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COLLEGE OF INSURANCE

INSUNEWS - WEEKLY E-NEWSLETTER

24TH JUNE – 30TH JUNE – 2023

QUOTE OF THE WEEK

"Opportunities are usually disguised as hard work, so most people don't recognize them."

ANN LANDERS

Insurance Term for the Week

Sprinkler Insurance

Sprinkler insurance usually refers to leakage protection for automatic systems. Because water damage can be so destructive to a home, sprinkler insurance may cover both the direct and indirect consequences of a leak. For example, it may pay to restore the exterior of the home as well as the resulting mold that occurred due to the leak. However, sprinkler insurance may also refer to physical damage due to a natural disaster or vandalism. Whether used for fire protection or outdoor watering purposes, this insurance will compensate for sprinkler damage and the cost to fix the infrastructure. Generally, sprinkler insurance will be incorporated into the overall home insurance policy (falling under general property damage), though homeowners may need to negotiate the exact terms.

INSIDE THE ISSUE

INSURANCE INDUSTRY

How Insurance Industry Drives Awareness and Education through New Mediums - The Economic Times - 28th June 2023

Insurance is a vital component for financial planning and safeguarding individuals, businesses against unforeseen risks. However, in present scenario insurance literacy still remains a very prominent challenge, with many people lacking a clear understanding of insurance products and their illustrated benefits, the accurate proposition of insurance as a financial tool hasn’t reached its epitome yet.

According to The Economic Survey 2022-23, life insurance penetration has gone up to 4.2 percent in 2021 almost similar to what it was a year before that. To further strengthen this number, industry has embraced new mediums to drive awareness and education amongst masses for better uptake of life insurance.

Embracing New Mediums

Traditionally, insurance companies relied on agents, brokers, and printed collaterals or brochures to educate masses about insurance. Seminars and workshops were also some of the popular avenues for disseminating information. While these methods still remain relevant in certain pockets, industry has recognized the need to adapt to changing times and embrace new mediums which is quick and error free. The growing significance of digitization and internet penetration has driven insurance companies to adopt innovative strategies falling in line with the "Insurance for all by 2047" objective set by the IRDAI. They insurers are actively developing and promoting simple insurance products such as PMJJBY to enhance financial inclusion and boost insurance penetration. This mandate from the regulator is a crucial requirement that must be seamlessly integrated into every insurer’s operations and offerings to expand accessibility and ensure widespread coverage.

Digital platforms and social media: Insurance companies these days are leveraging the power of digital platforms and social media to reach a wider audience in a shorter span. Companies create informative and engaging content, including articles, videos and infographics to educate consumers about insurance concepts, coverage options, and the benefits coming from various insurance policies. Digital platforms provide a convenient and accessible way for individuals to learn about insurance at their own pace assuring convenience and ease. Insurance premium calculator is one such example that acts as a valuable tool that allows quick and easy comparison of insurance plans based on various parameters. Using an insurance calculator is one of the unique mediums in which buyers can quickly evaluate their needs and make an informed decision of choosing an appropriate insurance plan for themselves and their families.

Gamification and simulations: Insurance education is being gamified to make it more interactive and understandable for the younger audience. Companies are developing educational games and interactive digital mediums that allow users to experience real-life insurance scenarios, helping them understand the insurance and its practical applications. Gamification not only enhances learning but also promotes active engagement and retention of information making a long term impact.

Podcasts and webinars: Insurance-focused podcasts and webinars have gained popularity as effective mediums for delivering in-depth knowledge and insights as it provides engaging and interactive learning experiences to the perspective buyers. Industry experts and thought leaders discuss various insurance topics, demystify complex concepts related to insurance and provide practical tips for consumers to avoid the trap or miss-selling related to insurance. These AV interviews and discussion allows individuals to get into anything which relates to their kitty and give them an opportunity to understand the concepts basis their convenience.

The availability of educational content on new and evolving platform ensures that individuals can access information anytime, anywhere, using multimedia devices. This accessibility overcome barriers and enables a broader range of people to learn about insurance. Through data analysis and user profiling, insurance companies can deliver customized content that caters to individuals' specific needs, preferences, and levels of understanding.

The insurance industry is continuously evolving and has begun integrating Artificial Intelligence (AI) and Machine Learning (ML) in their operations. Chatbots and virtual assistants on websites and mobile apps have helped enrich the customer experience by delivering personalized guidance, answering insurance-related queries, and even educating consumers about the insurance products. Powered by AI, the companies are able to offer real-time information in an engaging manner. What's more, in an era where cyber security has become a crucial business risk, usage of blockchain technology can help revolutionize the insurance industry by ensuring secured information sharing.

Awareness and education are vital in the insurance industry empowering individuals to make informed decisions for their financial well-being. Looking ahead, the industry has promising prospects for calibrating awareness and imparting knowledge through innovative technologies. Continuously adapting to evolving trends and consumer preferences is crucial for the industry to improve educational initiatives and ensure a financially secure future for individuals and communities.

(The writer is Vikas Gupta.)

TOP

National Insurance Awareness Day 2023: How to bring the benefits of insurance to every doorstep – Live Mint – 28th June 2023

The National Insurance Awareness Day in India, observed on June 28 serves as a timely reminder of the importance of securing one's health. From term insurance to life insurance, to health insurance, to home insurance, to car insurance, and more, these policies offer a layer of protection. Roopam Asthana, CEO & Whole Time Director - Liberty General Insurance said that as we commemorate National Insurance Awareness Day, we reflect on the vital role insurance plays in providing peace of mind and financial security to individuals, families, and businesses.

"Today, we celebrate our progress while recognizing the immense potential that lies ahead. India's insurance industry is on a trajectory of remarkable growth, poised to become the sixth-largest insurance market globally within the next decade," said Roopam Asthana. However, we must acknowledge that there is still much work to be done. The current insurance penetration in India stands at around 3.2%, indicating the untapped market potential that awaits us, added Roopam.

Life insurance is a valuable product with numerous benefits, catering to all types of customers. It serves as a crucial element in an individual's financial portfolio. It provides peace of mind by safeguarding a family's future in the face of adversities, and enables systematic investing and a disciplined approach towards achieving long-term life goals. "On our part, the industry is continuously innovating, our regulator is also enabling a more empowering environment for the customers as well as the industry. In this encouraging environment, as the industry continues to become more dynamic, products are becoming simpler, more transparent, and tailored to fulfill a variety of long-term financial goals. This has enabled us to use and file our products, introduce innovative processes to ease our customers' engagement with us as well as strengthen the self-service options we provide," said Tarun Chugh, MD, and CEO, of Bajaj Allianz Life Insurance.

As per Roopam Asthana, it is crucial to extend our focus beyond urban areas and prioritize the underserved regions and communities of our country. By expanding our reach to these areas and people, we can bring the benefits of insurance to every doorstep, ensuring inclusive financial protection for all. “On this National Insurance Awareness Day, let us reaffirm our commitment to raising insurance awareness, improving penetration, and strengthening our industry. Together, we can build a future where insurance becomes an integral part of every individual's life, empowering them to face uncertainties with confidence and resilience" Asthana added.

“On National Insurance Awareness Day, we recognize the crucial mission of increasing insurance penetration in India. In a nation brimming with potential and opportunities, awareness and understanding of insurance play a paramount role. The visionary reforms set in motion by IRDAI have brought forth transparency, consumer-centric practices and accessibility- ultimately fostering trust," said Bhargav Dasgupta – MD & CEO of ICICI Lombard General Insurance Company. The series of measures taken by the regulator in the recent past will make way for ease of business, improved accessibility, better speed to market, and encourage insurers to innovate to keep pace with the dynamic needs of today’s customers, said Sumit Rai, MD & CEO, Edelweiss Tokio Life Insurance for your reference for Insurance Awareness Day. We believe that India is well on its way to becoming the 6th largest insurance marketplace globally by 2032, added Sumit.

(The writer is Sangeeta Ojha.)

TOP

Indian Insurance Industry Registers 10.3 Percent Compound Annual Growth Over Last Decade: RBI – The Economic Times – 28th June 2023

The Indian insurance industry, encompassing both life and general (including health) insurance, has registered a compound annual growth rate of 10.3 percent during the last 10 years, as per the RBI’s Financial Stability report released on Wednesday. The total premium income for the life insurance industry has consistently increased over the years. Factors such as increasing disposable income, rising awareness of the need for insurance and evolving customer preferences have contributed to the industry’s growth. During 2022-23, the total premium income of life insurers registered a robust growth of 12.8 percent amounting to 7.81 lakh crore (provisional) from 6.93 lakh crore in 2021-22, the report showed.

On the other hand, during 2022-23, the total premium underwritten by general and health insurers stood at 2.57 lakh crore (provisional) and recorded a robust growth of 16.4 per cent. Amongst the segments of general insurance business, the health insurance segment grew by 23% followed by motor insurance with 15%, it added. According to the apex bank, The Insurance Regulatory and Development Authority of India (IRDAI) has shifted its focus towards ensuring “Insurance for all by 2047” by making insurance more accessible, affordable, and customised, thereby enhancing the overall insurance penetration in the country.

To promote ease of doing business and reduction in compliance burden, the IRDAI has brought in a number of reforms which include, inter alia, extending ‘Use and File’ procedure for all the health and general insurance products and most of the life insurance products. It has simplified the process of registration of insurance companies, raising investment threshold for individual investors and specifying indicative criteria for determination of ‘Fit and proper’ status of investors and promoters.

Further IRDAI has also increased the period for considering state/ central government dues for calculation of solvency margin and reduction of solvency factor related to crop insurance, besides revising factor for calculation of solvency for Unit Linked Business (without guarantees) and Pradhan Mantri Jeevan Jyoti

Bima Yojana (PMJJBY). Additionally, the regulator has focused on increasing the roles and responsibilities of Appointed Actuaries, the threshold for companies to raise other forms of capital (viz., subordinated debt and/or preference shares), the experimentation period of regulatory sandbox to test innovative products and increasing the maximum limit of tie-ups for corporate agents and insurance marketing firms with insurers. The insurance watchdog in the said period has also revamped the guidelines for cross-border reinsurers and revised expenses of management (EoM) and commission limits for insurers, RBI added.

(The writer is Sheersh Kapoor.)

TOP

Finance ministry opts to simplify Insurance Act first; industry awaits reforms – The Economic Times – 28th June 2023

Ahead of anticipated major reforms in the Insurance Amendment Bill, the ministry of finance has proposed a separate exercise aimed at simplification of pre-Constitutional enactments, including the Insurance Act. The objective of this exercise is to simplify and remove references to outdated provisions. While the industry was looking for major reforms, including composite license, lower capital requirement, captive insurance license and risk-based pricing, the draft insurance amendment bill 2023 has not made any major changes to the existing Act. The department of financial services has asked the insurance regulator, Life Insurance Corporation (LIC), Life Insurance Council and General Insurance Council to respond by June 30 on the draft bill, which is likely to be taken up in the monsoon session. "The draft bill focuses on cleaning up the Act by deleting unnecessary provisions and renumbering sections," said an insurance executive. "The draft bill has come as a surprise to the industry that was looking for some major reforms, including composite license, captive insurance license and moving to risk-based pricing, instead of proceeding with major changes, the bill has deletion of provisions not necessary and renumbering the Act."

The draft bill has proposed to replace the requirement of Indian ownership and control with the manner of foreign investment, considering the increase in foreign investment ceilings beyond 49 percent. Additionally, the jurisdiction over the International Financial Services Centre would be under the authority of the IFSC Authority only and not with the insurance regulator. Market experts are unhappy with major reforms not being proposed along with this one. "Insurance Amendment Bill 2022" circulated last year contained major reforms to the Insurance Act and the government may consider incorporating the reforms in the simplified version circulated now. Experts believe that certain changes are necessary, such as allowing the formation of captives, permitting perpetual licensing of intermediaries, and removing the stipulation of minimum capital. "The current licensing regime increases compliance burdens, so perpetual licenses would provide regulatory flexibility and ease," said an insurance executive. Another long-standing demand of the industry is removal of minimum solvency requirements, which would also open opportunities for specialised insurers targeting niche segments.

(The writer is Shilpy Sinha.)

TOP

Digital India Bill draft bill likely to open for public consultation within 15 days – The Economic Times – 27th June 2023

The draft of the much-anticipated Digital India Bill to govern emerging technologies such as artificial intelligence (AI) and quantum computing is likely to be opened for public consultation within the next fortnight, senior officials said. The proposed regulations may also include provisions requiring companies to inform consumers how their data is being processed, sources said. The draft was due to be released earlier this month, but was held back for fresh consultation with legal and industry leaders. This follows feedback from experts during the government's outreach on the proposed Act, which began in March across multiple cities, including Bengaluru and Mumbai.

(The writer is Aashish Aryan.)

TOP

INSURANCE REGULATION

IRDAI lists steps to closely monitor insurers' exposure to AIFs – The Hindu – 28th June 2023

Insurance regulator IRDAI on Wednesday stipulated a few requirements for the insurers to help closely monitor their exposure to Alternative Investment Funds (AIFs), including one seeking board approval for rollover of investments in AIFs. In a circular on monitoring of such investments, the regulator advised the insurers that the NAV of the AIFs should be declared on a quarterly basis. It also wanted the insurers to submit quarterly return for investments in AIFs, as per the specified format, within 15 days from the end of each quarter. The rollover of investments in AIFs should be approved by the Board/Investment Committee, it said. Insurers were permitted in August 2013 to invest in category I and II AIFs as part of other investments, IRDAI added.

TOP

IRDAI seeks to improve insurance coverage through 'Bima Vahaks'. – Live Mint – 27th June 2023

The biggest factor that impedes the penetration of insurance in India is the lack of awareness about insurance. The penetration of life insurance in India is estimated at somewhere between three and five per cent while the knowledge of general insurance seems to be lower. India celebrates "National Insurance Awareness Day" on June 28 every year to review the country's existing insurance coverage.

The gap between the insured and the uninsured continues to widen with the increasing population, which means that the IRDAI has to compulsorily take aggressive steps to tackle burgeoning ignorance among the people. The Insurance Regulatory and Development Authority of India (IRDAI) recently issued draft guidelines for the establishment of "Bima Vahaks". These guidelines aim to establish a dedicated distribution channel in every gram panchayat (village administrative unit) to improve insurance coverage and promote awareness among the population.

The guidelines state, "Following this objective will improve accessibility and availability of insurance in every nook and corner of the country." The Bima Vahak initiative is highly promising and has the potential to significantly improve insurance inclusivity and awareness. By actively engaging with the diverse requirements and aspirations of every Gram Panchayat, insurers can customize their offerings to provide extensive coverage and effectively meet evolving financial protection needs.

Who is a "Bima Vahak"?
For those unfamiliar with how the insurance industry works to inform and educate people about insurance, a corporate Bima Vahak refers to any legal entity that is registered in compliance with the law and is engaged by an insurer based on the guidelines provided. On the other hand, an Individual Bima Vahak refers to an individual who is appointed by an insurer or a corporate Bima Vahak.

Women have long been employed and hired for their ability to relate to people around them while communicating with them about life's essentials. This also explains why the country's insurance regulator is keen on onboarding of women who can speak to the locals and teach them about the importance of insurance in financial parlance.

Bima Vahaks will be sourced from different villages to facilitate the distribution and servicing of insurance products. Each insurance company has the responsibility to ensure Know Your Customer (KYC) and Anti-Money Laundering (AML) compliance for policies sourced through both individual Bima Vahaks and corporate Bima Vahaks. Furthermore, insurers are required to establish systems, processes, internal controls, and infrastructure to facilitate smooth communication and interaction with all Bima Vahaks.

In addition, these companies are required to designate a complaint-handling officer at the local office of each gram panchayat. This officer will address any grievances or complaints against Bima Vahaks.

Insurance for all by 2047

The IRDAI has embarked on an ambitious dream of educating every Indian about insurance and its significance by 2047. Given how many people still continue to look at insurance with suspicion, is it even remotely possible to extend insurance coverage to every Indian in such a short period?

Vivek Chathurvedi, CMO, Digit Insurance added, “The concept of Bima Vahaks proposed by the insurance regulator IRDAI has the potential to truly increase insurance penetration at the grassroots level by overcoming geographic barriers and reaching the last mile. It can play a pivotal role in reaching the underserved sections of society by activating local community members at the gram panchayat level as individual Bima Vahaks. Moreover, the focus on prioritizing the onboarding of women as Bima Vahaks would not only help in driving inclusive growth and providing an alternate source of income but would also act as a catalyst in increasing awareness and trust about insurance products within the communities. This is an untapped distribution channel that can create a lot of value for insurance companies and can play a crucial role in achieving IRDAI’s commitment of ‘Insurance for All by 2047’.”

Jitin Parekh, Company Secretary and Chief Legal & Compliance Officer, Aegon Life Insurance Company added, “Bima Vahaks will be invaluable in spreading insurance awareness among the masses through personal interactions and localized knowledge. To achieve widespread awareness by 2047, we must adopt a comprehensive approach that combines Bima Vahaks' strengths with technology and collaboration. One of the key advantages of Bima Vahaks lies in their deep understanding of local communities. This allows them to effectively communicate the numerous benefits that insurance products offer to potential customers. By establishing personal relationships, providing tailored advice, and addressing specific concerns, they are able to build trust and credibility within their communities.”

Parekh added, “To further enhance their impact, we must empower Bima Vahaks with comprehensive training, essential resources, and the latest technology. This will enable them to serve as effective ambassadors of insurance, equipped with the tools they need to connect with and educate individuals. With a specific focus on onboarding women, who have the potential to gain the trust of locals, this field force will play a pivotal role in the distribution and servicing of insurance products. Together, by capitalizing on the strengths of Bima Vahaks, embracing technology, fostering collaboration, and placing a premium on financial literacy, we can work towards a future where insurance awareness is pervasive. This will enable individuals to safeguard their families, protect their assets, and secure their future financial well-being.”

Undoubtedly, the Bima Vahaks will help the insurance sector to extend insurance coverage to every Indian. However, the success of this initiative also relies on our approach to managing our finances and our willingness to gain knowledge about the intricacies of finance, including insurance. By being proactive in understanding and learning about these aspects, we can make informed decisions and ensure financial well-being.

(The writer is Abeer Ray.)

TOP

Common hospital network, health claims exchange and deeper penetration can minimise claim hassles, says IRDAI chief – Moneycontrol – 27th June 2023

The insurance industry paid out six crore claims worth Rs 1.83 lakh crore in the last three financial years, while 2.4 crore claims amounting to Rs 70,000 crore were settled in 2022-23, underlining the importance of health insurance in the country, the Insurance Regulatory and Development Authority of India (IRDAI) chairman Debasish Panda said in an interview. “Thus, health insurance plays an important role in providing assistance when it is needed the most. Therefore, the affordability of health insurance becomes a major aspect,” he said. A common hospital network for all insurers and getting more people covered under health insurance could also lead to better underwriting and efficient pricing (and thus, lower premiums). Getting insurers to sign up for the National Health Claims Exchange will support seamless claim settlement as well as prudent underwriting. A standardised product for senior citizens is also on the cards, Panda said. This is the class of policyholders that is often at the receiving end of steep renewal premium hikes and partial claim settlement disputes. Further, insurers should focus on product customisation, developing policies tailored to the needs of senior citizens with age-specific benefits, coverage for chronic conditions, and preventive care provisions. Edited excerpts:

On customer complaints of health insurers resorting to steep renewal premium hikes

The industry had disbursed health claims approximating Rs 1.83 lakh crore in the last three financial years against around 6 crore claims. More than Rs 70,000 crore was paid in FY 2022-23 itself against 2.4 crore claims approximately. Thus, health insurance plays an important role in providing assistance when it is needed the most. Therefore, the affordability of health insurance becomes a major aspect. There are several factors at play when it comes to health insurance pricing including inflation, healthcare costs, varied expenses for treatments, claim history etc. These get reflected in the premiums for health insurance. These indeed pose a challenge in the way to make insurance affordable to all. There are solutions, the implementation of, which require concerted efforts from all the stakeholders. A common hospital network for all insurers may be one option; efforts towards onboarding more and more people under the ambit of health insurance would also facilitate efficient pricing and also, better underwriting by the insurers would result in competitive pricing. All of this would require greater adoption of technology by the industry which would lead to increasing efficiencies as well as reducing cost. In this direction, National Health Authority (NHA), IRDAI and the Insurance Councils are working towards on-boarding insurers on the National Health Claims Exchange to support seamless claim settlements as well prudent underwriting.

On why the IRDAI did not impose specific commission caps, despite criticism over high commissions in insurance, letting company boards take the calls instead

IRDAI has been adopting extensive consultative approach in the framing of regulations. Based on feedback from various stakeholders, the new regulations have been brought in where commissions have been linked to the overall expenses of management (EoM) limits. The insurance companies have the flexibility to devise their marketing strategies and decide upon commission payouts. However, insurers are required to operate within the overall limits of expenses of management. Under the oversight of the respective Boards, the present framework aims to ensure that the payouts do not go beyond the reasonable amount, protecting policyholders' interests. The revamped regulatory framework aims to promote healthy competition enabling market forces to operate, rationalising the cost of insurance and ultimately benefitting the policyholders.

On the impending roll-out of Bima Sugam, e-marketplace of distribution and purchase of insurance policies

The dynamic and evolving society requires faster and convenient solutions. The demand is for easy accessibility, efficient communication, enhanced customer engagement, prompt issue resolution, and valuable data insights. The contemplated insurance e-marketplace protocol Bima Sugam is a step in this direction. The protocol is aimed to be integrated with India Stack in order to ensure seamless delivery of insurance services. It is conceptualised to be a one-stop solution with the facility of purchase, service and settlement of insurance contracts. It will also enhance the digital access and scope for the insurance intermediaries and enable assisted purchase to be a very seamless process.

On how Bima Sugam can address key issues faced by policyholders and the insurance industry

The insights generated by Bima Sugam may lead to more prudent underwriting, information sharing, prevention of mis-selling and fraud. It is an attempt to universalise and democratise insurance and shift it from push to pull product. The larger intent is to slowly graduate towards building a financial market infrastructure to be rolled out in phases. However, to embed insurance in the traditional fabric of the nation, brick-and-mortar presence is also required along with digital inclusion. To take insurance to each gram panchayat, a tech-led women-centric localised insurance force called Bima Vahak is also being conceptualised to distribute multi-line benefit-based product with parametric triggers, that is, Bima

Vistaar, which may greatly enhance accessibility, availability and affordability which will significantly contribute to insurance inclusion and penetration.

On how composite licences for insurers – where they will be able to offer life as well as general insurance policies – will impact policyholders and the industry

Granting composite licences is one of the proposals for amendment of the statute. It would enable a one-stop solution for varied insurance needs of citizens. The insurance company would be able to offer multiple types of insurance products which may lead to economies of scale. This would be beneficial for the policyholders as it may lead to greater affordability and improved accessibility of insurance coverage. This would enable insurance companies to better allocate their resources resulting in better and efficient capital management, again leading to rationalised cost of insurance for policyholders. Once the statute is amended, necessary regulations would be framed for the operation of composite insurers.

On standardised health insurance products for senior citizens, on the lines of regulator-mandated products with uniform features introduced earlier.

Standard products provide basic necessary coverage, wherever and whenever required. During extraordinary circumstances like the pandemic or special segments of the society, such offerings become necessary. Realising the need for a standard product for senior citizens, a solution is being worked out presently by the industry through the General Insurance Council. In the normal course, greater emphasis is on provision of ample choice and customised products. Towards this end, 'use-&-file' mechanism has been implemented for all the general and health insurance products and majority of life insurance products. This framework empowers insurers to come up with tailored offerings providing a better proposition. Insurers can launch products swiftly according to the market needs and requirements. The present insurance landscape advocates for choice and innovation, be it in terms of bespoke coverages or standard products, as are required by the policyholders.

(The writer is Preeti Kulkarni.)

TOP

Insurance regulator IRDAI bats for risk-based supervision, trials to begin from July - The Hindu - 27th June 2023

Insurance regulator IRDAI will be rolling out the first phase of pilot projects associated with a Risk Based Supervision (RBS) framework from July. The move to RBS will be a shift towards adopting global best practices for supervision with a focus on proportionality, materiality and relies on holistic analysis of the activities of regulated entity from a risk perspective, the regulator said on the proposed framework for which it has collaborated with Toronto Centre (TC). A not-for profit organisation, TC has been working to promote strong supervision in order to enhance financial stability, crisis preparedness and consumer protection.

Elaborating on the plans for RBS, the regulator said it has been working towards developing and implementing the framework, for insurance sector in India, with a view to promote a 'Principle based Regulatory regime', foster ease-of-doing business and encourage proactive risk identification and management. It has been engaging with various stakeholders over the past few months for a robust development and smooth implementation of RBS, IRDAI said. "After recent deliberations with TC, the first phase of pilots for RBS are scheduled to commence from July, 2023," it said on Tuesday.

TOP

First phase pilot of Risk Based Supervision from next month: IRDAI – The Economic Times – 27th June 2023

To promote a 'Principle based Regulatory regime' and foster ease of doing business, insurance sector regulator Irdai will roll out the first phase of pilot for 'Risk Based Supervision' (RBS) next month. RBS is a shift towards adopting global best practices for supervision which focuses on proportionality, materiality

and relies on a holistic analysis of the activities of regulated entities from a risk perspective, Insurance Regulatory and Development Authority of India (IRDAI) said in a statement on Tuesday. It will foster ease of doing business and encourage proactive risk identification and management, it said.
Irdai has been working towards developing and implementing 'Risk Based Supervision' (RBS) framework for the insurance sector in India.

For this purpose, it said, the regulator has collaborated with Toronto Centre (TC), which is a not-for-profit organisation, working with the mission of promoting strong supervision in order to enhance financial stability, crisis preparedness, and consumer protection. In order to ensure robust development and smooth implementation of RBS, Irdai has been engaging with various stakeholders over the past few months.

"After recent deliberations with Toronto Centre, the first phase of pilots for RBS are scheduled to commence from July 2023," it said. To begin with, Irdai had earlier said it will primarily focus on compliance-based approach for supervision as over the past two decades, the number of insurance entities to be supervised has increased manifold. To supervise on compliance approach would need the same yardstick to be applied to all regulated entities regardless of its size, business model and nature of significant activities.

Instead, under RBS, each regulated entity will be assessed based on its 'risk profile' and the overall risk it carries. Entailing the benefits of moving towards RBS framework, Irdai had said it will lead to a structured approach to help assess various risks, both internal to the entity and external environment. RBS is forward-looking and outcome based with due focus on the responsibility of the board and senior management of the entities to ensure financial soundness, it had said.

Besides, it will help in the identification of various risks relating to market conduct and prudential aspects at an early stage so that timely regulatory intervention is possible depending upon the overall risk profile of the entity. In the recent Financial Sector Assessment Program report of 2017, the IMF and World Bank recommended Irdai to move towards a risk-based supervisory approach.

TOP

New commission rules will benefit policyholders & insurance firms: IRDAI chief – Moneycontrol – 26th June 2023

The new norms on expenses of management (EoM) and commission payouts, effective this financial year, will work in favour of policyholders, Insurance Regulatory and Development Authority of India (IRDAI) Chairman Debasish Panda said.

in an exclusive interview with Moneycontrol, Panda said that insurance companies would be answerable to their boards when fixing commissions that they pay to their agents. This accountability would ensure fair play, the IRDAI chief added. “The revamped regulatory framework aims to promote healthy competition enabling market forces to operate, rationalising the cost of insurance and ultimately benefitting the policyholders," said Panda.

No specific commission caps, but payouts linked to overall EoM limits
Since April 1, 2023, life and general insurance companies do not have to adhere to any specific ceiling on commissions paid to agents, distributor banks and other intermediaries.

The payouts, however, cannot exceed the overall expenses of management (EoM) limits specified by the IRDAI. EoM is expressed as a percentage of premiums collected and includes commissions, technology spends, employee costs, administrative expenses and so on.

Explaining the rationale behind what some critics say has been a rollback by the regulator's earlier stance of specific caps on commission, Panda said that IRDAI has adopted a consultative approach. " The insurance companies have the flexibility to devise their marketing strategies and decide upon commission payouts, however, insurers are required to operate within the overall limits of expenses of management," he said.

More people to buy insurance; better for companies

The IRDAI chief believes the reforms will have positive implications for the insurance industry as well as policyholders, promoting insurance penetration and encouraging healthy competition in the industry and will also improve affordability for policyholders. "This encourages a competitive market, allowing insurers to customise commission structures based on market needs. It would facilitate them to develop new business models, products, strategies, internal processes and enable them to fulfil the mission of 'Insurance for All'," he said.

For the insurance industry, the new norms will facilitate flexibility to manage their expenses. "The board-approved policy enhances transparency, accountability and adherence to regulations, enabling a more efficient distribution system and boosting customer confidence and satisfaction," he said. Before April 1, insurers handed out rewards to distributors over and above the EoM cap. Now, all the rewards and incentives that the insurance companies paid their distributors will have to be subsumed within commission payouts.

(The writer is Preeti Kulkarni.)

TOP

IRDAI expands 'use and file' procedure to more life products – The Hindu – 24th June 2023

Insurance regulator IRDAI has extended the scope of the 'Use and File' procedure to cover more life insurance products. Essentially allowing insurers to launch a product first and then submit details to the regulator subsequently, the procedure has now been extended to group unit-linked insurance products, individual ULIPs which are offered with new funds and combi products in which the life insurer acts as the lead.

"Now, life insurers can launch these products without prior approval, enhancing ease of doing business and encouraging swift response to the market demands. This will boost innovation in the products resulting in better choices for the customers," IRDAI said on Friday. In October 2022, the regulator had extended the 'Use and File' procedure to all term insurance products, individual ULIPs with existing funds and non-linked group insurance products.

The new additions are based on the feedback from industry and to facilitate insurance penetration, IRDAI said. "This is a continuation of a series of steps the regulator has taken to strengthen insurance penetration in the country. This modification will enable insurers to increase their go-to-market speed and in turn help them stay in sync with the dynamic demands of today's customers," Edelweiss Tokio Life Insurance MD and CEO Sumit Rai said.

TOP

LIFE INSURANCE

Insurance companies take long-term view amidst market turbulence: Sampath Reddy, CIO of Bajaj Allianz Life – The Hindu Business Line 30th June 2023

With strong fund inflows, domestic institutional investors led by mutual funds and insurance companies have become the counter-force of foreign portfolio investors in times of turbulence in equity markets. Insurance companies usually take a long-term view of markets due to the nature of fund flow compared to mutual funds. Sampath Reddy, Chief Investment Officer, Bajaj Allianz Life Insurance, spoke to businessline on current investment opportunities and market outlook. Excerpt:

Q How do you see the current market valuation?
Indian equity markets are currently trading slightly higher than their long-term averages. Nifty is currently trading at a 12-month trailing P/E (Price to Earnings) ratio of 22.2 times, slightly above its long-term average of 21.8 times, and the 12-month trailing P/B ratio of Nifty is 3.3 times, which is above its historical average of 3 times. This was largely due to foreign portfolio investor equity inflows, which have returned to India after last year's lull. These inflows have contributed to a healthy rally in the equity markets. Moreover, India's stronger macroeconomic conditions, moderating inflation, growth opportunities and lesser impact of El Nino on monsoon expectations have made the equity market more attractive in the current global economic landscape.

Q Has your equity allocation been reduced, given the global uncertainty?
We have been cautious on the back of rising global inflation and subsequent tightening of the monetary policies of various central banks. Despite strong growth in corporate earnings over the last 2-3 years, market returns have been subdued on the back of these global factors. As we are coming to the end of the interest rate hike cycle we are cautiously optimistic towards equities.

Q Is the insurance seeing good flows like MFs?
A consistent inflow into the insurance sector indicates a positive trend. In FY23, life insurance companies collected a total premium of ₹3.70 lakh crore, indicating an increase of 18 per cent compared to the previous year. Individual Non-Single Premium has grown by 19 per cent in the same period. The life insurance premium has grown by 14 per cent in the last 5 years (FY18-FY23). The growth can be attributed to a rise in awareness increase in disposable income, and also the Covid pandemic emphasized the need for investing in life insurance. Moreover, the government and regulator IRDAI's efforts in expanding insurance accessibility through initiatives such as Pradhan Mantri Jeevan Jyoti Bima Yojana and Pradhan Mantri Suraksha Bima Yojana have contributed to this positive trajectory.

Q What is your outlook on interest rates?
Over the last few months, the inflation rate has been moderating both globally and domestically. This has allowed global central banks to reduce the pace of rate hikes. After having hiked the policy repo rate by 2.5 per cent to 6.5 per cent, RBI has paused since April, 2023. India's consumer inflation moderated in May to 4.25 per cent and inched closer to RBI's target of 4 per cent. RBI is not expected to cut rates before seeing inflation sustaining closer to 4 per cent. Inflation is expected to be at 5 per cent, and for FY25, RBI projects inflation at 4.5 per cent. We feel that we are at the end of a rate hiking cycle, with the possibility of rate cuts later depending on the evolving inflation-growth dynamics. With this view, we believe that the current interest rates offer attractive value to investors.

Q Which are the sectors that will sustain growth going ahead?
Sectors exposed to domestic consumption and infrastructure are expected to do well during these global uncertain times. We have been positive in the banking and financial sectors and continue to like them. The BFSI sector is in a strong position regarding asset quality at multi-year low non-performing loans. Also, the credit growth and interest rate margins have been healthy. Industrials and infrastructure companies have also been showing a big improvement in their financials, with healthy growth in order backlogs. The government's thrust on capital expenditure spending on the infrastructure and Production-Linked Incentive schemes has led to strong order books and capital spending. We believe industrials would continue to do well. Some niche sectors, such as QSR & Hotels (Quick Service Restaurant) segments, are also expected to do well amid the rise in discretionary spending. Gas utility stocks, which had taken a beating to the demand on the back of a sharp rise in spot gas prices last year, are also expected to do well as spot gas prices have fallen.

Q Is the General election next year a big risk to the market?
Usually, markets like continuity in policy making and a stable and strong government at the centre. Given that we are approaching the elections during the next calendar year, there is a potential risk. In the past, we had seen strong bullish market phases even during politically weaker mandates at the centre due to India's strong underlying fundamentals. We believe the pre-election period could see strong spending by the government, which could act as a positive catalyst in the near term.

Q Do you expect fund flow will be hit by changes in tax treatment?
The initial expectations were that some high-value traditional products may take a hit due to the changes in the tax benefits for investors in the insurance products. However, given the low ticket size of insurance investors, the implications are relatively smaller.

(The writer is Suresh P Iyengar.)

TOP

Life and health insurance policies welcome LGBTQ community, but not all is rosy, just yet – Moneycontrol – 29th June 2023

After the Supreme Court decriminalised homosexuality in 2018, many workplaces started offering benefits of inclusivity – insurance being one critical perk to retain employees. As a result, group life and health insurance (offered to private groups such as employees, clients of banks and card companies, etc) policies have been customised for many companies for a few years now.

While homosexuality was decriminalised, same-sex marriage has not been legalised yet. As a result, many insurance benefits have not been available until recently through retail insurance plans for the general public.

But the scenario is changing. Both general insurance companies – that offer mediclaim, fire, vehicle insurance, etc – and life insurers, which cover the financial risk associated with the death of an individual, are now offering policies to LGBTQ+ members and same-sex couples, apart from live-in partners. On June 28, National Insurance Awareness Day was celebrated towards the end of the pride month of June. Moneycontrol.com decided to examine access to insurance for same-sex couples and members of the LGBTQ+ community.

Floater policies
For same-sex couples seeking a mediclaim floater policy – one common health insurance policy that covers the entire family and shares the sum insured – has been a major problem. Under a floater policy, any of the family member can make a claim during a health emergency, saving costs assuming that not all family members will fall ill and require hospitalisation at the same time.

In line with this principle, insurance companies are now offering health and motor insurance floater policies to same-sex couples too. "Exclusion from accessing floater health insurance policies was a significant issue due to non-conformity with traditional family definitions. Hence, we expanded the definition of family under retail offerings to now include live-in partners and same-sex couples," says Raghavendra Rao, Chief Distribution Officer at Future Generali India Insurance Company.

Even though health floater policies have been in existence for more than two decades, floater policies for vehicles were introduced only recently. While many insurance companies declined to comment, a private insurer said that the company offers motor floater policies to vehicles owned by individuals residing on the same premises and possessing documents to certify the same.

No separate underwriting for life insurance
Life insurance is offered to everyone regardless of age, gender, or preferences, say insurance companies. Premiums are not based on gender. "Underwriting costs are based on the risk assessment and the applicable mortality risk for a particular life. The underwriting cost for an LGBTQ person would depend on the demographic details of the person," says Piyush Trivedi, Joint President-Products, Kotak Life Insurance.

It hasn't been proven whether being homosexual has an impact on your life cycle, and hence, there is no discrimination or bias in terms of pricing or offering insurance to the LGBTQ+ community. "Our costs of policies do not differ based on sexual orientation. In general, the costs of life insurance policies are determined by underwriting rules such as risk assessment, claim settlement procedures, and internal policies," says Dr Mukund Kulkarni, Head – Underwriting, Aegon life insurance.

Even though the premiums don't change, insurance companies expect individuals to mention the correct gender, and they would accordingly be a little stringent in assessing the risks associated with members of the LGBTQ+ community. "Life insurers may be more diligent, medically and financially, when evaluating a transgender individual," says Karthik Raman, CMO and Head-Products, Ageas Federal Life Insurance.

Joint life policies
However, a same-sex couple would have a tough time seeking a joint-life insurance policy, which is an insurance policy covering two people, and offers the sum assured (SA) to the joint policyholder in case of the death of the other holder. "We offer joint life cover for spouses under our annuity and savings plans. Currently, the two individuals under a joint life insurance policy can either be spouses (husband and wife) or immediate blood relations," says Raman.

But it is best to understand if your insurance company offers these to same-sex couples, as everyone follows a different view. Joint-life policies help you save some funds as two lives are insured under one plan. Kotak Life Insurance, too, offers joint life insurance under individual traditional savings and on the ULIP platform. "Relationships allowed between lives covered under a joint-life policy are as per the underwriting rules of respective companies," says Trivedi. So, if you seek a joint home loan, you might not be permitted to take out a joint insurance policy.

What documents should you hold?
No forms or separate documents are needed for the third gender to seek insurance, apart from the submission of a proposal form. Terms and conditions are the same for all customers, say insurers. But the facts need to be mentioned correctly for the insurance contract to be valid. To ensure that the insurance contract isn't considered invalid for hiding any "material" fact at the time of a claim, it is important that you mention the correct gender.

"For transgender individuals, the procedure is the same as for the other genders. They have to submit the right declaration as 'transgender' in the application form," says Raman. Additional documents, such as health declarations, may be sought based on the health condition, which is a common practice for select high-risk individuals. Ensure you mention the correct details on these declaration forms.

Since same-sex marriage isn't legal in India, steering past documentation and common proof is often a cumbersome task for insurance coverage. If you are seeking a joint-life or a health/vehicle floater policy as a same-sex couple, then you would need a joint bank account and proof of common address. But do check with your insurance company about the documents needed. "The presence of a common bank account or shared address in the proposal form will be considered for communication or transactions. While it indicates a certain degree of shared financial responsibility or living arrangement, it is not the sole determining factor for a family floater policy," says Rao.

Nomination
Life insurance is perhaps one of the many financial products, where the provision to nominate a "beneficiary" nominee has been offered. A beneficiary nominee under life insurance doesn't just gain the right to receive the funds from the insurance company after the death of the individual but gains the right to keep the funds. The good news here is that as per Indian law, individuals can nominate any person of their choice in their life insurance policy.

As Raman says, "For both same-sex couples or couples in live-in relationships, one partner can nominate the other partner as a beneficiary nominee under the life insurance policy." But Moneycontrol.com found that different insurance companies have different policies on this matter. "With the evolving definitions of relations, same-sex couples can nominate a partner as a beneficiary subject to the nomination policies of the respective life insurer," says Trivedi of Kotak Life Insurance.

Hence, do check with your insurance company regarding the beneficiary nominee provision. It would be a wise choice to make a Will and mention the name of the person to whom you wish to offer the insurance money after your passing, as succession laws would take over if a person dies intestate (without leaving a Will).

(The writer is Khyati Dharamsi.)

TOP

Why have IRDAI launched combi plans? Naval Goel answers – The Economic Times – 28th June 2023

"So that is the main motive to increase the insurance penetration as well as the reach for the insurance companies. Now what this means for policyholders is definitely that it could mean that the products will become a little bit more complex," says Naval Goel, Founder & CEO, PolicyX. Edited excerpts:

So, combi plans, a mix of health and life, as it is we see that insurance is quite complicated for a lot of people to buy in general and then here we are talking about combi plan, something that gives you a benefit of your life insurance and your health insurance. So, first question to you is, what does this actually mean and also, a group ULIP policies, so what does this mean and what is the reason behind IRDAI taking this step?

So, yes, you rightly mentioned that the motive behind launching such products by IRDAI is that there is a big distribution channel that each insurance company have. So, a life insurance company would have probably a few thousands of insurance agents and bancassurance tie ups, etc. So, basically, IRDAI wants to make use of that distribution channel to increase the penetration of insurance so that is why it has allowed basically them to kind of launch combi products so that the insurance need of a person can be fulfilled by a single company rather than going to two or three different companies.

So that is the main motive to increase the insurance penetration as well as the reach for the insurance companies. Now what this means for policyholders is definitely that it could mean that the products will become a little bit more complex. As you know, insurance is already very complex. If you go and buy a term plan, there are a lot of variants. If you go and buy ULIPs also, there are lots of options and similarly choosing a health plan is also a tedious task. You need to take care of a lot of things. But yes, this will increase the choices for the consumers. If you are able to take the right decision, I think the consumers will only benefit because they will be able to choose from more insurers now because even life insurance companies would be launching health products.

So, let us understand what kind of mix are we talking about over here. And although it is very nice and a good step from IRDAI giving the liberty to insurance companies to just file the product and launch it without getting any approval from IRDAI but then do not you think a check would have been needed from a regulator point of view since this entire sector is so complicated and although it is very well regulated also, a check of any new product would have been a filter or a level of verification from the regulator's end? See, insurance industry has always been very highly regulated and that is also a good thing and a bad thing because it kind of delays product launches, it increases the hassle of launching a product and insurance companies were not allowed that much flexibility.

So, with this new chairman coming into IRDAI what the main motive of IRDAI has been to kind of reduce the regulation and increase the penetration of insurance. So that is the core thesis behind all such moves and I think on the one hand, yes, reducing regulation helps in increasing penetration, but also a regulatory check is required and I think that is sufficiently there. So, overall, what we feel is that insurance companies have been allowed a decent amount of flexibility to launch products, but it does not mean that they can launch anything and everything. They always have to justify whether… it is just about timing of justification. They do not have to justify before the launch.

But even after the launch, IRDAI will ask questions on how the product was calculated, how the premiums were calculated and what kind of assumptions were made and those assumptions have to be in line with the market and the reality. So, I would say that this will only reduce the upfront complication but it does not mean that the regulation is going away entirely.

So, now let me just understand this combi product that insurance companies can issue. So, what kind of sum assured, what kind of coverage features are we talking about? What kind of premiums are we talking about that can be decided?

Right now we have not seen many of such products in the market so far. So, insurance companies have been allowed to launch such products and we are… because if you see life insurance is usually a long-term product whereas general insurance, health insurance is a short-term product, it is one year, two-year or three-year whereas life insurance goes up to 20 years, 10 years. So, currently, they are basically trying to understand the market to what kind of product will actually fit in because when you talk about general insurance, you have to take care of yearly inflation and then you have to basically make sure that the claims are paid very frequently, whereas life insurance claims are usually paid once in a policy term.

Some companies have even tied up with their general insurance counterparts and combined the product in a way that it is one policy for a customer but it is actually two policies in the back end. Now, from an investor or a policyholders point of view we always advise viewers and people in general that you should be keeping your insurance first of all in place, starting off with your life insurance, a separate product and your health insurance, you should not be investing in insurance policies because you have got a separate set of investment options for that.

Now, when we talk about a mixed product, although we do not have any example right now on basis of what we can actually explain people and help them decide what is good for them and what is bad, but then as per a strategy is not it always good to have a standalone life insurance product and a standalone health insurance product, clubbing it obviously it will depend on what kind of features are attached to it. But a segregated approach towards your entire portfolio or your planning makes sense.

Absolutely, I am of the same belief that you should at least have one term policy and one health policy. Apart from that, investment should not be clubbed into insurance because investment you can always do through mutual funds and other better investment instruments. So, one term and one health, so it is not much of a deal to kind of tackle, so combining these two for policyholders does not really make a lot of sense but they can always evaluate what kind of products are on offer and then take a decision because we do not know right now what kind of benefits can combination provide. So, if we see those benefits, we will probably change our minds and say that, okay, combi products are better, but right now one term and one health is I think the best combination to go for.

So, what do you also mean by group ULIP for which the permissions have been given? I think since last year, insurance companies were allowed to issue group ULIP plans. What does that mean and what kind of plans are we talking about? Are there any in the market?

So, we have not seen much of group ULIP plans. So, basically, these kind of plans are not retail plans. So, we usually deal with retail products and generally health and ULIPs are sold to individual investors.

Also, when we talk about group ULIP, this is going to… like if in terms of features, if you could explain how many people could be covered in that and this also would be a mixed product of insurance and investment, so do we have much more investment avenues as per this product? Any idea on that?

Frankly, I would not be able to comment on group ULIPs because I have not seen many of such products in the market so far and we do not really deal with group ULIPs.

TOP

Tackling customer protection issues in life insurance for low-income households – Moneycontrol – 28th June 2023

A couple lives in Kumbakonam village in Tamil Nadu with their two children. They earn Rs 3 lakh annually from running an auto and a door-front petty shop. A relative, an insurance agent, comes to them with an endowment plan where they would have to pay a monthly premium of Rs 738 over 20 years. In return, the plan promises an assured sum of Rs 1 lakh and a bonus of up to Rs 32,400 at the end of the policy term.

It also provides a life insurance cover of Rs 1 lakh. The couple is persuaded to buy the plan, partly because it seems to offer a pathway for long-term savings and partly because the relative is urging them to do so. After paying a total premium of about Rs 45,000 over five years, a health shock in the family puts the household's finances under severe strain. With no other financial recourse, the couple decides to surrender the plan to pay for hospital expenses.

But they realise that surrendering the plan after five years would fetch them only about Rs 24,000, and the insurance company would retain the rest as a penalty for pre-closure. This was not disclosed to them at the time of purchase. They are disappointed and frustrated about losing their hard-earned savings but are unable to continue paying for the policy.

Unsuitable plan

This case (a fictional account) illustrates the journey of many low-income households (LIHs) with traditional life insurance products. It also underscores the low persistency rates for life insurance policies in India. The 13th-month persistency of the Life Insurance Corporation of India (LIC), for instance, was about 63 percent in 2022 – meaning 37 in 100 policies lapsed within the first 13 months. Globally, the persistency ratio for the 13th month is almost 90 percent.

The low persistency points to not just Indian households losing life cover but also the thousands of rupees lost as penalty for pre-closure. This is particularly worrisome for LIHs that can scarcely afford to lose their life cover or meagre savings from unsuitable products. Traditional life insurance products such as endowment plans (bundle of investment and insurance) offer low life cover per rupee of premium compared to term life plans, low returns on their savings component, and high penalties for pre-closure. These features make them ill-suited for LIHs, given their income levels, instability in income flows, and the persistent need for liquidity.

However, endowment plans are a common feature of Indian household portfolios, which is true of LIHs as well. As per the All-India Debt and Investment Survey 2019 (National Sample Survey, 70th Round), the take-up of endowment plans among LIHs stands at over 20 percent. While typical behavioural biases such as loss aversion (the tendency to view losses more severely than equivalent gains) and optimism bias (the tendency to overestimate the likelihood of experiencing positive events and underestimate the likelihood of experiencing adverse events) contribute to the preference for such bundled products, misaligned agent incentives also have a role to play.

The possibility of earning high commissions overshadows the need for product suitability assessments, resulting in agents mis-selling endowment plans. Consumers are also often shortchanged because essential information on pre-closure charges and alternative product options is unavailable. While the Insurance Regulatory and Development Authority of India (IRDAI) has directed insurance companies to conduct product suitability assessments at the time of sale, the instructions fall short of meeting their objective because they have been watered down to a mere box-ticking exercise.

Protection gap

While ensuring the suitability of products at the point of sale is necessary, the availability of products designed to meet the specific needs of LIHs is equally important. The Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) is one such product launched by the government as a subsidised term life plan. It calls for a pocket-friendly yearly premium of Rs 436 for a life cover of Rs 2 lakh. With the right thrust, it can potentially bridge the mortality protection gap faced by LIHs in India.

However, the distribution and servicing of the product are riddled with multiple challenges, stifling its potential to provide valuable social protection to a large section of the Indian population. Further, apart from PMJJBY, there is a glaring life insurance product gap in the market for LIHs. Packaging insurance with savings is, therefore, one way to address insurance take-up among LIHs. Dvara Research conducted a study to understand the drivers and barriers of life insurance purchase among low-income households, which also indicated that there is a case for providing tailor-made insurance-cum-savings bundles to this segment.

Beyond such bundling, life insurance companies should critically evaluate the products sold to LIHs against their financial realities by ensuring affordable premiums, safety of capital, and low penalties for premature exit. They should align their sales practices to generate the best outcomes for LIHs by ensuring easy access to a variety of products with disclosures that provide accurate information and aid product comparison. Further, they should ensure optimal post-sale service that engenders trust by setting up transparent grievance redress channels and claim settlement procedures. There is an immediate need for the insurance sector in India to consider these recommendations seriously so that life insurance may be made to work for this crucial yet underserved population.

(The writers are Priyadarshini Ganesan & Sowmini G Prasad.)

TOP

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89 Percent view life insurance as crucial for financial security, while 50 percent see it as a safe investment with tax benefits: Future Generali India Life Insurance – Media Brief – 27th June 2023

Future Generali India Life Insurance Co. Ltd. conducted a study on the perceptions and preferences surrounding life insurance in honour of National Insurance Awareness Day. The report highlights key hurdles consumers face when purchasing life insurance or enhancing their coverage, especially the rising discontent amongst Gen-Z policyholders who remain unenthused by the lack of transparency, trust and commitment displayed by life insurers during the policy period.

- Apart from covering perceptions around life insurance products and providers, the study also delves into important details such as major expectations from life insurance products, key influencers in the decision-making process, barriers for investing and the triggers for purchasing life insurance.
- The report also analyses the main intentions behind increasing policy coverage as well as the preferred channels and modes for purchasing life insurance. With 72% of respondents being existing life insurance policy holders and the remaining being non-owners or intenders, the survey throws up interesting consumer insights that serve to underscore the focus areas for insurers in the country.
- The policy also highlights a few intriguing insights:
- While securing their family against future financial challenges remains the main driver for 83% of the respondents, more than 70% of life insurance consumers believe that they could secure their child's education and medical emergencies expenses with adequate insurance coverage.
- Also, despite 89% of the participants viewing life insurance as an instrument to achieve future financial security, more than 50% believe it to be an appealing savings product that also offers superlative tax benefits.
- More than a third (39%) of those in the 45+ yrs age group have opted for life insurance to secure lump sum or regular pay-outs, indicating changing purchasing preferences as consumers age.

- Across the younger respondents though, aspects such as income protection and the potential to generate better returns than traditional saving instruments remain the top drivers to purchase life insurance products.

Commenting on the survey findings, Geetanjali Chugh Kothari, Chief Marketing Officer of Future Generali India Life Insurance, said, "Our survey highlights the pressing issues faced by consumers in the life insurance market, particularly the emerging reservations among GenZ policyholders. Transparency, trust, and commitment are the pillars of a successful customer-insurer relationship, and it is evident that we need to bridge the gap in these areas. At Future Generali India Life Insurance, we are committed to embracing these challenges and developing innovative solutions that meet the evolving needs of our policyholders."

"The survey sheds light on consumers' major expectations from life insurance products and organisations, enabling us to fine-tune our offerings and ensure they align with the preferences and requirements of our valued customers. We also recognize the significance of key influencers in the decision-making process and will continue to build strong partnerships to guide and support individuals in making informed choices," added Geetanjali.

TOP

Get a loan against your life insurance policy – Financial Express – 26th June 2023

Life insurance helps to safeguard individuals and their family against financial risks because of untimely death. Life insurance policies can also be pledged to avail loans during any financial emergency. Individuals can pledge only their traditional plans, like endowment or money-back plans. Term plans are not eligible and even for unit-linked insurance plans (Ulips), some insurers do provide loans, while others deny giving any loans.

Once an individual has decided to take a loan against the policy, there are a few other parameters that need to be fulfilled. Investors will get the loan amount only after they have paid the premiums for at least three consecutive years. So if the policy has been in existence for less than three years, the policyholder might not get the loan.

Loan amount and interest charged
For the loan amount, one needs to check it with the insurance company, as it varies from insurer to insurer. In general, insurers provide loans of up to 80–90% of the surrender value of the policy. If an investor has a Rs 10 lakh policy and the surrender value is Rs 3 lakh, then he will get a loan of Rs 2.4–2.7 lakh. Even the interest rates vary from one company to another. Typically, it is between 9% and 12%. One of the major attractions of loans against insurance is the lower interest rates compared to taking a personal loan, where interest rates can go above 16–18%. Even the documentation is very simple, as the individual needs to fill out the form from the insurance company and submit the original insurance copy to the insurer.

Premium payment and repayment of loans
Once the investor gets the loan, he needs to continue to pay the premiums on the policy against which he has taken the loan. Like every other loan here too, investors need to repay their loan during the term of the policy. Here, the policyholders have the option to pay interest along with the principal amount or only the interest amount. In a case where only interest has been paid, the principal amount will be deducted from the claim amount at the time of settlement.

If, for any reason, the policyholder dies during the period and he has only paid the interest, the pending loan amount will be deducted from the settlement amount, and the other part will be paid to the nominee. If the investor fails to pay even the interest and loan value exceeds the cash value, then the policy will lapse, and insurers can recover the loan amount from the surrender value of the policy.

Before taking the loan, one needs to check the interest rates and term payment period with the insurer. This loan is only meant to be taken to meet very short to medium-term financial crunches and not for long-term needs. The focus should remain on paying back the loan amount as soon as possible so that insurance coverage remains intact.

TOP

Life insurance companies bet on new products to drive premium growth after 2 percent year-on-year growth – The Telegraph – 26th June 2023

Life insurance companies are betting on new products to drive premium growth after a modest 2 per cent year-on-year growth in individual-rated new business in April and May. Data collected from the industry shows that the total amount of individual-rated new business for the year-to-date period in May was Rs 10,613 crore compared with Rs 10,402 crore in the corresponding period the previous year. While the private sector has grown 5 per cent, there was a 3 per cent contraction for LIC.

Tarun Chugh, MD and CEO of Bajaj Allianz Life Insurance, said there has been a distribution lethargy after the surge in business in March due to insurance policies with aggregate premiums above Rs 5 lakh becoming taxable from April onwards. “In March because of the tax change, lots of HNIs went ahead and invested in Rs 5 lakh and above policies. So, the growth of the private sector was 24 per cent last year.

“It has now become an interesting challenge to get our distributors out in the market talking to customers and hence the orientation this year has been a little different. The way we are looking as a response to this kind of distribution lethargy is by frequently launching new products and offerings,” Chugh said. Among its recent launches, Bajaj Allianz has introduced a protection plan for type-2 diabetic and pre-diabetic individuals and a small cap fund in the Ulip segment.

Aditya Birla Sun Life Insurance has introduced a guaranteed pension plan, while Max Life launched a non-linked participating savings plan. Aegon Life Insurance has come up with a cover for surrogate mothers and egg donors and ICICI Prudential has a debt fund for Ulip investors.

Use and File

The new launches are supported by the use and file procedure which allows the life insurers to bring new products into the market faster without prior approval of regulator IRDAI. IRDAI last week has further simplified the use and file procedure by extending the benefit to the group and individual unit-linked insurance products offered with new funds as well as combi products where the life insurer acts as the lead.

“This is a continuation of a series of steps that the regulator has taken to strengthen insurance penetration. This modification will enable insurers to stay in sync with the demands of today’s customers,” said Sumit Rai, MD and CEO of Edelweiss Tokio Life Insurance. “By including new product categories and combi plans and allowing new funds to be added to existing Ulips, the regulator has opened doors to promote agility and innovation in the industry,” said Satishwar B., MD & CEO, Aegon Life Insurance.

(The writer is Pinak Ghosh.)

TOP

New changes in 'Use & File' procedure to enhance agility, innovation: Life Insurers – The Economic Times – 23rd June 2023

Earlier this week, the Insurance Regulatory and Development Authority of India (IRDAI) released a circular introducing certain thought out modifications to the 'Use & File' procedure for life insurance. Under the revised guidelines, the regulator has added additional categories of insurance products to the U&F procedure like the individual and group unit-linked life and health insurance products. According to Parag Raja, MD & CEO, Bharti AXA Life Insurance, this regulatory development presents exciting market opportunities for life insurers. It will empower companies to offer new products to customers, at a much faster pace than the current scenario.

The industry will aim to leverage this regulatory framework to create innovative propositions, provide appropriate products when customers need them, aligning with their specific requirements and goals. These changes will further streamline administrative processes and boost penetration, he said. Echoing to Parag's view, V Viswanand, Deputy MD, Max Life added that the expansion of U&F signifies a positive shift in the insurance industry, enabling agility, market-driven innovation, and improved customer experiences. The said system has proven to be instrumental in faster launches of innovative insurance plans that address the specific needs of customers, he said.

Combi and ULIP products

Further to promote the overall insurance penetration, IRDAI has enabled the concept of “combi products'', referring to insurance products where a life insurer acts as the lead insurer. Basically, with the regulator now allowing combi product offerings, life and non-life companies can offer bundled products. Development around the combi products will now allow customers to obtain comprehensive coverage under a single policy, explained Vighnesh Shahane, MD & CEO, Ageas Federal Life Insurance.

The addition of new unit-linked funds to existing unit-linked products is also allowed now, as per the new additions. Once new funds are added to existing or new unit-linked products, they will be treated as existing funds for subsequent unit-linked products. "Allowing the addition of new funds to existing ULIP products, customers can avail a greater number of investment choices depending on their risk appetite and investment objectives," Shahane added.

The circular also said that the current Segregated Fund Identification Number (SFIN) clearance process by IRDAI is dispensed with. However, insurance companies still have to comply with all prudential and exposure norms as per Regulation 9 of IRDAI (Investment) Regulations, 2016, as amended from time to time, for each segregated fund and the assets under management (AUMs) of unit-linked insurance plans (Ulips).

"On the fund side, there have been dispensations made which will make launching new funds for ULIPs much easier. However, it is important to note that for the insurers to follow all the relevant regulations and procedures while working under such relaxations," Akshay Dhand, Appointed Actuary at Canara HSBC Life Insurance pointed out. This will enhance the confidence of the regulator towards the insurance industry thereby encouraging them to come up with more of such modifications in the future, he added.

'Step towards a principle-based regulatory regime'

This is a continuation of a series of steps that the regulator has taken to strengthen the insurance penetration in the country, said Sumit Rai, MD & CEO Edelweiss Tokio life Insurance. This modification will enable insurers to increase their go-to-market speed and in turn, help them stay in sync with the dynamic demands of today’s customer, he added.

On a similar line Deepak Kinger, Chief - Risk and Compliance, ICICI Prudential Life added that the relaxations in regulations are a step towards a principle-based regulatory regime and puts more onus on industry participants, while also enabling ease of doing business.

(The writer is Sheersh Kapoor.)

TOP

GENERAL INSURANCE

Public sector banks hold more fully-insured deposits than private sector banks – The Hindu Business Line – 29th June 2023

Public sector banks (PSBs) have a much higher insured deposit ratio vis-à-vis private sector banks (PVBs), indicating concentration of larger-sized deposits with the latter, according to the latest Financial Stability Report (FSR). The insured deposit ratio (insured deposits/assessable deposits) of PSBs was at 51.3 per cent vs 36.6 per cent for PVBs at the end of March 2023, per the report, which has contributions from all financial sector regulators.

This metric indicates that PSBs have more deposits within the present deposit insurance limit of ₹5 lakh, while PVBs have more deposits above the ₹5-lakh limit. Deposit amount over and above the ₹5-lakh limit has no insurance cover. The larger deposit size of PVBs comes in the wake of these banks offering higher (term) deposit rates vis-a-vis PSBs in the rising interest rate cycle.

Aggregate deposits growth, which had undergone a slight moderation during 2021-22 and H1 FY23, picked up pace to reach 11.8 per cent as on June 02, 2023. The report underscored that this growth was mainly driven by PVBs. Overall, the insured deposit ratio was higher for cooperative banks (64.9 per cent) followed by commercial banks (45.2 per cent).

Co-operative banks include urban co-operative banks, State co-operative banks and district central co-operative banks. Commercial banks include PSBs, PVBs, foreign banks, small finance banks, payment banks, regional rural banks and local area banks. According to the report, 98.1 per cent of the total number of deposit accounts (300 crore) and 46.3 per cent of assessable deposits (₹181.14 lakh crore) were fully insured.

Deposit insurance reform

Referring to the recent banking failures in advanced economies, the FSR noted that forceful and swift resolution by policy authorities in the affected jurisdictions have restored stability and contained a broader spillover. "The loss of confidence among depositors, amplified by mobile apps and social media, has warranted rethink on financial regulation, including run-off factors assumed for deposits and the 30-days stress period for calculating net cash outflows, and the contours of deposit insurance," it added.

The FSR highlighted the report of the Federal Deposit Insurance Corporation (FDIC) on the "Options for Deposit Insurance Reform", which observed that bank failures were largely caused by convergence of rapid asset growth in banks funded by uninsured deposits, exposure to unrealised losses in their securities portfolio and business models concentrated on providing services to digital asset firms. The FDIC report flagged the contribution of technological developments in quickening information dissemination and consequently, faster depositor runs.

Three options to reform the deposit insurance system were offered: (a) limited coverage, which maintains the current structure of finite deposit insurance limit; (b) unlimited coverage of all deposits; and (c) targeted coverage, which allows different levels of deposit coverage across different types of accounts and focusses on higher coverage for business payment accounts. The report identified the third option (targeted coverage) as having the greatest potential to mitigate undesirable consequences related to cost of coverage.

(The writer is K Ram Kumar.)

TOP

The Importance of Insurance: Safeguarding Your Future in Uncertain Times – The Economic Times – 28th June 2023

On this National Insurance Awareness Day, let us delve into the realm of smart and secured living by making informed financial decisions. In a world filled with uncertainties, insurance serves as a crucial tool for protecting our future and providing financial security. By understanding the significance of general insurance and its various forms, we can make wise choices that safeguard our tomorrow.

General insurance, also known as non-life insurance, encompasses a wide range of insurance policies that offer coverage for risks other than life. Unlike life insurance, which provides financial protection in the event of the insured's death, general insurance policies cover losses and damages related to property, vehicles, health, cyber, travel, and more. It plays a vital role in protecting / offering financial protection to individuals and businesses from unforeseen events and risks. It serves as a safety net to safeguard life's milestones, such as your first car or your home, by offering coverage against accidents, theft, and damage. Diversifying our financial portfolio to include general insurance is essential for comprehensive risk management.

Health Insurance: With escalating medical costs, health insurance provides a safety net against unexpected medical expenses. By securing a health insurance policy, individuals can gain access to quality healthcare without straining their financial resources. It offers coverage for hospitalization, surgeries, medications, and preventive care, ensuring that you and your loved ones can face medical uncertainties with confidence.

Motor Insurance: Motor insurance is a necessity for all vehicle owners. It safeguards your vehicle i.e., your valuable asset and provides financial protection against risks such as accidents, theft, and third-party liabilities. In the unfortunate event of an accident, motor insurance covers repair costs, property damage, and medical expenses.

Home Insurance: Our homes represent one of our most significant investments. Protecting this valuable asset through home insurance is essential. Home insurance provides coverage against a range of risks including fire, theft, natural disasters, and liability claims. In the face of such unfortunate events, home insurance offers financial security and ensures that your cherished home remains a source of comfort and stability.

Cyber Insurance: In today's digital age, the importance of cyber insurance has grown significantly. Cyber threats pose risks to individuals and businesses alike, with data breaches and cyberattacks becoming increasingly prevalent. Cyber insurance provides coverage for data recovery, legal expenses, and financial compensation for loss of business income resulting from cyber incidents. By investing in cyber insurance, individuals and businesses can protect themselves against the financial consequences of these evolving risks.

Travel Insurance: Whether embarking on domestic or international trips, travel insurance must be a fundamental choice. It offers protection against a variety of risks, including medical emergencies, trip cancellation or interruption, lost luggage, and liability claims. It also provides financial benefits such as reimbursement for medical expenses, emergency evacuation, and coverage for delays ensuring that unforeseen events do not ruin your travel experiences.

Including general insurance, in our financial portfolios is crucial for securing a prosperous future. The peace of mind provided by comprehensive coverage is invaluable, allowing us to face uncertainties with confidence. By exploring the specific general insurance options available and choosing policies that align with our needs and financial goals, we can ensure the protection of our assets, health, and well-being as well as those of our family members. Let us embrace the importance of insurance and safeguard our future in these uncertain times.

(The writer is Anand Pejawar.)

TOP

Cyber insurance market set to soar past USD 79.75 billion by 2030 and insure digital frontier - India Shorts - 27th June 2023

The global Cyber Insurance market size is expected to reach USD 79.75 billion by 2030 and exhibit a CAGR of 25.7% in the forecast period (2023–2030), according to Skyquest’s latest research report. The increasing frequency and severity of cyber-attacks, growing awareness of cyber risks and data breaches, evolving regulatory landscape and compliance requirements, new cyber threats and attack vectors, demand for financial protection against cyber risks, industry-specific regulations and compliance mandates are fueling the market’s growth.

According to SkyQuest's latest global research on Cyber Insurance Market, increasing demand for standalone cyber insurance policies, the rise of cyber risk assessment and underwriting tools, integration of cyber insurance with other risk management solutions, growth of industry-specific cyber insurance offerings, expansion of coverage for emerging cyber risks (e.g., ransomware), focus on proactive risk management and loss prevention services, development of innovative pricing models and coverage options, emphasis on employee training and cybersecurity awareness programs, integration of artificial intelligence (AI) and machine learning (ML) in underwriting and claims processes, are the trends that aid in the market's growth.

Cyber insurance is a type of insurance that covers businesses against the financial losses that can result from a cyber attack. These losses can include the cost of repairing or replacing hacked systems, the cost of notifying customers of a data breach, and the cost of defending against lawsuits. It is a rapidly growing market, as the number and sophistication of cyber attacks continue to increase.

Prominent Players in Cyber Insurance Market

- Chubb
- AXA XL
- American International Group (AIG)
- Beazley
- AXIS Capital
- CNA Financial
- Lockton
- Munich Re
- Zurich Insurance
- Travelers
- Allianz
- Lloyd's of London
- Hiscox
- Liberty Mutual
- Esurance
- NFP
- Hartford
- Willis Towers Watson
- Aon

Standalone Cyber Insurance Policy Demand to Grow Substantially in the Forecast Period

Standalone Cyber Insurance Policy dominated the global market due to its comprehensive coverage. The cyber threat landscape is constantly evolving, with new attack vectors and techniques emerging regularly. Standalone cyber insurance policies allow insurers to stay agile and adapt their coverage to address these evolving threats more effectively. This flexibility enables policyholders to mitigate risks associated with emerging cyber threats.

Healthcare and Pharmaceutical are the Leading Application Segment

In terms of application, healthcare and pharmaceuticals are the leading segment due to the increasing cybersecurity risk. In addition, the segment industries are subject to stringent regulations and compliance requirements, such as the Health Insurance Portability and Accountability Act (HIPAA) in the United States. These regulations mandate the protection and privacy of patient information, imposing significant financial and reputational risks for non-compliance. Cyber insurance provides financial protection and assistance in meeting regulatory obligations, making it an attractive option for organizations in the healthcare sector.

North America is the leading Market Due to the High Cybersecurity Awareness

Region-wise, North America is one of the largest growing markets with a huge emphasis on cybersecurity awareness. The region has robust data protection regulations, such as the California Consumer Privacy Act

(CCPA) and the Health Insurance Portability and Accountability Act (HIPAA), which require organizations to safeguard personal and healthcare data. Compliance with these regulations often necessitates adopting cyber insurance coverage to mitigate potential financial risks associated with data breaches.

A recent report thoroughly analyses the major players operating within the Cyber Insurance market. This comprehensive evaluation has considered several crucial factors, such as collaborations, mergers, innovative business policies, and strategies, providing invaluable insights into the key trends and breakthroughs in the market. Additionally, the report has carefully scrutinized the market share of the top segments and presented a detailed geographic analysis. Finally, the report has highlighted the major players in the industry and their ongoing endeavours to develop innovative solutions that cater to the ever-increasing demand for Cyber Insurance.

Key Developments in Cyber Insurance Market

- In January 2023, Chubb announced a partnership with Google Cloud to provide cyber risk management solutions to businesses.
- In February 2023, AXA XL partnered with Mimecast to help businesses protect themselves from email-based cyber attacks.

TOP

Titanic sub tragedy: Only 2 insurance covers in India for adventure junkies – Business Standard – 27th June 2023

If you are an adrenaline junkie that loves to plan your holidays around adventure sports and high-risk activities, the insurance industry in India won't really cover you due to the high risk of injuries and loss of life. While a few travel insurance plans do provide coverage for adventure sports, very few have an in-built cover in the overseas travel insurance plans.

In 2018, a South Mumbai District Consumer Disputes Redressal Forum dismissed an application against an insurance company, filed by a man who had sustained injuries in a hot air balloon crash, describing it as a "hazardous activity". The company said that the person going for the ride knew that he/she is taking a "high risk of life". Since then adventure tourism has exploded not just in India, but around the world, and the latest Titanic incident once again brings to light the risks associated with extreme tourism.

Adventure tourism is expected to bring in more than $1 trillion of revenue globally by 2030 according to the market research firm Grand View Research but in India there are only a handful of players that provide travel enthusiasts with an adventure travel policy.

No high-risk tourism insurance in India

Insurance companies offering travel insurance in India generally provide coverage for a range of risks, including medical emergencies, trip cancellations, lost baggage, and personal accidents. When it comes to adventure tourism or high-risk activities, the coverage provided by travel insurance policies may vary. Some insurance policies may include coverage for activities like trekking, mountaineering, river rafting, or other adventure sports.

"Normally a travel insurance plan covers hospitalisation, medical evacuation, or a payout in case of death or disability. But claims can also be void if you've participated in a hazardous activity. If you're in the market for such a cover, carefully read through the terms and conditions especially around exclusions," said Adhil Shetty, CEO of BankBazaar.

Most insurers do not cover adventures activities including bungee jumping, paragliding, mountain climbing. Only a few companies, including Go Digit General Insurance and Bajaj Allianze cover adventure activities as a part of their basic policy but at a relatively higher premium.

“High-risk expedition of any kind is a permanent exclusion in travel insurance due to its hazardous nature. Many travel insurance policies have the benefit of adventure sports coverage which can be either built-in or opted for as an add-on. Insurers like Digit and Reliance already provide in-built coverage for adventure sports while some give it as an add-on, " said Manas Kapoor, Product Head – Travel Insurance, Policybazaar.com. Such plans pay for the medical expenses that may occur in case you get injured while participating in adventure sports during your trip.

"In India, there is no specific category of insurance called “high-risk tourism insurance. However, various insurance policies may cover certain risks associated with adventure tourism or high-risk activities. These policies may fall under categories such as travel insurance, health insurance, or personal accident insurance. Bajaj Allianz is the only major insurer in India which provides an insurance policy specifically for adventure sports. The Bajaj Allianz insurance cover allows customers to pick a variety of covers including accident hospitalization and air ambulance evacuation," said Abhinay Sharma, Managing Partner, ASL Partners.

(The writer is Sunainaa Chadha.)

TOP

The Future of Insurance: Embracing Technology to Meet Customers' Needs – The Economic Times – 26th June 2023

The insurance industry is one of the oldest industries in the world, but it has been slow to adopt new technologies. However, the emergence of artificial intelligence (AI) has presented an opportunity for insurers to revolutionize the way they operate. AI has the potential to improve risk assessment, streamline processes, reduce costs, and enhance the customer experience. Some of the key areas where AI can be applied in the general insurance industry and how it can change the way insurers operate are given below.

Underwriting

Underwriting is the process of evaluating and assessing the risk of insuring a particular individual or entity. The traditional underwriting process involves collecting and analysing data from a variety of sources, including credit scores, driving records, and medical histories. However, this process can be time-consuming and prone to errors. AI can be used to analyse vast amounts of data to make more accurate risk assessments and pricing decisions. For example, AI can analyse social media profiles and internet activity to predict potential risk factors that may not have been captured in traditional underwriting methods.

Claims Processing

Claims processing is another area where AI can have a significant impact. The traditional claims processing process can be slow and bureaucratic, leading to delays in claims settlement and increased costs for insurers. AI can be used to automate claims processing, including fraud detection, to reduce costs and speed up the claims settlement process. For example, AI-powered image recognition software can be used to quickly identify and assess damage in the event of an accident.

Customer Service

AI-powered chatbots can be used to provide customers with instant answers to their questions and help them through the claims process. Chatbots can also be used to personalize the customer experience by offering tailored insurance products and services based on individual needs and preferences. This can improve customer satisfaction and reduce churn rates.

Risk Management
AI can be used to identify potential risks and anticipate losses, allowing insurers to take proactive measures to mitigate them. For example, AI can be used to analyse weather patterns and predict the likelihood of natural disasters. This can enable insurers to prepare for and respond to events more effectively, reducing losses and improving customer satisfaction.

Personalization
AI can be used to analyse customer data and provide personalized insurance products and services. For example, AI can analyse driving behaviour and offer customized car insurance policies based on individual driving habits. Similarly, AI can analyse health metrics and offer personalized health insurance policies that are tailored to individual needs and preferences. This can improve customer satisfaction satisfaction and reduce churn rates.

The increasing use of IoT devices in the motor and health insurance sectors presents a significant opportunity for insurers to improve risk assessment and offer customized products to customers. IoT devices can collect vast amounts of data, including driving behaviour, health metrics, and other relevant information. Insurers can use this data to gain insights into risk factors and personalize insurance products based on individual behaviour and health status. IoT devices can also be used to monitor driving behaviour and health metrics, allowing insurers to offer usage- based insurance products that are tailored to individual needs. In order to stay up-to-date with the latest trends and technologies, insurers can foster a culture of innovation and experimentation within their organization by taking the following steps:

Creation of environment where digital is employed, utilised and adopted seamlessly: Insurers can create an environment where digital is employed and adopted seamlessly, allowing employees to explore new technologies and tools to improve customer experience.

Conducting workshops for increased awareness: Insurers can conduct workshops and training programs for their employees to create awareness and educate them about the latest trends and technologies in the insurance industry.

Creating awareness of the ease of digitized model of businesses: Insurers can demonstrate the convenience of operating a digitized model of business with examples from day-to-day life, encouraging employees to embrace new technologies and tools.

Estimating the accurate costs and pool funding: To implement new technologies, insurers need to estimate the accurate costs involved in adopting them and pool the necessary funding to ensure the smooth transition.
Laying of sound technological infrastructure and networking system: Insurers can partner with state-of-the-art corporations for the best consumer experience, similar to Tesla and Cisco, and ensure they have a sound technological infrastructure in place to support digital channels.

Encouraging secured and faster payment systems: To facilitate easier and faster payments, insurers can encourage the use of secured and safe payment gateways such as GPay, PhonePe, Bhim, and other UPI payment options.

Creating a stringent feedback system and quick troubleshooting mechanism: As experimentation with new technologies is bound to result in some failures, insurers need to have a stringent feedback system in place to share feedback with vendors, and a quick troubleshooting mechanism to ensure business continuity.

In conclusion, AI has the potential to revolutionize the insurance industry by streamlining processes, reducing costs, and improving the customer experience. Insurers that effectively leverage AI can improve risk assessment, offer customized products, and increase customer satisfaction. The effective use of AI requires a strong focus on data collection and analysis, as well as the development of predictive models and customized products that meet the evolving needs of customers. As the insurance industry continues to evolve, insurers that embrace AI will be best positioned to succeed.

Also, digitalization is transforming the insurance industry in India by enabling insurers to offer products and services through online and mobile channels. While this trend is beneficial for both customers and insurers, it also presents some challenges that insurers must address, such as cybersecurity, technology infrastructure, talent acquisition and training, and regulatory compliance. Insurers can foster a culture of innovation and experimentation within their organization by creating an environment where digital is employed seamlessly, conducting workshops for increased awareness, encouraging secured and faster payment systems, and creating a stringent feedback system and quick troubleshooting mechanism. By embracing new technologies and tools, insurers can improve customer experience and stay ahead of the competition in the rapidly evolving insurance industry.

(The writer is TM Shyamsunder.)

TOP

Exporters with credit limit of up to Rs 50 cr set to get 90% insurance cover: ECGC – The Economic Times – 23rd June 2023

Export promotion organisation Export Credit Guarantee Corporation of India (ECGC) on Friday announced the expansion of 90 percent insurance cover for exporters with a credit limit of Rs 50 crore, a cover limited to those with a limit of Rs 20 crore earlier. However, exporters with a credit limit of Rs 20 crore previously used to get an insurance cover of 60 percent which was only last year increased to 90 percent. Piyush Goyal, Union Minister for Commerce and Industry, said that this change will be effective July 1, 2023. Currently, there four banks associated with the scheme, providing Rs 50 crore credit for exports, and this expansion is set to benefit 3,000 exporters. Meanwhile, the ECGC has also chosen to extend this cover to another nine banks which in turn will benefit another set of 3,000 exporters. Goyal mentioned plans to meet more bankers next week to request their alliance with this scheme. Goyal also explained that with the provision of 90 percent insurance cover, exporters' accounts become AA accounts, which enables interest rates to go down. This tag also helps banks when it comes to giving loans. "With 90 percent insurance cover, banks have been assured and with this the interest rate has come around repo rate plus 2.2 percent for all AA rated accounts," the minister said. "This interest rate will be applicable to the exporters' with exports up to Rs 50 crore as well."

Further, he also guaranteed that in the next four to five months, all activities at ECGC will be digitised to quicken the procedure. The resolution of disputes will be done via video conferencing, he said. M Senthilnathan, Chairman & MD, ECGC India Limited, disclosed various plans in the pipeline including two extra covers for exporters as part of their strategy to expand their market. He specified that the exporters coming directly to ECGC for their services will be given extra cover depending on their credit limit. "The target for ECGC is that for FY24 we should be able to support exports for the Rs 10 lakh crore target as set by the Ministry of Commerce and Industry. ECGC is confident of achieving this target," he said. Wholly owned Government of India enterprise, ECGC is mandated with improving the competitiveness of the Indian exports by providing them with credit insurance covers. In March 2023, the Minister had urged the ECGC to think of ways to establish ECGC as an integral part in India's aim to take its exports to $2 trillion exports by 2030 and a trillion dollar of exports in services and in goods each. India's overall exports in April 2023, however, were estimated at $65.02 billion showing a positive growth of 2 percent.

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TOP

HEALTH INSURANCE

National Insurance Awareness Day: Empowering individuals with comprehensive health insurance – Financial Express – 28th June 2023

The National Insurance Awareness Day in India, observed on June 28 serves as a timely reminder of the importance of securing one's health and financial well-being. As medical expenses continue to rise and healthcare becomes increasingly complex, having comprehensive health insurance coverage is essential.

Health insurance provides individuals and families with financial protection against unexpected medical expenses. It safeguards against the exorbitant costs of hospitalization, surgeries, and specialized treatments. With the rising prevalence of lifestyle diseases, communicable and non-communicable diseases and the unpredictable nature of health-related emergencies, having health insurance is no longer a luxury but a necessity. It offers peace of mind, ensuring access to quality healthcare without the burden of significant out-of-pocket expenses.

Every year the National Insurance Awareness Day emphasizes the significance and benefits of Insurance, addressing common misconceptions, and highlighting the need for increased awareness and proactive participation in securing insurance in India.

Debunking Common Misconceptions

Despite the importance of health insurance, many individuals in India remain unaware or harbour misconceptions about its benefits. Some believe that health insurance is unnecessary if they are young or in good health. However, accidents and unforeseen illnesses can affect anyone at any age. Others assume that government-sponsored schemes are sufficient, neglecting the limitations and gaps in coverage. Additionally, there is a misconception that health insurance is prohibitively expensive. In reality, numerous affordable health insurance plans cater to various budgets and needs. It is crucial to dispel these misconceptions and educate the public about the value and accessibility of health insurance.

Promoting Awareness and Education

National Insurance Awareness Day serves as an opportune moment to raise awareness and educate individuals about the intricacies of health insurance. Insurers, healthcare providers, and regulatory bodies have also started collaborating to develop educational campaigns, workshops, and online resources that simplify health insurance concepts, highlight policy features, and emphasize the long-term benefits. Health insurance is a living benefit product and enhanced consumer awareness empowers individuals to make informed decisions, compare policies, and choose the most suitable coverage for themselves and their families. Financial literacy programs should also include information on health insurance to ensure a comprehensive understanding of personal finance and risk management.

Addressing Affordability and Accessibility

Making health care affordable, predictable and simple are key factors in increasing health insurance penetration in India. To address this, insurers should design policies that are cost-effective, flexible, and tailored to specific demographics and income groups. Bima Sugam a one-stop-shop online marketplace platform is expected to further make it simpler and easier for customers to purchase insurance policies online from different insurers, and choose the one that suits their needs the best.

Government initiatives and public-private partnerships can extend coverage to vulnerable populations, including low-income individuals, informal sector workers, and rural communities. Simplifying the enrollment and claims processes, embracing digital platforms, and providing multilingual support can enhance accessibility and encourage greater participation. Collaborative efforts between insurers, healthcare providers, and technology companies can leverage innovative solutions such as micro-insurance, telehealth, and mobile applications to bridge gaps and make health insurance more accessible to all.

Empowering Individuals and Families for a Secure Future

National Insurance Awareness Day serves as a catalyst to empower individuals to take charge of their health and financial well-being. By proactively seeking health insurance coverage, individuals can protect themselves and their families from unforeseen medical expenses, ensuring timely access to quality healthcare. In addition to financial security, health insurance promotes a preventive approach to healthcare, encouraging regular check-ups, early detection of diseases, and healthier lifestyles. Through awareness campaigns, educational initiatives, and collaborative efforts, we can create a society where health insurance is considered an essential component of a secure future.

The National Insurance Awareness Day in India serves as a reminder of the critical role that insurance plays in protecting individuals and families from the financial implications of medical emergencies. By dispelling misconceptions, promoting awareness and education, and addressing affordability.

On this special day, let's raise awareness and inspire every Indian to embrace the transformative power of health insurance to access quality healthcare. Together, we can bridge the gap in underinsured India and ensure that quality healthcare reaches every corner of our great nation, and bring into our fold new health insurance customers.

(The writer is Prasun Sikdar.)

TOP

Want immediate insurance coverage for diabetes? Apply for a customised plan – Business Standard – 28th June 2023

A recent study published in The Lancet says that diabetes currently afflicts 101 million individuals in India. Another 136 million could be suffering from pre-diabetes. These figures considerably surpass the previous estimates of the World Health Organization, which had put the number of diabetics and pre-diabetics at 77 million and 25 million, respectively. Those suffering from the disease should consider purchasing customised plans offered by insurers. Insurers regard diabetics as high-risk. “If unchecked, diabetes can affect various organs such as the eyes, heart, nerves, and kidneys. Such persons need to see a doctor frequently for complications arising from diabetes. The chances of hospitalisation increase. Hence, they tend to make more claims with their insurers,” says Matilde Giglio, co-founder & chief operating officer, Even Healthcare. Insurers are reluctant to cover diabetics under their standard health insurance plans, especially if they are above 50. Patients with high levels of HbA1C or those on insulin are likely to be denied coverage. If a diabetic does manage to get covered by a standard policy, diabetes and its resulting complications get classified as pre-existing conditions, leading to a waiting period of two to four years. The premium also tends to get loaded.

Customised plans offer inclusivity: they cover people already suffering from diabetes and its associated complications. “They cover people who are on insulin, or have an HbA1C level above eight. Most plans cover both type I and type II diabetes,” says Siddharth Singhal, business head, health insurance, PolicyBazaar. Another pivotal feature is the elimination of the waiting period for diabetes and associated conditions. “Coverage is available from day one,” says Bhabatosh Mishra, director-underwriting, products and claims, Niva Bupa Health Insurance. Some insurers make coverage available from the first day if the customer undergoes certain tests. Says Madhumathi Ramakrishnan, senior vice president, Star Health & Allied Insurance: “If the customer undergoes a health checkup, he gets coverage from day one. If not, then basic diabetes is covered from day one but associated complications get covered after 12 months.” Ramakrishnan adds that these plans also offer focused coverage for diabetes-related complications. These include dialysis, kidney transplant, and eye complications, among others.

REDUCE WAITING PERIOD BY PAYING MORE

ANNUAL PREMIUM (₹)

Insurer	Plan	Diabetes Type 1 (Insulin)	Diabetes Type 2 (Tablet)	Waiting period reduction option
CARE	Care Supreme Direct	Not covered	12,682	15,114 (After 30 days)
NIVA BUPA	Reassure 2.0 Bronze+ (Direct)	Not covered	11,809	15,528 (Day 1 ,gold)
	Reassure 2.0 Platinum (Direct)	Not covered	12,868	16,630 (Day 1, gold)
ABHI	Enhanced (Diabetes)	21,536	21,536	21,536 (OPD day 1, IPD 30 days)
	Essential (Diabetes)	18,939	18,939	18,939 (OPD day 1, IPD 30 days)

Premiums are for a sum insured of ₹10 lakh, for customer aged 40, living in Delhi

Source: PolicyBazaar

These plans also offer outpatient department (OPD) coverage, encompassing consultations, diagnostics, and pharmacy expenses. “Diabetics, who are susceptible to frequent issues like hypoglycaemia, infections, injuries, etc., find this feature valuable,” says Mishra. Furthermore, these plans offer routine health checkups. “Those who effectively manage their diabetes get discounts on their renewal premiums,” adds Mishra. Besides covering diabetes and related complications, these plans also function as standard health insurance plans, offering coverage for other ailments. Individuals with uncontrolled diabetes or associated complications such as renal failure or cardiomyopathy may not be eligible for coverage even under these plans. All of the above-mentioned features could be offered as part of the main plan, or as a rider. The premiums of these plans can vary significantly. “These plans could cost between 20 and 100 percent more than a standard health insurance plan,” says Singhal. The most critical point prospective customers must check is the waiting period for diabetes and related complications. The ideal situation is to obtain a plan that provides immediate coverage.

Customers should also scrutinise the plan for sub-limits on room rent, doctor’s fees, and specific procedures. Buying a high sum insured (Rs 10 lakh and above) is crucial as diabetes patients require multiple treatments and hospitalisations. The plan should also offer sufficient OPD benefit. “Unchecked diabetes can impact organs like the kidneys, so the plan must offer robust coverage for organ transplant.

It must also cover cataract," says Giglio. Apart from diabetes, check the waiting period for other pre-existing diseases too. Compare the wide variety of plans available in the market before selecting one that suits your needs. "At the time of purchase, make a complete disclosure of your current health status and medical history, and submit past reports. Disclose other conditions besides diabetes as well," says Ramakrishna. Any omission might lead to claim denial.

(The writer is Sanjay Kumar Singh.)

TOP

Most common dilemma faced by young health insurance buyers and how to tackle them – India Today - 27th June 2023

Buying Health Insurance at an early age reaps numerous benefits, both in terms of money and securing one's health. Contrary to the popular misconception that young people do not need to spend on Health Insurance, many youngsters are coming forward to secure their health and finances by investing in medical insurance. Today, where health risks are increasing at an alarming rate, we cannot predict when a medical emergency will strike. It is better to be prepared by investing in a suitable Health Insurance plan that provides comprehensive coverage. This is where many young people stumble upon various doubts and confusions. Here are some common dilemmas faced by young people:

Premium

One of the dilemmas is whether or not to allocate a part of their earnings for Health Insurance premium. But this is the right time to invest in a suitable medical insurance plan. Because during young age, the associated health risks are comparatively low. This reduces the premium as the liability of Health Insurance companies will also become lower. In addition, young people do not have to undergo pre-medical screening to get Health Insurance. They can avail themselves of a suitable policy without any hassle. All these make investing in a health policy at a young age a wise as well as profitable decision. Young people can get wider coverage at an affordable premium.

Type of policy

When investing in a Health Insurance policy, many get caught up in a common dilemma, especially if they are single: whether they should opt for an Individual Health Insurance or a Family Health Insurance plan. This entirely depends on one's needs. If you are single and have just started your career an Individual Health Insurance policy can suit you well. With a single sum insured and coverage that fulfils one's medical and health needs, you can avail yourself of a policy at a much more affordable premium.

However, if you are married and looking for comprehensive coverage for your family, you can go for Family Floater Health Insurance plans. Based on the number of people you want to cover; you can choose a plan and the sum insured. Additionally, if you are planning to have a baby, it is wise to choose a policy that covers delivery and newborn expenses as well.

Insurer

Choosing the best insurer is one of the important considerations that young people should have more than shortlisting Health Insurance plans based on their premiums. Based on the insurer, the coverage, features and accessibility to quality treatments vary. Even if similar health policies are available across many insurers, accessibility to hospitals and accessibility to quality treatments vary from one insurer to another. Another important aspect to consider while choosing an insurer is their network hospitals. If the insurer has a wide network of hospitals, then the possibility that hospitals in and around your locality falling under the network hospital list is greater. In that case, you can get quality treatment without having to tirelessly search for network hospitals. Moreover, people can avail cashless treatment facilities only at network hospitals, both for emergencies, as well as for planned hospitalizations. Considering this, it is wise to choose a policy from an insurer that has a wide network of hospitals. Apart from this, there are a few more things to consider before choosing an insurer, including the range of value-added benefits they offer, the availability of discounts, wellness programs and other perks that come with it.

Flexibility
Many people might be uncertain whether they can modify the coverage under a policy in the future based on their requirements. Due to this, they wait for the right time by delaying the purchase. This can leave them vulnerable to medical bills. However, getting a flexible Health Insurance policy can clear this dilemma.

There are medical insurance plans available on the market that can be customized based on one's needs. Similarly, some policies can be purchased as individual plans and can be converted into family health insurance plans by adding new family members to them. This can be done during renewals, while in some policies, new members can be added even during the middle of the policy period through Mid-Term Inclusion. This is one of the attractive features offered by some policies of Star Health Insurance.

Health Insurance is a necessary investment for all, irrespective of age. However, investing in it at an early age has numerous advantages. It is important to clear out the doubts and hesitations surrounding Health Insurance and get one as early as possible.

TOP

Coming soon: A digital platform that standardises health insurance claims processes, says IRDAI chairman Debasish Panda – Moneycontrol – 26th June 2023

The Insurance Regulatory and Development Authority of India (IRDAI), National Health Authority (NHA) and the life as well as general insurance councils are working towards on-boarding insurers onto the National Health Claims Exchange, IRDAI chief Debasish Panda has said. This will facilitate smoother health insurance claim settlement processes as well as prudent underwriting, he said. Greater adoption of technology by the industry would also help in increasing efficiencies and reducing cost. "In this direction, National Health Authority, IRDAI and the Insurance Councils are working towards on-boarding insurers on the National Health Claims Exchange to support seamless claim settlement as well as prudent underwriting," Panda said.

National Health Claims Exchange is a tech-driven initiative announced under the Ayushman Bharat Digital Mission (ABDM) in September 2022. Aimed at ensuring faster claim processing and reduction in costs, it will serve as a tech-enabled platform for exchanging claims-related information among insurance companies, claimants or beneficiaries and regulators, among others. Responding to Moneycontrol's query on rising health insurance premiums - often prohibitively high renewal premiums, particularly for senior citizens - Panda said that a concerted effort from all stakeholders was the need of the hour.

"A common hospital network for all insurers may be one option; efforts towards onboarding more and more people under the ambit of health insurance would also facilitate efficient pricing and also, better underwriting by the insurers would result in competitive pricing," he said. He emphasised the fact that the insurance industry had disbursed health insurance claims of around Rs.1.83 lakh crore in the last three financial years against around six crore claims received.

"More than Rs 70,000 crore was paid in FY 2022-23 itself against 2.4 crore claims approximately. Thus, health insurance plays an important role in providing assistance when it is needed the most. Therefore, the affordability of health insurance becomes a major aspect. There are several factors at play when it comes to health insurance pricing including inflation, healthcare costs, varied expenses for treatments, claim history etc. These get reflected in the premiums for health insurance," Panda said.

Insurance companies also need to focus on introducing innovative cover and add-ons to serve the needs of policyholders better. This, in turn, could lead to reduction in premiums. "Need-based products would generate greater demand and uptake of insurance. Accordingly, the law of large numbers would facilitate in rationalising the cost of insurance," said Panda.

Insurance companies ought to focus on product customisation, developing policies tailored to the needs of senior citizens with age-specific benefits, coverage for chronic conditions, and preventive care provisions. Most importantly, transparent and clear communication, along with consumer education, is vital to empower policyholders in making informed decisions.

(The writer is Preeti Kulkarni.)

TOP

How customised health insurance is helping consumers and insurance advisors – The Economic Times – 24th June 2023

With the ever-evolving digital landscape and technology, insurance is fast changing from the traditional methods to new-age insurance. Amongst the many changes that have been taking place, one significant transformation is the customization of insurance plans. While customization is being observed in the health, life and motor insurance categories; the demand for health insurance's customization is comparatively growing at a faster pace in the country.

With consumer demand evolving and maturing with time, the need for convenient and flexible policies is taking centre stage. One part of the demand is being witnessed from the Tier 1/ metro cities, who are looking at convenience of choice, from customised health insurance products. They are increasingly seeking to protect their families by purchasing insurance products, tailored to their specific requirements. Consumers in metro cities do not mind paying an extra penny in buying add-on covers, designed for their need-based requirements.

On the other hand, the demand for health insurance is progressively growing from the smaller towns and cities, where almost 700 million people are still under-insured. In addition to the already growing consumer base in the metro cities, there has been a huge demand from consumers (post the pandemic) who do not have deep pockets, younger age group/ millennials, consumers in Tier 2/3 cities and beyond, people with limited income brackets. Along with increased awareness towards health insurance, medical inflation and hospitalization, are significant reasons for this growing demand. Room rent capping has inflated by 3-4% in the last 1-2 years. India's current medical inflation rate is around 15%, a further inflation of around 10% is expected in FY 2023.

Customised health insurance products are not only helping consumers today, but they are significantly helping insurance advisors to increase their consumer outreach. A digitally enabled insurance advisor sitting in Chandigarh, can reach out to consumers in any part of the country, and offer these plain and simple, hassle-free products which are more suited to the consumer requirements. Because of the need-based nature of these insurance products, the purchase ratio is higher amongst consumers and turnaround time is quicker for the insurance advisors. This is helping in building the productivity and business growth for the insurance advisors.

IRDAI's 'Use and File' policy has further helped insurance companies introduce new products in the market, without seeking prior approval from the regulator. This is notably helping insurers introduce niche products in the market at a faster frequency and increasingly helping the insurance advisors offer more and more products, leading to an expansion of choices available for the policyholders. 'Use and File' has been helping companies and their insurance advisors, avoid a longer waiting period, in offering innovative health insurance solutions and will help in increasing the insurance penetration in the country. The move has also put a greater responsibility on insurance companies to make optimal use of the reform, along with protecting the sentiments of the industry and policy holders.

Insurance companies, InsurTech players and insurance advisors are playing an important role today, in providing personalized health insurance as per consumer needs. The industry needs to work together towards customization of health insurance, as it will play a vital role in increasing insurance penetration in the country in the coming years.

(The writer is Indraneel Chatterjee.)

TOP

MOTOR INSURANCE

Regulations on How Insurance Companies Should Value Each Bike Component After Depreciation – Moneycontrol – 30th June 2023

Regulations governing how insurance companies value each bike component after depreciation play a crucial role in ensuring fair and accurate compensation for policyholders in the event of a claim. When a bicycle sustains damage or is stolen, insurers need a standardised framework to assess the value of individual components that may require repair or replacement. This process involves considering the depreciation of these components based on factors such as age, wear and tear, and market value.

The implementation of regulations ensures consistency and transparency in the valuation process, preventing insurers from undervaluing or overvaluing bike components. Fair and accurate assessments are essential to maintaining trust between insurance companies and policyholders, as it enables policyholders to be adequately compensated for their loss.

Regulations typically require insurers to adopt a standardised method for calculating depreciation. This method may take into account factors like the age of the component, its expected lifespan, and the rate of wear and tear. The use of industry-accepted guidelines helps insurance companies provide a consistent and fair approach when determining the value of each bike component.

Furthermore, regulations may outline the need for insurers to consider the market value of the component. This ensures that policyholders are reimbursed for the cost of replacing the damaged or stolen component with a similar item available in the current market. By incorporating market value, the regulations aim to prevent underpayment or disputes regarding the true worth of a component.

Depreciation Guidelines:
IRDAI lays down crisp guidelines for the bike insurance companies to compute the depreciation value of every part of the two-wheeler. The rates of depreciation of the bike parts made of plastic, nylon, metal, rubber, and more are mentioned in the table mentioned below:

BIKE PARTS	RATES OF DEPRECIATION (%)
Nylon, rubber, plastic parts	50
Fibreglass	30
Tyres and tubes	50
Glass	0
Metal Parts	According to the depreciation on the Insured Declared Value (IDV)

IRDAI also lays down guidelines for the insurers to compute the depreciation of the overall value of a vehicle. The IDV or the amount for which a bike is insured is based on its age. This implies that the depreciation rate increases with increase in the vehicle's age. The table mentioned below contains the rates of depreciation according to the vehicle's age:

VEHICLE'S AGE	RATE OF DEPRECIATION (%)
<6 months	5
6 months to 1 year	15
1 to 2 Years	20
2 to 3 Years	30

3 to 4 Years	40
4 to 5 Years	50
>5 years	Depreciation on IDV rises at a rate of 2.5% each year

Benefits of Zero Depreciation Cover

- Zero depreciation cover, also known as nil depreciation or bumper-to-bumper cover, is an important addition to bike insurance policies. This type of coverage holds significant importance for policyholders due to the following reasons:
- Comprehensive Protection: Zero depreciation bike insurance cover provides comprehensive protection by minimising or eliminating the impact of depreciation on claim settlements. Typically, standard bike insurance policies factor in depreciation while settling claims, which results in the policyholder bearing a portion of the repair or replacement cost. With zero depreciation cover, the policyholder is protected from the financial burden caused by depreciation.
- Enhanced Claim Settlement: In the absence of zero depreciation cover, insurance companies consider the depreciation of various parts and deduct their value from the claim amount. However, with zero depreciation cover, the insurer agrees to pay the entire cost of replacing or repairing the damaged parts without accounting for depreciation. This ensures that policyholders receive higher claim settlements, allowing them to restore their vehicle to its original condition.
- Cost-Effective Solution: While zero depreciation cover may have a slightly higher premium compared to standard bike insurance policies, it proves to be cost-effective in the long run. Without this coverage, policyholders would need to bear a substantial portion of the repair or replacement costs themselves due to depreciation deductions. By opting for zero depreciation cover, policyholders can avoid significant out-of-pocket expenses during claim settlements.
- Increased Policyholder Satisfaction: Zero depreciation cover enhances policyholder satisfaction and peace of mind. It assures them that their insurance policy will cover the full cost of repairs or replacements, irrespective of depreciation. This results in a hassle-free claims process and a positive customer experience, strengthening the relationship between the policyholder and the insurance company.
- Vehicle Resale Value: Zero depreciation cover can also positively impact the resale value of a vehicle. By maintaining the vehicle in its best condition through comprehensive coverage, the policyholder can potentially command a higher price when selling the vehicle in the future. The absence of depreciation deductions ensures that the vehicle's components are well-maintained, preserving its value.

Exclusions Under Zero Depreciation Add-on

While zero depreciation cover offers extensive benefits, it is important to note that certain exclusions may apply. These exclusions are typically mentioned in the insurance policy and can vary depending on the insurance provider. Here are some common exclusions associated with zero depreciation cover:

- Age of the Vehicle: Insurance companies may restrict the eligibility for zero depreciation cover based on the age of the insured vehicle. Typically, older vehicles (usually over a certain age, such as five years) may not qualify for this coverage.
- Specific Parts/Components: Certain high-value parts or components may be excluded from zero depreciation coverage. This can include items like tires, batteries, or accessories that are prone to wear and tear or require frequent replacement.
- Vehicle Type: Zero depreciation cover may not be available for certain vehicle types, such as commercial vehicles, taxis, or vehicles used for racing or off-road purposes. The coverage is typically designed for private-use vehicles.
- Deductibles: Insurance policies, including zero depreciation cover, often have deductibles. A deductible is the amount the policyholder must pay out of pocket before the insurance coverage kicks in. It is important to be aware of the deductible amount associated with zero depreciation cover as it can impact the final claim settlement.
- Wear and Tear: While zero depreciation cover is effective in minimising the impact of depreciation, it does not cover damage or loss caused by regular wear and tear. Insurers may exclude claims

related to normal ageing, mechanical breakdowns, or damages resulting from improper maintenance.

- Policy Limits: Zero depreciation cover may have specific limits on the maximum claim amount or the number of claims allowed during the policy term. It is important to review the policy terms and conditions to understand these limitations.

Conclusion

The regulations governing the valuation of bike components after depreciation are vital in guaranteeing fairness and accuracy in insurance claim settlements. These regulations provide a standardised framework for insurers, ensuring consistent and transparent assessments that benefit policyholders. By adhering to these guidelines, insurance companies can maintain trust and confidence in the insurance industry, ultimately fostering a healthy relationship between insurers and policyholders.

TOP

Monsoon care: Top car insurance add-ons you can buy to save your vehicle during rains – Live Mint – 29th June 2023

Monsoon has covered nearly all parts of India, and the internet is flooded with images of swelling rivers, waterlogged roads, landslides, and broken bridges. All these incidents can be highly detrimental to your car, and bring hefty repair costs, which might not get covered in a standard comprehensive car insurance. In such cases, a car insurance add-on can be of great help for car owners. For those who see insurance add-ons as extravagant spending, they must understand that a comprehensive car insurance policy may only cover some of the damages and leave people with a hefty repair bill. Therefore, it is crucial to opt for car insurance add-on covers.

"In mountainous regions, landslides cause heavy damage to vehicles. Sometimes, this damage could also be total loss damage (i.e., the car cannot be repaired). Furthermore, damage such as a tree falling on the vehicle due to heavy rains is another common occurrence for which policyholders must opt for motor insurance add-ons, especially before the onset of monsoon season," explains says Nitin Kumar, Head - Motor Insurance, Policybazaar.com. It is not necessary to buy all the add-ons and car owners can opt for those which suit their needs and are required the most as per their location of residence. It is not necessary to buy all the add-ons and car owners can opt for those which suit their needs and are required the most as per their location of residence.

Types of car insurance add-ons required during monsoon

Engine Protection Cover: The car's most crucial part is its engine, which means it requires extra protection against damages, especially during monsoon. "People who live in areas prone to floods or water-logging must opt for this add-on. Engine protection add-on safeguards the policyholder from financial hardships due to damages like liquid/water ingression, an engine malfunction, hydrostatic lock or leakage of engine oil, etc. It also covers the replacement cost of damaged engine parts," says Nitin.

24x7 Roadside Assistance Cover: At times, people face vehicle breakdowns in the middle of highways amid heavy rainfall. In such cases, 24x7 roadside assistance cover can be a rescue for insurers. This insurance helps vehicle owners get professional help on time so that the problem is fixed at an affordable cost. Zero Depreciation Cover: This add-on protects the policyholder from nearly all kinds of vehicle damage. It protects all the vehicle components. Whereas, there is 50 per cent coverage for tyres, tubes, and batteries. Daily Allowance Cover: There is another rider option that compensates the policyholder for the cost of hiring an alternative vehicle for a few days up to a fixed daily limit when the car is not in a condition to run at all and has gone.

Emergency Hotel Accommodation Cover: A suitable insurance option for those who are planning a car road trip this monsoon. Under this cover, policyholders will get an allowance towards hotel room rent, in case of emergency lodging required due to an accident involving the car. Consumables Cover: Under this add-on, policyholders can claim the repair of their nuts, bolts, gears, etc. At times, nuts, bolts, gears, etc, get rusted if the vehicle is driven on pothole-filled roads. "While it might not cost much to replace/repair an individual item, the combined cost can be a few thousand. A consumables cover can protect you against such expenses, in case of accidental damage," says Rakesh Jain, CEO, Reliance General Insurance.

Tyre Protect Cover: Tyres face a lot of wear and tear during monsoon season. Having such an add-on helps in financial assistance on full labour charges and tire replacement costs. EMI Protection Cover: "If you have an EMI on your car, and if the vehicle is in a garage for more than 21 consecutive days for reparation of damage due to rain, and you cannot use the car, then this add-on will cover the car's EMIs and pays them to the financer," explains Jain.

Factors to consider while buying car insurance add-ons

Rakesh Jain explains that car owners must evaluate the needs and risks of their car based on factors like age and condition of their car. before taking an add-on. Owners should also consider the frequency and distance of driving and the climatic condition of their area. They must also compare different options before adding on a cover. They must compare options available with various insurers, such as features, benefits, exclusions, limitations, and costs.

At last, he advises car owners to read all the terms and conditions carefully to avoid any confusion later. They must go through important points like terms and conditions, eligibility criteria, exclusions, and limitations, claim process, and documentation requirements of the covers.

(The writer is Sharmila Bhadoria.)

TOP

Monsoon-proof your vehicle with engine protection insurance cover – Business Standard – 27th June 2023

The India Meteorological Department (IMD) has predicted a fifth consecutive year of normal monsoon. A good monsoon, while essential, presents challenges for car owners who live in areas prone to heavy rains, floods, and water logging. Parthanil Ghosh, president-retail business, HDFC ERGO General Insurance, says, "For such geographies, it's always wise to choose a few add-ons to protect against potential damages that might unexpectedly arise during the monsoon season." Pre-monsoon vehicle maintenance should be your first step. If you only have third-party insurance, get a comprehensive cover. Next, buy a few relevant add-ons to avoid having to pay for certain costs out of your own pocket. Let us discuss two must-have add-ons first. A comprehensive policy typically doesn't cover damage to the engine or the gearbox due to water logging. T A Ramalingam, chief technical officer, Bajaj Allianz General Insurance, says: "This add-on safeguards the engine against water ingression, leading to hydrostatic lock. It includes coverage for engine parts like the cylinder head, piston, and crankshaft, among others. These parts aren't covered unless you buy this specific add-on." Ghosh warns that repair costs can mount to several lakhs if parts of the engine have to be repaired or replaced. Electric car owners must park their vehicles on elevated ground so that it does not remain submerged overnight. Ramalingam stresses the importance of buying a battery protection add-on cover to safeguard against the cost of replacing the battery. This is another must-have cover during the monsoon. Naval Goel, founder and chief executive officer (CEO), PolicyX says, "This cover proves especially handy when your vehicle breaks down mid-journey and is immovable. If you have this cover, a professional technician will arrive at the site to repair the damage."

SUPERCHARGE YOUR MOTOR POLICY WITH THESE ADD-ONS

Below premiums are for a Hyundai Creta SX (O) 1.5 Petrol CVT Knight

CAR REGISTRATION YEAR: 2022

Insured declared value	₹15 lakh
Zero depreciation	₹6,000-8,000
Key lock replacement	₹100-500
Return to invoice	₹2,500-4,500

Source: PolicyBazaar

Ramalingam points out that this add-on provides multiple benefits — including towing, taxi, fuel, flat tyre support, and medical coordination. A word of caution here. Always buy this cover as an add-on from an insurer. In recent times, scammers have been targeting car owners with cheap "RSA" (roadside assistance) services. Having bought these two essential add-ons, you may consider a few additional ones. This add-on, popularly known as the bumper-to-bumper cover, is relevant during the monsoon season, with its heightened risk of vehicular accidents due to slippery roads and impaired visibility. Normally, when a vehicle gets damaged and parts have to be replaced, the insurer pays the depreciated value of those parts. However, with a zero-depreciation coverage, the insurer bears the full cost. This add-on covers most automobile components fully, but offers only 50 percent coverage for batteries, tyres, and tubes. The premium for this add-on depends on the vehicle's age. While some insurers offer it until the vehicle is five years old, others extend it to older vehicles as well.

Goel explains that a return to invoice add-on will compensate you for the full invoice price of your vehicle, rather than its insured declared value (IDV), if it's stolen or damaged beyond repair. A vehicle's IDV is its depreciated ex-showroom price, which means you would only get a part of the total cost if the vehicle is stolen or irreparably damaged. This add-on covers the cost of replacing a car key, if it is lost, damaged or stolen. In high-end models, replacing the key can be expensive. Nitin Kumar, head-motor insurance, PolicyBazaar, says, "With the advent of sophisticated technologies such as Frequency-Operated Buttons (FOB), the cost of replacing the keys of luxury cars can be substantial." The insurer even compensates you for replacing the lockset, if necessary. Kumar adds, "Insurers cover the cost of replacing the key and the lock if there is an attempt at theft or vehicle break-in." On selection of appropriate add-ons, M Barve, founder, MB Wealth Financial Solutions, says, "If you own an expensive car, opt for return to invoice, zero depreciation, and key replacement covers. Owners of mid- and small-sized cars may avoid the increased premium that results from opting for these covers."

(The writer is Bindisha Sarang.)

TOP

Why should I buy car insurance online and not from an agent? – The Hindu – 22nd June 2023

It is imperative for every car owner to have a valid car insurance policy to safeguard themselves from any and all uncertainties that may occur while driving. Along with the financial protection it provides comes the peace of mind that you would be covered in the event of an accident. Traditionally, people used to get their cars insured by physically visiting an insurance agent, but the advancement in technology has made this process easier and hassle-free. Car owners can now buy car insurance online, from the comfort of home. Buying car insurance online offers numerous benefits and convenience that traditional methods simply cannot match. The effort required to physically visit a branch or interact offline can now be done away with when purchasing online, by allowing for sufficient time to read, explore and then make a decision on purchase of selected plan.

Purchasing car insurance online is a smart choice in today's digital age. Here are the reasons why you should buy car insurance online and not from an agent –

Reasons to buy car insurance online and not from an agent

Convenient and Time-Saving
One of the advantages of buying car insurance online is the convenience it offers. With just a few clicks, you can access a wide range of insurance providers, compare policies, and obtain quotes. This process saves you the hassle of scheduling appointments, waiting in queues, and spending valuable time visiting

insurance agents. Online platforms allow you to browse and make informed decisions at your own pace, anytime and anywhere, making the entire process more efficient and time-saving.

Lower Costs
Buying car insurance online can often lead to cost savings. Direct purchase eliminates the need for intermediaries, such as insurance agents, which can reduce administrative and commission costs. As a result, online insurers may offer more competitive premiums compared to traditional channels. Moreover, online platforms often provide exclusive discounts, promotional offers, and bundled packages. This further reduces the overall cost of your car insurance.

Range of Choices
When purchasing car insurance through an agent, you are limited to the policies offered by the insurance companies they represent. On the other hand, buying insurance online presents you with a range of choices. You can explore numerous insurance providers, and compare their coverage, premiums, and additional features. This will help you make an informed decision that aligns with your specific needs and budget.

Transparency
One of the challenges of dealing with insurance agents can be the lack of transparency regarding policy details and pricing. Buying car insurance online eliminates this issue by providing transparent information and easy access to policy documents. Online platforms provide comprehensive details about coverage options, deductible amounts, terms and conditions, and exclusions of the policy allowing you to thoroughly understand what you are purchasing. This transparency helps you make an informed decision and ensures that there are no hidden surprises or misunderstandings, something that may occur when you are dealing with an agent.

Customisation
Online car insurance platforms offer flexibility and customisation options. You have the freedom to explore different policy combinations by tailoring the coverage to your specific needs and adjusting policy features, deductibles, and add-ons as required. By doing so, you can instantly see how they affect your premiums, enabling you to tailor your insurance policy precisely to your requirements and budget. This level of customisation allows you to create a policy that suits your unique circumstances, ensuring you pay for the coverage you actually need and avoiding unnecessary expenses. The ability to customize your policy is a significant advantage that online platforms provide over traditional agents.

Instant Quotes and Policy Issuance
Gone are the days of waiting for insurance agents to provide you with quotes and issue policies. Online car insurance platforms offer instant quotes based on your inputs, allowing you to compare multiple options quickly. Once you've selected a policy, the online process enables immediate policy issuance, providing you with coverage almost instantly. This speed and efficiency are particularly useful when you need insurance urgently, such as when purchasing a new vehicle or renewing an expiring policy.

24*7 Customer Support
Contrary to traditional agent-based insurance, online car insurance platforms often provide round-the-clock customer support. You can reach out to customer service representatives via phone, email, or live chat at any time, even outside normal business hours. This accessibility ensures that you can get immediate assistance, resolve queries, or make policy changes whenever you need, enhancing your overall experience as a policyholder.

Easy Policy Management
Once you purchase car insurance online, managing your policy becomes effortless. You can access your policy documents, update personal details, make changes to coverage, and renew your policy online. Online platforms often provide user-friendly interfaces and mobile apps, enabling you to manage your policy on the go. This level of convenience and control allows you to stay on top of your insurance requirements without any unnecessary hassle.

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

TOP

SURVEY AND REPORTS

30% people in Tier 2 & 3 cities currently own insurance policies; Motor insurance most common: Survey – Financial Express – 28th June 2023

30% of people in Tier 2 and Tier 3 cities currently own insurance policies, according to a recent survey conducted by BajajCapital. Among the various insurance types, Motor Insurance emerges most common, with ownership of 60% for two-wheeler, 35% for two-wheeler insurance, and 5% for commercial vehicle insurance. Health insurance follows closely, with 40% having individual health insurance, 50% opting for family floater health insurance, and 10% owning critical illness insurance. Life insurance is owned by 60% of policyholders choosing whole life insurance/endowment plans, 30% opting for term life insurance, and 10% selecting unit-linked insurance plans (ULIPs).

Other insurance types, such as property insurance, travel insurance, business insurance, and agriculture / crop insurance, also see varying and very minimal levels of ownership. The survey findings reveal that only 10% of respondents currently own property insurance, while travel insurance and business insurance have ownership rates of 5% each. Additionally, agriculture / crop insurance has the lowest ownership rate, with just 2% of respondents having such coverage.

The survey, conducted in commemoration of Insurance Awareness Day, sheds light on penetration in Tier 2 and Tier 3 cities, and provides valuable insights into the insurance landscape, empowering individuals and stakeholders with knowledge to make informed decisions.

As per the survey, factors influencing insurance purchase decisions are of paramount importance. The survey finds that affordability of premiums plays a significant role, with 50% of respondents considering it very influential. Awareness and understanding of insurance benefits is also a crucial factor, with 30% citing it as very influential. Recommendations from family or friends have a strong impact on 30% of respondents, while government schemes or initiatives influence 25% significantly. Accessibility of insurance products through technology is highly influential for 30% of respondents.

Trust in insurance products is another aspect that the survey addresses. The findings indicate that 65% of males generally exhibit higher levels of trust compared to 40% of females across various aspects, including the perception of the claim settlement process and the reputation/credibility of insurance companies. Trust levels also vary across different age groups, with 70% of individuals aged 45 and above showing higher levels of trust, while 60% of individuals aged 25 to 40 exhibit some confidence in insurance products. This age-wise breakdown highlights the influence of age on trust levels in insurance.

In terms of preferred modes of insurance purchase, online platforms such as websites and mobile apps emerge as the most favored option, with 50% of respondents preferring this mode. Intermediaries such as brokers & agents are favored by 40% of respondents, while government offices or authorized centers see limited preference at 10%.

The survey also assesses awareness and utilization of government insurance schemes. It reveals that awareness levels are higher among males compared to females. However, only 35% of respondents actively utilize government insurance schemes, indicating a potential area for improvement in promoting awareness and utilization among the consumers.

Commenting on the survey, Sanjiv Bajaj, Joint Chairman & Managing Director of BajajCapital, said, "The insights garnered from this survey offer valuable perspectives on the insurance landscape in Tier 2 and Tier 3 cities. As an organization committed to financial inclusion, we believe these findings will aid insurance companies, intermediaries, and policymakers in designing targeted strategies to enhance insurance penetration and financial security."

Venkatesh Naidu, CEO of BajajCapital Insurance Broking Ltd, highlighted the significance of the survey, saying, "Our annual survey provides a comprehensive understanding of insurance buying behavior and the factors influencing purchase decisions in Tier 2 and Tier 3 cities. We hope these insights will empower individuals and stakeholders to make informed insurance choices. At BajajCapital Insurance Broking Ltd., we remain committed to delivering personalized insurance solutions and fostering insurance awareness among all sections of society."

TOP

86% of climate disaster losses in APAC uninsured – Aon – Insurance Business – 28th June 2023

Global brokerage Aon revealed that 86% of economic losses stemming from climate disasters in the Asia Pacific region in 2022 were not insured.

According to the firm's 2023 Weather, Climate and Catastrophe Report: Asia Pacific Insights, the region suffered losses equating to $80 billion, with only $11 billion covered by insurance. This makes 2022 the fifth-costliest year for insurers globally, with six of the top 10 climate events taking place in Asia.

Pakistan, India, southern China, and South Korea all saw record rain and significant flooding in the previous year. Regionally speaking, Pakistan and China tied for the costliest weather events in Asia last year, with both incurring $15 billion in economic losses. Pakistan, however, had a higher death toll when it came to climate disasters, with 1,739 deaths recorded from its seasonal floods.

Japan's Fukushima earthquake ranked after both Pakistan and China with $9.1 billion in economic losses and four deaths recorded. Another China event – the annual drought – followed suit with $7.6 billion in losses. Capping the top 10 are the seasonal floods in India with $4.5 billion in economic losses, although it's also by far the deadliest individually; this weather event cost 2,135 people their lives.

While there are some outliers here and there, flood losses are still the costliest across the region for the third straight year, accounting for 61% of the total economic losses. South Asia remains vulnerable as it has a very wide protection gap due to the scarcity of flood insurance cover. Across the world, approximately 31,000 people lost their lives due to global natural catastrophe events in 2022, with APAC responsible for an estimated 4,000.

"The extreme weather in the region throughout the year highlights the continuing need to strengthen resilience by adopting effective adaptation and risk management strategies," Aon Asia Pacific Reinsurance Solutions CEO George Attard said. "This includes improved mitigation through warning systems and advanced analytics that help assess the potential impact of events and enhance disaster response.

"There is an increasing need for organisations to shift to a data-driven and analytical approach to address and navigate emerging and evolving risks, build a resilient workforce, have access to new forms of capital, as well as scalable innovative solutions regardless of their size. The data, statistics and analytics of this report are intended to help organisations understand natural disaster and extreme weather trends, quantify and qualify issues influencing catastrophe risk, and make better decisions to protect and grow their business," he said.

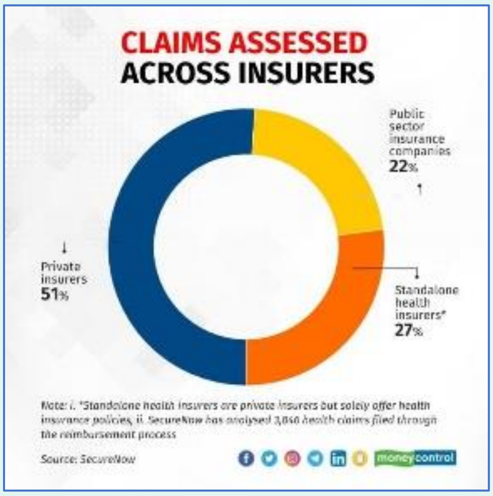
Recently, Aon partnered with Lloyd's and Vienna Insurance Group to help Ukraine in its recovery and reconstruction by facilitating foreign (re)insurance capacity.

(The writer is Kenneth Araullo.)

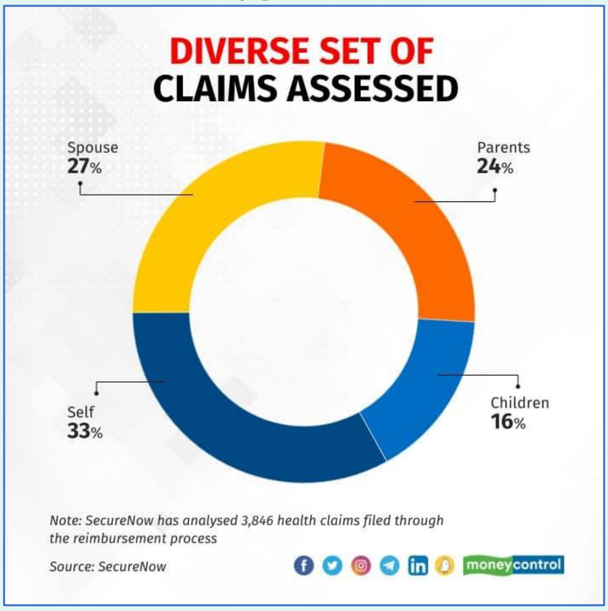
TOP

85% of health insurance reimbursement claims are for less than Rs 1 lakh: SecureNow study – Moneycontrol – 27th June 2023

An analysis of 3,846 health insurance reimbursement claims by SecureNow, a Delhi-based insurance broker, revealed that nearly 85 percent of those claims were for an amount under Rs 1 lakh. And a mere 0.2 percent were for amounts greater than Rs 10 lakh, per SecureNow. These are among the crucial findings throwing light on the pattern of health insurance claims. The report — an analysis of claims submitted in June — revealed that nearly 51 percent of insurance claims were assessed by private insurers.

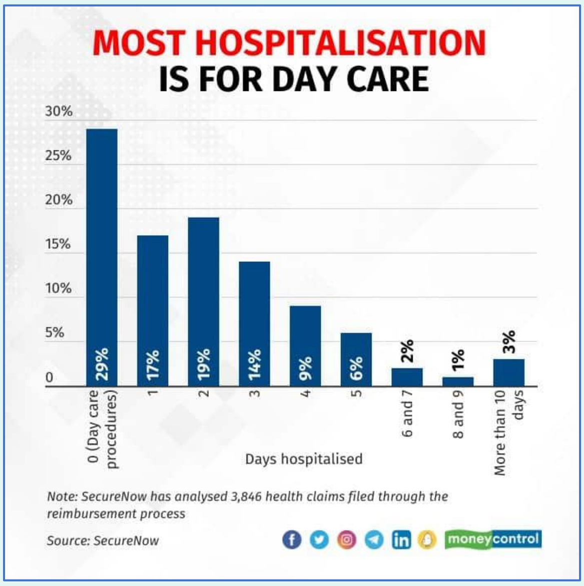


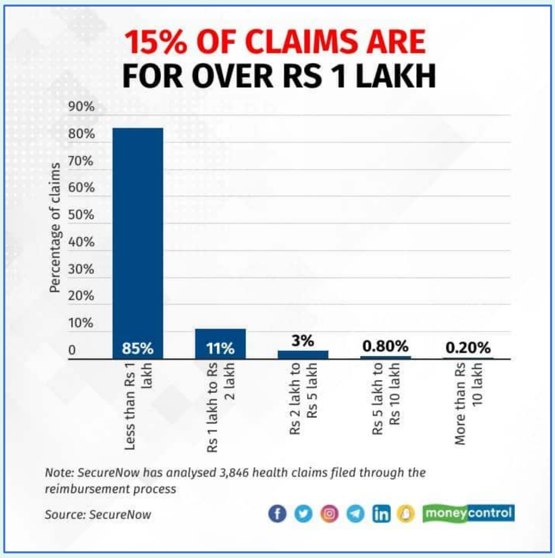
The survey revealed that insurance claims were made by policyholders not just for their own treatment, but also for the treatment of family members. Just 33 percent of the claims were made by policyholders for their own hospitalisation expenses. The remaining 67 percent was for family members.



According to SecureNow's study, typical hospitalisation is for two days, but over 21 percent is for three or more days. Day-care procedures account for 29 percent of the claims.

Further, the average reimbursement claim is for Rs 42,000, while 15 percent is for over Rs 1 lakh. Clearly, one must be well prepared for an extreme claim where hospitalisation is for over five days and costs upward of Rs 5 lakh (refer to graphic). Make sure you have a family health insurance cover of at least Rs 15-20 lakh. This should be in addition to any corporate health insurance coverage that you already have.





(The writer is Hiral Thanawala.)

TOP

INSURANCE CASES

Insurer ordered to refund premium with 8 percent interest for 'mis-sold' policy – The Times of India – 26th June 2023

Amarjit Kaur was approached by an agent of Kotak Mahindra Old Mutual Life Insurance for marketing a policy called Kotak Secure Retirement Plan. He allured Amarjit to take the policy by explaining that she could opt for withdrawal of the invested amount after a period of three years or get double the amount after 10 years. Believing the explanation to be true, she invested Rs 4,60,000 on March 23, 2009. In 2010, Amarjit received a letter for payment of the renewal premium, but she did not respond.

After three years, she applied for withdrawal of the invested amount, but the insurer refused to make payment. Instead she was asked to revive the policy, but she did not comply. The policy was finally terminated on March 23, 2012, and the insurer paid Rs 32,079.10. Aggrieved, Amarjit filed a complaint before the Mohali District Forum. The insurer contested the case. In contended that the policy conditions were explained by its agent. It argued that any dispute regarding the policy terms should have been raised during the 15 days free look-in period. As this was not done, the complaint filed in 2013 after a lapse of 4 years, should be dismissed as being time barred. On merits, it argued that the amount had been paid in accordance with the terms of the policy.

The District Forum allowed the complaint on the basis of a Gazette Notification dated July 1, 2010 issued by IRDA which provided that 10% of the annualized premium subject to a maximum of Rs 1,500 could be deducted and the balance amount ought to have been refunded.

The Punjab State Commission reversed this order in appeal, holding that the notification issued in 2010 would not be retrospectively applicable to a policy issued in 2009.

Amarjit then filed a revision petition in which the National Commission observed that Amarjit was a 56-year-old illiterate person and her husband was a small agriculturist. It also noted that the proposal form and documents were filled up in English and her thumb impression had been obtained on the documents. It indicted the insurance company of misleading and misguiding a poor and innocent consumer to sell a wrong policy by taking advantage of her inability to read or write. It observed that collecting a premium of Rs 4.60,000/- and paying a meagre amount of Rs 32,079.10 has resulted in unjust enrichment of the insurance company.

Accordingly, by its order of June 15, 2023 delivered by Dr. S.M. Kantikar, the National Commission ordered the insurer to deduct 10% of the premium and refund the balance amount along with 8% interest.

(The writer is Jehangir Gai.)

TOP

PENSION

EPFO launches calculator for higher EPS pension additional contribution, check details here – Live Mint – 26th June 2023

The Employees' Provident Fund Organisation (EPFO) launches calculator for higher EPS pension additional contribution for employees from the Employees' Pension Scheme (EPS). Employees can now calculate the money they have to pay to receive a higher pension as the retirement body has released the Excel utility-based calculator to estimate dues that one has to pay.

The last date for higher pension is 26 June, 2023. The retirement fund body has also released a set of FAQs for those who are eligible to apply for higher pension.

Where to find the calculator?
Employee can access this calculator from the Member Sewa portal of the EPFO, by clicking on the pension application link. The calculator is available under the Important links head.

How to use this calculator?
To find out the additional amount for the higher pension, employees needs to know the date of joining the Employees' Provident Fund (EPF) scheme. Employee needs to enter the wage amount from the date of joining the EPF scheme or November 1995, whichever is later.

Users needs to enter wage details till the date of retirement or till February 2023 - whichever is earlier. Once all the wage data is entered into the sheet, it will calculate the additional EPS contribution that one has to pay to make up for the shortfall.

It will also calculate he total interest accrued till March 31, 2023, on this missing contribution at the historical EPF interest application for the concerned months. It will also show the summary of the total amount that will be transferred from the EPF account along with the interest to the EPS account.

"This clarity from the EPFO is very welcome, especially for those who were still deciding on whether or not to opt for the higher pension amount. This calculation will crystallize the actual amount (including the 1.16% additional contribution from the employers contribution and the EPFO declared interest) that will be transferred from the EPF to EPS account and depending on the circumstances, will also inform the employees if they need to make additional payments," said Sowmya Kumar, Partner, Induslaw.

"That being said, the calculation sheet requires the employees to input the monthly wages from the time they joined the EPS Scheme, which again presupposes that the employee has the requisite data ready to input into it. For employees who have been in service for several years and are now close to retirement, gathering this data could be cumbersome and will require some administrative support," he added.

According to reports, Employees Provident Fund Organisation (EPFO) is likely to extend the deadline by three months for higher EPS pension. The EPFO first extended deadline from 3 March 2023, to 3 May 2023. The second time it was extended from 3 May 2023 to 26 June 2023.

Those opting for a higher EPS pension, an additional 1.16% of the actual basic salary above the wage ceiling (currently ₹15000) amount will go to the EPS account.

TOP

EPFO extends deadline for opting higher pension till July 11 – The Hindu Business Line – 26th June 2023

Retirement fund body EPFO has extended the deadline for filing applications to opt for a higher pension till July 11.

This is the second extension of the deadline for applying for a higher pension. Earlier, it was extended from May 3, 2023, to June 26, 2023. The last opportunity of 15 days is being given to remove any difficulty faced by the eligible pensioners/ members, the Employees' Provident Fund Organisation said in a statement.

"Accordingly, the last date for submission of Applications for Validation of Option/ Joint Options by employees is extended to July 11, 2023," it added.

"Online facility has been made available by EPFO for submitting Applications for Validation of Options/Joint Options for pension on higher wages. The facility is for eligible pensioners/members in compliance with the Hon'ble Supreme Court order dated November 04, 2022," the statement said.

"Timeline for applying for higher pension has been extended by 3 months for the employer and 15 days for the employee (member)," Raghunathan KE, Member representing Employers, Central Board of Trustees, EPFO, told PTI.

A lot of verification needs to be done as these are involving financial transactions, he added.

"We are happy and complement EPFO for three months time for employers and also 15 days for employees. EPFO once again proves to be considerate and compassionate to field issues," he said. Any eligible pensioner/member who on account of any issue in the updation of KYC, faces difficulty in submitting an online application for validation of option / joint option, may immediately lodge such grievance on EPFiGMS for resolution, as per the statement.

"The grievance may please be submitted by selecting the grievance category of 'Higher Pensionary benefits on higher wages'. This will ensure proper record of such a grievance for further action," it added.

TOP

IRDAI CIRCULAR

Topic	*Reference*
Guidelines on Remuneration of Directors and Key Managerial Persons of Insurers	https://irdai.gov.in/web/guest/document-detail?documentId=3562210
circular on Monitoring of Investments in Alternative investment Fund	https://irdai.gov.in/web/guest/document-detail?documentId=3556341
Press Release - Risk Based Supervisory Framework	https://irdai.gov.in/web/guest/document-detail?documentId=3552628
Surrogacy Act, 2021 and ART Act, 2021 and the relevant Rules thereunder	https://irdai.gov.in/web/guest/document-detail?documentId=3553334

TOP

GLOBAL NEWS

Reinsurance market sees orderly renewals at mid-year – Asia Insurance Review

After a turbulent 1 January renewal season, which saw a major shift in reinsurer appetite, a sense of order returned to renewals at the mid-year, says Aon in its "Reinsurance Market Dynamics - June and July 2023" report released yesterday.

Building on 1 January, property catastrophe pricing and retentions at mid-year increased compared to the same period in 2022, although pressure on pricing and terms and conditions eased somewhat compared with 1 January. Capacity was more readily available and some reinsurers showed a greater willingness to grow, says Mr Joe Monaghan, global growth leader at Reinsurance Solutions, Aon, in the report.

Major factors driving reinsurer behaviour at 1 January have receded or were absent from the mid-year renewals and property catastrophe pricing is now attractive for markets even without securing retro coverage. Retro has stabilised and catastrophe bond markets have rebounded, while Hurricane Ian losses have developed in line with expectations, if not at the lower end of expectations.

More stable footing

Despite headwinds, the insurance market is in good shape, following the re-pricing of risk and higher interest rates, which are beginning to work their way through to improved results. The more orderly renewal also reflected the preparations of insurers, which anticipated reinsurers' requirements and adjusted their portfolios and reinsurance strategies accordingly. Reinsurers' willingness to enter large private placements early, also helped to set the tone for the renewal.

Having reset its risk appetite at 1 January, the catastrophe reinsurance market has also found a new equilibrium. Catastrophe losses in the first half of this year suggest the burden of high-frequency catastrophe events has now shifted toward insurers, with fewer ceded losses for the reinsurance market. Bolstered by rate increases and higher interest rates, reinsurer return on equity in the first quarter of 2023 averaged around 17.5%, compared with a six-year average since 2017 of just under 6%.

Capacity improving

Property catastrophe capacity at mid-year was ample, with top layers on some US national programmes oversubscribed. Reinsurer capital increased by 5%, or $30bn, in the first quarter of 2023, as earnings were strong and catastrophe bond markets rebounded. While capacity has not returned to 2022 mid-year levels, reinsurers are showing a willingness to support current terms and grow in target areas.

Per-risk and parts of the specialty reinsurance market remain challenging. However, casualty remained broadly attractive for reinsurers, with ample capacity and only single-digit increases, despite signs of rising claims costs and adverse prior-year development.

Pent-up demand
Having strategically held off buying additional limit at 1 January, insurers with earlier inception dates returned to the market at mid-year to purchase additional limit as catastrophe capacity was more readily available. Demand for property catastrophe reinsurance protection for 2023 is now expected to increase by high single digits globally or as much as 10% for US catastrophe as insurers look to reduce net exposure and/or secure capacity ahead of 2024. Inflation remains a key factor driving demand, with increased claims cost now being felt across property and casualty lines. However, the market appears to have a good handle on valuations while headline inflation has begun to ease in most key markets. Combined with anticipated updates to vendor catastrophe models, inflation is likely to support increased demand for reinsurance protection into 2024.

Market cycles
At current pricing and retention levels, the reinsurance market has found a new level where it can make sustained returns and provide volatility protection for insurers. However, catastrophe losses in the second half of the year, and changes in demand and supply, will be key to renewals in 2024, says Mr Monaghan.

TOP

Japan: Non-life insurers' profitability to recover - Asia Insurance Review

The domestic underwriting profitability of Japanese non-life insurance groups is expected to recover to pre-pandemic levels beginning in the financial year ending March 2024 (FYE24), says Fitch Ratings. Explaining this forecast in its report, titled “Japanese Non-Life Insurance Dashboard: FYE23 Results”, Fitch says that the Japanese regulator changed the rule on "deemed hospitalisations" in late September 2022 and the government has also eased pandemic-related restrictions since May 2023. Fitch assumes natural catastrophe losses will remain at the historical average in FYE24.

Japanese non-life insurance groups’ credit fundamentals are likely to remain resilient in FYE24, says Fitch. The global credit rating agency notes that the profitability of the three major Japanese non-life insurers—MS&AD Insurance Group Holdings, Tokio Marine Holdings and Sompo Holdings—was dampened in FYE23 due to weather-related losses caused by several mid-sized natural catastrophes, such as hail and typhoons, and COVID-19 claims related to “deemed hospitalisations” for the Omicron variant.

Fitch says that the average combined ratio of the major Japanese non-life insurers increased by 6pp yoy to 100% in FYE23. Japanese non-life insurers increased their domestic catastrophe risk retention due to a rise in reinsurance costs from April 2023 under tighter global financial markets and more frequent natural catastrophes.

The credit rating agency also expects Japanese non-life insurance groups to maintain strong capital adequacy in FYE24. The groups’ economic solvency ratio has remained sufficient for their ratings, backed by accumulated thick core capital, including retained earnings and capital reserves. However, equity risk from high strategic shareholdings and interest rate risk associated with the life business remain key credit challenges for Japan’s non-life groups.

Outlook remains neutral
Fitch maintains the sector outlook at neutral on the assumption that catastrophe losses will remain within insurers' expectations. This is based on Fitch's view that key credit metrics will remain resilient, with rating expectations over the next 12-24 months based on revised assumptions regarding global financial-market stresses, such as US regional banking sector issues and their direct and indirect impact on Japanese non-life insurers' credit quality.

Natural catastrophe risk
The natural catastrophes that caused Japanese non-life insurance groups' higher weather-related losses in FYE23 from a year earlier included hail in June 2022 and typhoons in September 2022. Japanese non-life insurers also increased their domestic catastrophe risk retention due to a rise in reinsurance costs from April 2023 caused by tighter global financial markets and more frequent natural catastrophes.

TOP

Japan: Non-life insurers to revise home fire insurance premium rates - Asia Insurance Review

Homeowners' advisory premium rates for fire insurance will be increased by 13.0% on average and more granular flood risk premium rates will be introduced in the advisory rate system, the General Insurance Rating Organization of Japan (GIROJ) has announced. Mr Tomoya Suzuki, VP-senior analyst at Moody's Japan, says that these moves are credit positive for Japan's P&C insurers. He said, "The reference rate has risen to another record high this year, following revisions in 2021 because of increasing natural catastrophe claims. Insurers will continue to increase fire insurance premiums to account for the growing frequency and intensity of climate-related natural catastrophes. "In addition, insurers will gradually shift toward a more granular rating system to better price such premiums to account for flood risks in different locations."

TOP

China: Non-life insurers see claims grow faster than premium income - Asia Insurance Review

An analysis of premiums and claims in the P&C insurance sector in the years 2012-2022 indicates that the growth of property insurance claims was generally higher than that of premium income. From 2012 to 2022, property insurance premiums increased by 138%, while property insurance claims rose by 222.3%. The overall profitability of property insurance companies was not spectacular, and underwriting losses occurred often. Among the more than 80 property insurance companies in China, 28 suffered losses in 2019. The number of such insurers was 22 in 2020 and 24 in 2021. In 2020, the underwriting losses of property insurance companies stood at CNY10.8bn ($1.5bn), while the aggregate net loss was CNY3.57bn. In 2021, the non-life insurers posted a combined net loss of CNY3.852bn.

A summary of the premiums and claims in the P&C sector is as follows:

Year	Premiums		Claims	
	CNY m	Change %	CNY m	Change %
2012	533,093	15.4	281,633	28.8
2013	621,230	16.5	343,910	22.1
2014	720,340	16.0	378,821	10.1
2015	799,500	11.0	419,717	10.8
2016	872,450	9.1	472,618	12.6
2017	983,470	12.7	508,700	7.6

2018	1,077,000	9.5	589,700	15.9
2019	1,164,900	8.1	650,200	10.3
2020	1,192,900	2.4	695,500	7.0
2021	1,167,100	-2.2	768,800	10.5
2022	1,270,000	8.8	907,820	18.1

TOP

South Korea: Non-life market improves performance of long-term insurance line of business - Asia Insurance Review

AM Best is maintaining its 'Stable' outlook on South Korea's non-life insurance segment, citing improved performance of the long-term insurance line of business and greater stability in auto profitability. In a new Best's Market Segment Report, "Market Segment Outlook: South Korea Non-Life Insurance", AM Best states that long-term insurance, the largest business line in the non-life industry, maintained stable growth of approximately 4% in 2022 due to continued expansion of the recurring premium base and strong new business generation from health products. "The cumulative effects of prior rate hikes in the medical indemnity line, along with regulators' active involvement in controlling moral hazard claims and overtreatment—in particular, cataract surgery—since the first half of 2022 has helped boost carriers' profits," said Chanyoung Lee, director, analytics, AM Best. "Insurers also have been expanding sales of high-margin health products to secure their future profit base under IFRS 17, which became effective in 2023."

Motor
Premium growth in the auto insurance segment was subdued at 2% in 2022, but the combined ratio saw slight 0.5-percentage-point improvement to 96.9%. AM Best expects upward pressure on the auto insurance segment's combined ratio following the post-pandemic rebound in claims frequency and the rise in vehicle repair costs and minimum wage due to inflation. However, expanded online sales and newly implemented regulations that reduce traffic accidents should help insurers maintain overall profitability.

IFRS 17
While AM Best expects that IFRS 17 is likely to bring more stability in reported financials for many South Korean insurers, given the use of active assumption sets in IFRS 17, the change in actuarial/economic assumptions with the new standard could bring widely varying impacts on reported capital and earnings.

TOP

Australia: Affordability is main reason young people lack private health insurance - Asia Insurance Review

The main reason people aged 20-35 in Australia do not take out private health insurance is the inability to afford it, as 53% of respondents indicated in a survey commissioned by the Private Health Insurance Intermediaries Association (PHIIA). Yet the survey results also show that 57% of the respondents have their own private health insurance policy while 43% do not. The survey report, titled "Are Young People Getting a Fair Go From Private Health Insurance?", says that a further 15% of Australians believe that the public healthcare system meets their needs adequately, while one in 10 plans to purchase insurance after turning 30. Some respondents suggested lower premiums and tailored coverage and options to improve the affordability of private health insurance.

Other key findings
The most common reason young people purchase private health insurance is to avoid taxes and loadings. Just over a quarter (26%) of respondents indicated they took out private health insurance to avoid taxes and loadings associated with not having private coverage. Other reasons include coming off their parents' policy (21%), wanting to bypass public waiting lists for elective surgery (15%), ensuring coverage for their

children (13%) or planning to start a family (10%). Hospital and extras are the most common cover taken out by young people, although younger cohorts tend to choose hospital-only policies. Overall, three-quarters of survey respondents purchased hospital and extras cover, with 18% choosing hospital only and 7% taking out a stand-alone policy for extras. Consumers aged under 25 were more likely to purchase hospital-only coverage, at 43% than those aged 25 to 35 – four in five of whom chose to take out hospital and extras cover. Accident injury is the primary cover needed from private health insurance hospital policies.

Accidental injury cover is a priority for young people, with 74% of respondents nominating accident cover as a key inclusion in an ideal private health insurance policy. Dental surgery performed in a hospital setting follows closely, with 56% of respondents indicating they would include this in a policy they could tailor to their needs. Other notable priorities include back, neck, and spine coverage (51%), cancer treatments (43%), and pain management (42%). Along with strong demand for in-hospital dental surgery, dental is the key benefit of extras coverage for young people. Given a choice of specific items for inclusion in an extras policy, the top priorities for individuals under 35 would be dental check-ups, cleanings, and related services, with 69% of respondents expressing interest. Ambulance cover follows closely at 65%, highlighting the importance of emergency medical transportation coverage. Other commonly selected items include optical coverage for glasses and contact lenses (47%), and physiotherapy (47%). The inclusion of GP visits, along with mental health care services, would be popular with young consumers

Over half of the respondents (53%) indicated that they would include GP visits in an extras policy if they could tailor their cover to include services they most likely want or need. A further 48% indicated they would have mental health care services, indicating strong demand by young people to care for their psychological and physical health. The 2023 Young People and Private Health Insurance Survey was carried out by Survey Matters on behalf of PHIIA. It was conducted in June 2023 via an online survey between 6 and 12 June 2023. A sample of 302 consumers across Australia provided their feedback. The online survey was open to respondents between the ages of 20 and 35, with an even split of respondents with and without private health insurance.

TOP

Global: Investors' demand for better returns hardens reinsurance market - Asia Insurance Review

Reinsurance rates are up across the board, especially in the short-tail lines (property and property catastrophe), panelists told participants at the 39th Annual Insurance Conference of S&P Global Ratings (S&P) on 20-21 June 2023. Rather than only being a response to loss trends, panellists said this harder reinsurance market is driven by investors wanting to see a better return on their capital, according to a statement released by S&P. This means the increases are more sustainable than usual. Despite higher reinsurance rates, demand from primary insurers appears resilient so far. Nevertheless, Mr Wayne Peacock, president and CEO of USAA, a financial services company, noted that primary insurers will see more volatility as reinsurers raise rates or lower capacity. Since 2017, reinsurance profits have been curtailed by property catastrophe (cat) losses, but Odyssey CEO Young was optimistic. He dubbed 2023, "The year of CAT" and called it "probably the best CAT market" he's ever seen.

Ms Elyse Greenspan, managing director at Wells Fargo, also said it wasn't just about pricing—reinsurers have made fundamental changes to their CAT offering. On the other hand, the casualty side is starting to lose margin, and RenaissanceRe CEO O'Donnell said his company is moving aggressively out of traditional casualty in favour of specialty lines. S&P says that while its sector view on global reinsurance is negative, it believes the pricing and underwriting changes could bode well for reinsurers' profitability this year.

Higher interest rates

At the conference, the message from panelists was clear: The insurance industry remains well capitalised to withstand potential adverse market or economic developments. Acrisure Holdings co-founder, chairman, and CEO Greg Williams said macroeconomic risks such as higher inflation are tailwinds for the countercyclical broker industry. Meanwhile, higher interest rates will cause short-term pain for life insurers but long-term gain for those that survive, said Mr Charles Lowrey, chairman and CEO of Prudential Financial. Given industry regulation, panelists did not foresee any asset-liability mismatches such as those that contributed to the failure of Silicon Valley Bank. As banks pull back from lending following the first-quarter turmoil, CEO and CIO panellists see opportunities for life insurers. Asked whether higher interest rates would cause the return of cashflow underwriting, Mr John Marchioni, president and CEO of P&C writer Selective Insurance Group, said he isn't seeing any signs yet.

Cashflow underwriting was popular in the 1990s as an attempt to drum up more business by loosening underwriting standards and pricing products lower than needed to cover expected losses, with the expectation that these losses would be more than offset by investing the additional premiums to generate more investment income. On the reinsurance side, Mr Kevin O'Donnell, president and CEO of RenaissanceRe Holdings and Mr Brian Young, president and CEO of Odyssey Group Holdings, said some companies will be pressured to do it. Mr Young highlighted that IFRS 17, as a discounted cashflow reporting system, could incentivise cashflow underwriting in non-US markets, where such pressures tend to originate.

TOP

COI PROGRAM CALENDAR

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

COLLEGE OF INSURANCE CALENDAR PROGRAMME FOR THE YEAR 2023- 2024 (Mumbai)

Sr. No.	Programs Name	Program Start Date	Program End Date	Prog. Mode	Fees for Online	Fees for Residents	Fees for Non-Residents
1	International Program -Excellence in Insurance Technical - Non Life	10-Jul-23	21-Jul-23	Offline		$ 1200 USD	
2	Managerial Skills for Insurance Industry	13-Jul-23	14-Jul-23	Offline		Rs. 10000/- + G.S.T.	Rs. 7200/- + G.S.T.
3	Digital Edge/Age in Life Insurance Marketing and Operations	13-Jul-23	14-Jul-23	Offline		Rs. 10000/- + G.S.T.	Rs. 7200/- + G.S.T.
4	Basics of Health Insurance and Preventive Care	17-Jul-23	18-Jul-23	Offline		Rs. 10000/- + G.S.T.	Rs. 7200/- + G.S.T.
5	Familiarisation Programme for Board Members of Life insurance Companies	19-Jul-23	19-Jul-23	Online	Rs. 3000/- + G.S.T.		
6	Workshop on Team Dynamics and Interpersonal Relationships	19-Jul-23	20-Jul-23	Offline		Rs. 10000/- + G.S.T.	Rs. 7200/- + G.S.T.
7	Reinsurance Management Intermediate Level	20-Jul-23	21-Jul-23	Offline		Rs. 10000/- + G.S.T.	Rs. 7200/- + G.S.T.

8	Enterprise Risk Management (ERM)	24-Jul-23	25-Jul-23	Offline		Rs. 10000/- + G.S.T.	Rs. 7200/- + G.S.T.
9	Wealth Accumulation through ULIPS and Guaranteed Return Products	25-Jul-23	25-Jul-23	Online	Rs. 3000/- + G.S.T.		
10	Financial and Investment Management in Life Insurance Companies	25-Jul-23	25-Jul-23	Online	Rs. 1500/- + G.S.T.		
11	Corporate Governance and Regulatory Compliance in Insurance	26-Jul-23	27-Jul-23	Offline		Rs. 10000/- + G.S.T.	Rs. 7200/- + G.S.T.
12	Challenges in Fighting Fraud – Motor Third Party Insurance	26-Jul-23	27-Jul-23	Offline		Rs. 10000/- + G.S.T.	Rs. 7200/- + G.S.T.
13	Regulatory Compliance for Insurance Brokers	01-Aug-23	02-Aug-23	Offline		Rs. 10000/- + G.S.T.	Rs. 7200/- + G.S.T.
14	Data Analytics and Data Interpretation	02-Aug-23	03-Aug-23	Offline		Rs. 10000/- + G.S.T.	Rs. 7200/- + G.S.T.
15	Communication as a Tool for Customer Engagement and Retention	03-Aug-23	03-Aug-23	Online	Rs. 3000/- + G.S.T.		
16	Financial Planning and Retirement Solutions	03-Aug-23	03-Aug-23	Online	Rs. 1500/- + G.S.T.		
17	Basics of Reinsurance	07-Aug-23	08-Aug-23	Online	Rs. 3000/- + G.S.T.		
18	Enhancing the Productivity of Specified Persons in Bancassurance	08-Aug-23	10-Aug-23	Offline		Rs. 15000/- + G.S.T.	Rs. 10800/- + G.S.T.
19	Challenges in Miscellaneous Insurances	10-Aug-23	11-Aug-23	Offline		Rs. 10000/- + G.S.T.	Rs. 7200/- + G.S.T.
20	Listing of Life Insurance Companies	10-Aug-23	11-Aug-23	Offline		Rs. 10000/- + G.S.T.	Rs. 7200/- + G.S.T.
21	Liability Insurance: Focus-Event and Film	11-Aug-23	11-Aug-23	Online	Rs. 1500/- + G.S.T.		
22	Branding through bonding	24-Aug-23	25-Aug-23	Offline		Rs. 10000/- + G.S.T.	Rs. 7200/- + G.S.T.

23	Marine Cargo Claims and Fraud Management	24-Aug-23	25-Aug-23	Offline		Rs. 10000/- + G.S.T.	Rs. 7200/- + G.S.T.

COLLEGE OF INSURANCE CALENDAR PROGRAMME FOR THE YEAR 2023- 2024 (Kolkata)							
Sr. No.	**Program**	**Program Start Date**	**Program End Date**	**Prog. Mode**	**Fees for online**	**Fees for Residential**	**Fees for Non-Residential**
1	Handling Frauds & Lapses in Motor TP Claims Management	10.07.2023	11.07.2023	Online and Offline	Rs.6000/- +18% GST	Rs. 10000/- + 18% GST	Rs. 7200/- + 18% GST
2	Financial Planning and Life Insurance Solutions CVT-Kolkata	19.07.2023	19.07.2023	Online	Rs. 1500/- + 18% GST		
3	Marine Cargo Insurance Management: Underwriting and Claims	26.07.2023	28.07.2023	Online and Offline	Rs. 9000/- + 18% GST	Rs. 15000/- + 18% GST	Rs. 10800/- + 18% GST
4	Life Insurance Underwriting - New Era, New Vista	04.08.2023	04.08.2023	Online	Rs. 1500/- + 18% GST		
5	Raising Effectiveness of Business Development Executives & Managers	11.08.2023	11.08.2023	Online and Offline	Rs. 3000/- + 18% GST	Rs. 5000/- + 18% GST	Rs. 3600/- + 18% GST
6	Annuities as a Distinct Marketing Tool	17.08.2023	18.08.2023	Offline		Rs. 10000/- + 18% GST	Rs. 7200/- + 18% GST
7	Enterprise Risk Management (ERM) and Key Roles of the Risk Owners and CRO	23.08.2023	24.08.2023	Online and Offline	Rs.6000/- +18% GST	Rs. 10000/- + 18% GST	Rs. 7200/- + 18% GST