insurance sector that has extraordinary opportunities," he said.

"To overcome these problems, OJK is taking firm and objective action to provide legal certainty, while still paying attention to consumer protection," he said. Mr Ogi added that the 2023-2027 Roadmap for the Development and Strengthening of Indonesian Insurance, unveiled in October 2023, is an effort to reform the national insurance industry. The insurance industry has not carried out any significant reforms since the 1997-1998 Asia financial crisis.

3 phases

He said that the implementation of the roadmap is divided into several stages. The first phase, now being implemented (2023-2024), is to strengthen the industrial foundation and correct various existing deficiencies so as not to hinder the implementation of the roadmap. The second phase in 2025-2026 consists of efforts to consolidate the industry, equalise insurance services, as well as synergise commercial insurance, social insurance and mandatory insurance.

He said that in the second phase, there is also a deadline for industry players to start implementing several new regulations, such as Financial Accounting Standard (PSAK) 117 relating to Insurance Contracts by 1 January 2025 and the spin-off of takaful windows by the end of 2026. The third phase, relating to adjustment and growth, includes expanding penetration and density, as well as synergies in the insurance ecosystem.

Consumer confidence

Aside from the roadmap, Mr Ogi said that strengthening the insurance industry needs to involve increasing consumer confidence by strengthening insurance literacy. He said that it is important for consumers to understand the benefits and risks of the products they buy. So now there is a new campaign in the insurance industry with the slogan "Understand and Own Insurance".

One of the reform efforts being undertaken is to simplify regulations related to licensing new insurance products. Mr Ogi said that now only certain and complex products such as unit-linked plans and credit insurance products, require the prior approval of the OJK, while others only need to be reported to this institution. "Even though permission from the OJK is not required, the reported insurance product must have the internal approval of the company, including the approval of the product committee which every insurance company must form," he added.

TOP

Thailand: Insurance regulator adds online industry platform to national government app - Asia Insurance Review

The Office of the Insurance Commission (OIC) has tied up with the Digital Government Development Agency (DGA) to place its OIC Gateway service on the online platform, 'Government App'. The Government App allows the public to access the services of various government agencies on a single platform. Currently, the app hosts more than 150 government services.

Mr Chuchat Pramunphon, OIC secretary-general, said that the OIC, through the Centre of InsurTech Thailand (CIT), offers the OIC Gateway, an information service platform for the insurance industry.

OIC Gateway, designed and developed in collaboration with the insurance sector, is a centralised platform that transfers and integrates data between OIC and insurance companies as well as other related agencies. The integration of the OIC Gateway within the government app was launched earlier this month.

OIC Gateway is connected to the existing official account "@OICConnect" on the Line app with the goal of making it an insurance super app to provide services to policyholders and the insured to check information about their insurance policies with different insurance companies. This is made available through the "My Policy" service offered to the public in line with the digital lifestyle era.

Apart from insurance policy information, "My Policy" allows the public to check the licensing status of insurance agents and brokers, the locations of OIC's offices (both headquarters and regional offices), and offices of insurance companies, etc. In October 2021, the OiC together with the Thai Non-Life Insurance Association and the Thai Life Assurance Association (OIC) launched the OIC Gateway project and the "My Policy" app at an InsurTech fair.

TOP

Japan: Life insurers' credit risk seen as well managed - Asia Insurance Review

Like their global peers, Japanese life insurers use investment strategies based on ALM principles, which are essential to ensuring that their investment choices are well aligned with the long-term obligations of their insurance contract, according to a report on the outlook for Japanese life insurers. The report, by CreditSights, a FitchSolutions company, says that Japanese insurers are inherently exposed to a moderate level of credit risk due to their substantial allocation to fixed-income investments; however, credit risk appears to be well managed, as evidenced by the excellent credit quality of their bond portfolios.

The market risks faced by Japanese life insurers are more pronounced than the credit risk, with equity risk standing out as a notable concern for insurers relative to their global peers; the proportion of equity holdings at 15-20% of overall investment is much higher than other APAC or US peers, but the insurers slowly plan to reduce this holding. It is important for credit investors to understand how various market risks could affect the solvency levels of Japanese life insurers; in this regard, CreditSights thinks that Japanese life insurers are in a much stronger position today than they were before the COVID-19 period, with the ability to withstand severe investment stress tests and maintain their solvency.

During FY23, the Japanese economy underwent a remarkable period of transition, marked by the removal of Yield Curve Control (YCC), the sharp depreciation of the yen, and a significant rise in the domestic stock market. Several trends have emerged in the investment strategies of Japanese life insurers, including a shift towards JGBs, a reduction in hedged foreign securities, a flexible approach to unhedged overseas investments, and a deliberate reduction in equity investments.

CreditSights views the evolving investment strategies as credit-positive for the insurers' solvency ratios, while we consider their impact on operating performance as neutral. Reducing exposure to foreign securities and equities will result in a lower return; however, this potential downside is offset by the reduction in hedging costs and the strategic increase in allocations to longer duration or corporate bonds.

TOP

Taiwan: Financial regulator to steer insurers towards more domestic investments - Asia Insurance Review

The new head of Taiwan's Financial Supervisory Commission (FSC) has said that the regulator hoped to guide the insurance industry to invest more domestically. Mr Peng Jin-lung, the FSC chairman, said this at a media presentation on 21 June, according to a Bloomberg report. He assumed the post in May, at a time of increased financial and geopolitical risk.

Taiwan's life insurance industry, which accounts for more than 30% of the financial sector's assets, is busy raising funds for the 2026 implementation of the new system of stricter accounting and capital standards. There are 21 local and foreign life insurance companies in Taiwan, including Cathay Life, Fubon Life, and Nanshan Life.

Mr Peng said that the FSC plans to ease rules to allow the finance industry to become a bigger part of the island's economic output amid a tech-led boom in investments.

"Taiwan's financial industry output only makes up 6% of our GDP," said Mr Peng. "There's more room to expand the market by easing rules and providing more products." The regulator is also set to brief on the relaxation of financial technology innovation business in July, according to Mr Peng.

TOP

Australia: Consultation exercise begins on cyclone reinsurance pool premium rates - Asia Insurance Review

Australian Reinsurance Pool Corporation (ARPC) is in the process of reviewing the current Cyclone Reinsurance Pool premium rates and is considering minor changes that would be applicable from 1 April 2025. As part of this review, ARPC is inviting feedback on the current and proposed cyclone pool premium rates. In a statement, ARPC says that the main change being considered is the introduction of mitigation discounts on Wind premium rates for eligible strata policies to improve incentives to reduce and mitigate risk through reduced reinsurance premiums.

Purpose of the 2024 premium rate review
The purpose of the 2024 premium rate review is to ensure that cyclone pool premium rates continue to meet the legislative objectives as set out in the Terrorism and Cyclone Insurance Act 2003 (TCI Act):
To ensure that, over the longer term, premiums are sufficient to cover or offset claims and expenses including any payments made under the Commonwealth guarantee.

In medium to high cyclone risk areas, to keep the premiums as low as possible while maintaining incentives to reduce and mitigate risk. In lower cyclone risk areas, to keep premiums at levels comparable to what would be charged by other reinsurers.

Proposed changes to existing premium rates:
The analysis in progress supports that the premium rates (as set in 2022) continue to meet the above objectives. As a result, the 2024 changes to cyclone premium rates being considered are generally minor.
Proposed introduction of Strata mitigation discounts:

ARPC is considering introducing mitigation discounts on Wind premium rates for eligible strata policies. The discount incentivises mitigation actions against structural damage from high wind loads and losses from water ingress caused by wind-driven rain. The proposed discounts have been developed through a research partnership with James Cook University – Cyclone Testing Station and reflect the estimated risk reduction of the mitigation activities. Discounts will be reviewed over time as claims data becomes available.

Following the consultation period, ARPC intends to release the new premium rates, when an updated Premium Rate Assessment Report will also be published.

ARPC is a public financial corporation established under the TCI Act. It operates a terrorism reinsurance pool that provides insurance cover for eligible terrorism losses and a cyclone reinsurance pool that provides insurance cover for cyclone and cyclone-related flood damage to houses, small businesses, and strata.

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COI TRAINING PROGRAMS

Mumbai – July 2024

Sr. No	Program Name	Program Start Date	Program End Date	Details	Registration Link
	Cutting Edge Marketing Strategies for Branch/Unit Leaders of Life Insurance	10-Jul-24	10-Ju1-24	ClickHere	Register
	Project Insurance	11-Jul-24	12-Jul-24	ClickHere	Register
3	Strategic Selling in Life Insurance	15-Jul-24	15-Jul-24	ClickHere	Register
4	Health Insurance and Preventive Care	15-Jul-24	16-Jul-24	ClickHere	Register
5	Management of Fire Insurance	18-Jul-24	19-Jul-24	ClickHere	Register
6	Managerial Skills for Insurance Executives	18-Jul-24	19-Jul-24	ClickHere	Register
7	Digital Marketing in Life Insurance	22-Jul-24	22-Jul-24	ClickHere	Register
8	Understanding ESG and its implications for Insurance companies	22-Jul-24	23-Jul-24	ClickHere	Register
	Enterprise Risk Management (ERM)	25-Jul-24	26-Jul-24	ClickHere	Register
0	Corporate Governance and Regulatory Compliance in Insurance	29-Jul-24	30-Jul-24	ClickHere	Register
	Reinsurance Treaty Designing	30-Jul-24	31-Jul-24	ClickHere	Register
	Challenges in Fighting Fraud – Motor Third Party Insurance	30-Jul-24	31-Jul-24	ClickHere	Register

Kolkata – July 2024

Sr. No	Program Name	Program Start Date	Program End Date	Details	Registration Link
1	Managing Motor TP Claims and Controlling Frauds	18-Jul-24	19-Jul-24	ClickHere	Register
2	Leveraging Social Media for Life Insurance Selling	19-Jul-24	19-Jul-24	ClickHere	Register

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COURSES OFFERED BY COI

CC1 - Certificate Course in Life Insurance Marketing

Course Structure –

Particulars	Details
Date	20th July 2024
Duration of the course	4 months
Mode of Teaching	Self-study + 3 days Online Contact Classes
Total hours of Teaching	18 hours for Online Contact Classes (to solve queries)
Exam pattern	MCQ pattern + Assignments
Target Group	Graduate / Post Graduate, Freshers as well as employees working in Insurance Companies
Fees for the course	Rs. 5900/- (Rs. 5000/- + 18% GST)

CC2 - Advanced Certificate course in Health Insurance

Course Structure –

Particulars	Details
Date	20th July 2024
Duration of the course	4 months (3 hours on weekends)
Mode of Teaching	Virtual Training – COI, Mumbai
Total hours of Teaching	90 hours
Exam pattern	MCQ pattern
Target Group	Graduate / Post Graduate, Freshers as well as employees working in Insurance Companies
Fees for the course	Rs. 11,800/- (Rs. 10,000/- + 18% GST)

CC3 - Certificate Course in General Insurance

Course Structure -

Particulars	Details
Date	20th July 2024
Duration of the course	3 months (on weekends)
Mode of Teaching	Virtual Training - COI, Kolkata
Total hours of Teaching	100 hours
Exam pattern	MCQ pattern
Target Group	Fresh graduates/Post Graduates, Broking Companies, Insurance Companies, Freelancers
Fees for the course	Rs. 14,160 /- (Rs. 12,000/- + 18% GST)

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

Course Structure -

Particulars	Details
Date	21st – 23rd August 2024
Duration of the course	3 Days
Mode of Teaching	Virtual Training sessions
Total hours of Teaching	15 hours for online classes
Exam pattern	MCQ pattern
Target Group	Employees working in Fraud cells/ Claims Department/ Audit functions of the company
Fees for the course	Rs. 10620/- (Rs. 9,000/- + 18 % GST)

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

Post Graduate Diploma in Collaboration with Mumbai University

Post Graduate Diploma in Health Insurance (PGDHI)

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

Post Graduate Diploma in Insurance Marketing (PGDIM)

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

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