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INSUNEWS - WEEKLY E-NEWSLETTER

25TH MAY – 31ST MAY 2024

QUOTE OF THE WEEK

"There are two ways of exerting one's strength: one is pushing down, the other is pulling up."

BOOKER T. WASHINGTON

Insurance Term for the Week

Title Settlement Fee

Title settlement fees are the administrative expenses associated with closing real estate transactions. It's the money you pay to the title company to streamline the purchase and sale process and ensure the transfer of a good title. Title companies perform several beneficial functions, especially for those getting title insurance:

- Collecting and preparing legal documents such as title documents, deeds and transfer forms.
- Pairing the parties with the ideal title insurance company.
- Conducting the title search to identify and resolve defects.
- Advising parties on legal issues.
- Recording the deed transfer and mortgage documents.
- Witnessing and notarizing documents.
- Coordinating meetings.
- Collecting and disbursing funds to all parties.
- Preparing and distributing the completed closing packages.

INSIDE THE ISSUE

INSTITUTE OF INDIA (III) ENTER INTO AN MOU WITH FPSB INDIA – 29TH MAY, 2024

Institute of India (III) and FPSB India enter into an MOU to enhance professional development in the insurance and financial planning sectors. The agreement focuses on financial planner certifications and management and executive development programmes. III and FPSB India have also decided to work on research projects, surveys, and questionnaires to generate valuable insights and contribute to the advancement of the insurance and financial planning community. The main highlight of this agreement is the introduction of a fast-track pathway for III students aspiring for Certified Financial Planner (CFP) certifications.

INSURANCE INDUSTRY

IBAI seeks IRDAI support for broader POSP involvement in insurance - The Economic Times – 27th May 2024

In a significant step towards achieving universal insurance coverage by 2047, the Insurance Brokers Association of India (IBAI) has advocated for the expansion of the Point of Sales Persons (POSP) model. This initiative was a key focus during their recent strategic dialogue with the Insurance Regulatory and Development Authority of India (IRDAI) at the Bima Vitarak Manthan.

Emphasizing the importance of this initiative, IBAI Vice President Narendra Bharindwal in a conversation with ETBFSI, highlighted the potential impact of the expanded POSP model on insurance penetration, particularly in health and life sectors.

He stated, "Following the BIMA Vitarak Manthan, the Insurance Brokers Association of India (IBAI) has appealed to the IRDAI to increase limits under the POSP model, aiming to boost insurance penetration and achieve 'insurance for all' before 2047. With nearly 10 lakh POSPs appointed by brokers nationwide, this initiative will significantly advance IRDAI's vision." Bharindwal further elaborated on the operational benefits of POSPs, noting that these agents, already active in motor insurance, operate through tech-enabled platforms that ensure immediate policy issuance. This capability can greatly enhance insurance penetration. He also emphasized the need to expand the product portfolio to include more life and health insurance options, which currently face age restrictions.

"Thus, IBAI has requested IRDAI to open this channel for more products, remove product-level caps on retail lines for POSPs, and permit brokers to partner with non-individual entities for distribution," he added.

Addressing these limitations promptly will enable brokers to effectively utilize their POSP networks, significantly boosting the penetration of these crucial products. Integrating this with the Bima Vistar product will further enhance insurance coverage across various life aspects.

IBAI's other proposed initiatives
During the session, IBAI also proposed several key initiatives to IRDAI aimed at boosting insurance awareness, developing innovative products, and creating career opportunities in the sector. One central proposal is to recognize insurance spending as a valid Corporate Social Responsibility (CSR) expenditure, encouraging corporate entities to invest in insurance awareness programs and promoting financial literacy and inclusion. IBAI stressed the importance of insurance brokers' participation in State Level Insurance Committees. This involvement aims to extend coverage to rural areas through Gram Panchayats and District-level Insurance Committees. Additionally, IBAI proposed fostering career opportunities in the insurance sector, particularly among high school students, to build a future-ready workforce.

To enhance the role of insurance brokers and improve customer experience, IBAI recommended several measures, including allowing brokers to integrate with non-individual entities through technology, providing greater choice and convenience to customers, reducing the educational qualification requirement for brokers from 10th pass to 8th pass, enabling brokers to self-license their direct sales teams for retail product sales, and allowing Bima Vahaks to join brokers as POSPs and vice versa.

The industry body also advocated for adopting global best practices such as permitting captives and Managing General Agents (MGAs), premium financing, and installment options for premium payments across all insurance categories. These discussions and proposals mark a pivotal step towards realizing the goal of comprehensive insurance coverage in India. By ensuring that insurance products are accessible to all segments of the population and fostering a more inclusive financial ecosystem, the IBAI aims to revolutionize the Indian insurance sector and achieve its vision of 'insurance for all' before 2047.

(The writer is Sheersh Kapoor.)

TOP

Deciphering denotification of tariff policy wordings—What does the future hold for Indian Insurance Ecosystem? - The Economic Times – 26th May 2024

The IRDAI stepped up a gear in its bid to bring about major reforms in the Indian non-life insurance industry. Earlier, policy pricing and remuneration to intermediaries was freed up and left to the discretion of the insurers: Now, with effect from 1st April 2024, the Tariff wordings across lines of business (barring Motor TP) have been scrapped. Insurers will be free to offer their own policy wordings and policy structures. The accent is on insurers' self-regulation, with the Product Management Committee, within the company playing a dominant role.

Some of the key features highlighted in the Master circular are:
1) Introduction of long-term products across lines of business
2) Industry-specific bespoke wordings
3) Different policy structures – Loss limit, Excess covers, Parametric covers, Agreed value policies, etc.
4) Rationalisation of deductibles under the policy
5) Introduction of a mandatory CIS (Customer Information Sheet) in all policies
6) Greater transparency in claim servicing by insurers
7) Allowing embedded insurance products.

The above measures are customer-centric in nature.

The customer gets a wider choice, a better overall experience as a policyholder/claimant and brings into India, international best practices and products, prevalent in developed insurance markets. Should a customer desire to have the standard tariff products available now, she will not be deprived of the same.

The standard products would continue. These measures are expected to bring in more people under the insurance umbrella and pave the way for 'Insurance for All by 2047'.

Is the Indian insurance market ready for these groundbreaking changes? The answer is both no and yes. No, because neither insurers nor reinsurers are fully prepared for the swift denotification of policy wordings as they grapple with critical questions such as:

• How much standardization versus customization is needed for products?
• Can existing products be tweaked or refreshed to benefit customers?
• Will reinsurers agree to these changes, given that treaties for the year have already been finalized?

These unanswered questions present a significant opportunity for intermediaries to suggest innovative policy structures for their clients, but this also comes with substantial professional responsibility. Yes, because the Indian market is keen on capitalizing on these regulatory changes brought about by the IRDAI. The Indian insurance ecosystem views this as an opportunity for innovation. This confidence stems from the talent within the industry, both among insurers and brokers having the capabilities to structure viable insurance solutions for customers. The goal is to ensure a win-win situation for all parties involved.

Risk management will become increasingly important for all stakeholders as customer's value will directly correlate with their risk profile. These changes have not been implemented yet and it's safe to estimate a minimum of six months. In this transition period, brokers play a crucial role. The speed at which they can devise improved insurance solutions for their clients and gain acceptance from insurers and reinsurers will determine how quickly a fully deregulated insurance market can emerge in India. The regulator has adopted a principle-based approach rather than prescriptive rule-based regulations while closely monitoring market developments.

(The writer is R Balasundaram.)

TOP

From Interaction to Engagement: Building lasting customer relationships - The Economic Times – 25th May 2024

Meaning of Customer engagement

- At its core, customer engagement encapsulates the interactions, experiences, and emotional connections between a business and its customers throughout their journey - from discovery and purchase to post-sale support and beyond. It's not just about transactions; it's about building trust, loyalty, and advocacy.

- A holistic customer engagement model begins with your first interaction with a potential customer, when a potential customer becomes aware of a brand or product—and extends beyond the postpurchase stage. Not only does it help with acquiring new customers, but it is also meant to help nurture and retain existing ones.

- The ultimate goal of customer engagement is to increase lifetime value for the brand. Stages of customer engagement and customer journey: An effective customer engagement model starts with an understanding of the customer journey, and then moves customers through the stages of customer engagement.

There are five crucial stages of customer engagement namely:

1. Unawareness: At this stage, a customer (or technically, a prospective customer) doesn't yet know anything about your company or your product. They may even be unaware of the solution space in which you operate. To capture the attention of prospects and raise their awareness, you should focus on

building content and creating a brand. Brand awareness is important for establishing trust with consumers.

2. Discovery: In the 'discovery' stage, prospective customers are beginning to learn about the company. As with awareness, you'll want to develop compelling content targeted to your prospect personas. During this phase, you may begin to collect information about who these prospects are, what are their interest.

3. Consideration: During the "consideration" stage, prospective customers are seriously thinking about investing in a solution, but they're likely comparing your solution to those of your competitors. This presents an opportunity to make sure that every interaction a prospect has with your company is a positive one and to position yourself in a way that's clearly differentiated from your competitors.

4. Conversion: If you've successfully convinced a prospective customer that your solution is the best fit, they will "convert" to a customer. But just because you've won a new customer doesn't mean your work is done. So, make sure that the onboarding experience is a positive one.

5. On-Going Engagement: Once your new customers are onboarded and up and running, your goal is to drive increasing engagement and to make your solution an essential part of your customers' lives. Make sure that you're listening to and effectively managing your customers' feedback, which will help you and your team better understand what matters most to your most important users.
Insurance landscape:

The insurance industry has traditionally relied on human interaction for transactions, but the industry landscape is rapidly evolving. The global insurance market projected to reach a staggering USD 5.8 trillion by 2026 and the sector is embracing technology to enhance efficiency and customer engagement.

Insurtech firms are now leveraging artificial intelligence (AI), blockchain, the Internet of Things (IoT), big data analytics, chatbots and virtual reality (VR) to revolutionize operations, attract new customers and stay ahead in a rapidly evolving market. Insurers must offer technology experiences that are faster, more engaging, intuitive, and tailored to customer needs.

These technologies should be leveraged to adapt to switching consumer dynamics.
Switching consumer dynamics:
- Rewarding Loyalty: Studies reveal that 83% of customers prioritize how brands treat them over the products or services offered, highlighting the significance of fostering loyalty through exemplary service.
- Exceptional Customer Service: Prompt and empathetic responses to inquiries and claims significantly influence customer satisfaction, with 96% of consumers emphasizing the value of empathy in service delivery.
- Personalized Communication: Tailored marketing initiatives resonate with consumers, with 72% engaging only with content that offers personalization, underscoring the importance of customization in driving engagement.
- Streamlined Claims Process: Simplifying claims procedures enhances customer satisfaction and engagement, as hassle-free experiences significantly impact perceptions of service quality.
- Educational Resources: Providing informative resources not only empowers customers but also fosters trust, with 84% of consumers more inclined to buy from brands offering educational content.

In conclusion, effective customer engagement is indispensable in navigating the evolving insurance landscape. By understanding and embracing the nuances of the customer journey, harnessing technological innovations, and prioritizing customer-centric strategies, insurance firms can forge enduring relationships, drive growth, and thrive amidst industry disruptions.
As the global insurance market continues to burgeon, the imperative for robust customer engagement practices becomes ever more pronounced, underscoring the pivotal role they play in shaping the future of the industry

(The writer is Shammi Kapoor.)

TOP

INSURANCE REGULATION

IRDAI in Favour of 100 Percent Cashless Claim Settlement in Health - The Economic Times – 30th May 2024

The Insurance Regulatory and Development Authority of India (IRDAI) has issued a new health insurance circular that seeks to improve services for policyholders by reducing settlement times and ensuring cashless claim processes. The regulator wants insurers to achieve 100 percent cashless claim settlement in a time-bound manner, minimising the need for reimbursement claims to exceptional circumstances.

In terms of cashless claims, the regulator wants insurers to decide on authorisation requests within one hour of receipt. It has directed insurance companies to put in place necessary systems and procedures to meet the new guidelines by July 31, 2024. Further, insurers are required to give final authorisation within three hours of receiving a discharge request from the hospital. If there is any delay beyond this timeframe, the insurer must cover any additional costs incurred by the hospital from their shareholders' funds.

The circular allows policyholders to cancel their policies at any time during the term by giving a 7-day notice in writing, down from the previous 15-day grace period. IRDAI has also set a grace period for premium payments, which is 15 days for monthly premiums and 30 days for quarterly premiums.

TOP

India and WHO to Strengthen Drug Regulatory System for Universal Health Coverage – Devdiscourse - 29th May 2024

India, in collaboration with WHO, aims to improve its drug regulatory system to ensure high-quality medical product access for all. Union Health Secretary Apurva Chandra highlighted India's achievements in health, emphasizing the need for equitable access and global health collaboration during the 77th World Health Assembly in Geneva.

India, in collaboration with the World Health Organization (WHO), intends to further strengthen the drug regulatory system to ensure quick access to high-quality medical products for all, Union Health Secretary Apurva Chandra said on Wednesday.

Chandra, who is leading the Indian delegation, addressed the Plenary Session of the 77th World Health Assembly of WHO in Geneva. The health secretary started his address by highlighting the similarities of this year's theme, ''All for Health, Health for All'' with the age-old Indian tradition of 'Vasudhaiva Kutumbakam' which means ''world is one family'', a health ministry statement said.

He stated that under this theme, ''India launched the 'Ayushman Bharat' meaning Live Long India to promote Universal Health Coverage by operationalizing more than 1,60,000 health and wellness centres (Ayushman Aarogya Mandir)''. Chandra highlighted that as per the WHO SPAR report, India has a core capacity score of 86 per cent to detect, assess, report and respond to any health emergencies, which exceeds the Southeast Asia Region and Global average.

''Showing significant drop in Maternal Mortality Ratio (MMR) and Infant Mortality Rate (IMR) in past decades, India is on track to attain the Sustainable Development Goals (SDG) targets. Today, India is on the verge of eliminating Visceral Leishmaniasis (VL) disease and has also reduced the TB incidence and mortality,'' he stated.

The health secretary also emphasised on the Pradhan Mantri Jan Arogya Yojana (PM-JAY), which aims to provide over 343 million beneficiaries a health cover of Rs 5 lakh per family per year for secondary and tertiary care hospitalisation, reducing the out-of-pocket expenditure. With the digital initiatives in healthcare, he stated that ''India has emerged as a lighthouse country in digital public goods for global collaborations''. The health secretary emphasised that ''equitable access to medical countermeasures should be a fundamental right for all''. Highlighting India's contribution of 60 per cent of global output for vaccine supply, Chandra said, ''India in collaboration with WHO intends to further strengthen the drug regulatory system to ensure quick access to high-quality medical products for all''.

He further stated that India has a highly trained and experienced workforce in health to bring compassionate care to improve treatment outcomes not just in the country but across the world by emerging as one of the key destinations for Medical Value Tourism, the statement said. On this note, he informed about the recently issued new visa regime -- Ayush Visa for medical tourism in India under the Ayush systems of medicine, the statement said. Chandra also said that ''India is constructively engaged in the Intergovernmental Negotiating Body (INB) and International Health Regulations (IHR) processes to build consensus and pave the way for a framework of global health architecture that will enable us to collectively prepare and respond to future pandemics and public health emergencies''.

The health secretary concluded his address by urging all member countries to collectively commit to the promotion of health and well-being as a cornerstone of sustainable development. ''Together, let us move forward and create a brighter future for all,'' he stated.

TOP

IRDAI mandates insurers to clear cashless claims within 3 hours! - Financial Express – 29th May 2024

The IRDAI circular mandates insurers to clear cashless claims within a three-hour window, alongside encouraging the provision of a diverse range of insurance products, add-ons, and riders.
The Insurance Regulatory and Development Authority of India (IRDAI) has recently issued a circular that is set to revolutionize the health insurance landscape in India. This initiative underscores IRDAI's commitment to enhancing customer experience and ensuring transparency in the insurance sector.

The circular mandates insurers to clear cashless claims within a three-hour window, alongside encouraging the provision of a diverse range of insurance products, add-ons, and riders. These changes are poised to significantly impact both policyholders and the overall health insurance market in India.

Speeding up Cashless Claims
One of the most notable aspects of the circular is the stipulation that insurers must clear cashless claims within three hours. "This directive aims to reduce the anxiety and financial stress often associated with medical emergencies. By accelerating the cashless authorization process, IRDAI is ensuring that policyholders receive timely access to medical care without unnecessary delays. This move is particularly beneficial in critical situations where every minute counts, and the assurance of swift claim processing can make a significant difference," said Venkatesh Naidu, CEO – BajajCapital Insurance Broking Ltd.

Expanding Choices for Policyholders
In addition to faster claim processing, IRDAI has emphasized the need for insurers to offer a broader range of products, add-ons, and riders. This directive is designed to provide policyholders with greater flexibility and choice, allowing them to tailor their insurance coverage to better meet their individual needs. The availability of diverse insurance products is expected to cater to a wider array of customer requirements, from basic health coverage to more comprehensive plans that include specialized treatments and services.

Building Trust and Increasing Adoption

The IRDAI's focus on customer-centric reforms is anticipated to drive higher adoption rates of health insurance across India. "As insurers comply with the new regulations, policyholders are likely to experience a more streamlined and efficient service. The assurance of faster cashless claim authorizations and the availability of diverse insurance products are key factors in building trust between insurers and their customers. When policyholders feel confident in their insurer's ability to provide prompt and comprehensive support, it naturally fosters a stronger, more trusting relationship," said Naidu.

Enhancing Customer Service Standards

By implementing these reforms, IRDAI is also setting a new benchmark for customer service within the health insurance industry. The insistence on quicker claim processing times and broader product offerings reflects a broader goal of maintaining high standards of customer care. This focus on service excellence is crucial in creating an environment where transparency and reliability are paramount. Policyholders can feel secure in the knowledge that their insurance provider is not only meeting regulatory standards but is also genuinely committed to their well-being.

Conclusion

The IRDAI's recent circular is a commendable step towards making health insurance more accessible, reliable, and customer-focused in India.

"By setting a three-hour time limit for cashless claims and encouraging a wider array of insurance products, IRDAI is paving the way for increased trust and higher adoption rates of health insurance. These measures will undoubtedly enhance the overall customer experience, ensuring that policyholders receive the timely and comprehensive support they need. In doing so, IRDAI is reinforcing its role as a guardian of policyholder interests and a catalyst for positive change in the health insurance sector," observed Naidu.

(The writer is Sanjeev Sinha.)

TOP

Health insurance new rule: You will get full coverage during grace period even if premium is unpaid, mandates IRDAI - The Economic Times – 29th May 2024

Now, the health and general insurance companies have to mandatorily provide coverage during the grace period if the premium of the health insurance is paid in instalments — monthly, quarterly, half-yearly, or annually. Policyholders of the insurance companies usually get a grace period to pay their health insurance premiums. The grace period for a health insurance plan is the extra time that you get to pay the premium if you have missed the policy renewal due date. Typically, most health insurance plans offer a grace period. What was the rule earlier? What is the new rule and how is it going to impact health insurance policyholders?

Earlier, the insurance companies used to offer grace periods based on the type of policy you bought, says Parthanil Ghosh, Director & Chief Business Officer, HDFC ERGO General Insurance. Some insurers offer a grace period of 15 days while others offer 30 days for health insurance policies. So, the grace period in a health insurance plan used to vary from one insurer to another. The insurance companies typically do not offer any policy coverage during the grace period in health insurance policies.

IRDAI’s big announcement on health insurance grace period: What has changed?
The Insurance Regulatory and Development Authority of India (IRDAI) aims to change this well-known practice of the insurance industry. In a master circular dated May 29, 2024, the regulator has standardised the grace period for health insurance policies with various installments and asked insurers to provide claim coverage even during the grace period. IRDAI said, "If the premium is paid in instalments during the policy period, coverage will be available for the grace period also."

Further, the regulator mandated that the grace period will be for 15 days where the premium is paid through monthly installments. Those who pay health insurance premiums in quarterly, half-yearly or annual installments are eligible to get a grace period of 30 days.

Health insurance grace period rule change: What was the rule earlier?
Until now, it has not been mandatory for insurance companies to offer health insurance coverage during the grace periods. During the grace period, your health insurance policy remains active and you get the benefit of continuity of the policy — such as sum insured, no claim bonus, specific waiting periods, waiting periods for pre-existing diseases, moratorium period, etc. However, insurers typically have not offered coverage for claims arising during the grace period till now. However, there could be a few insurers who used to offer claim coverage even during the grace period of the health insurance plans even earlier.

Health insurance grace period rule change: How these rules are going to impact health insurance policyholders

Standardising the grace period will be beneficial for the customers. It will be easier for them to remember what grace period will be applicable for what kind of health insurance policy and pay according.

The bigger change is the extension of coverage during the grace period. If a customer pays health insurance premium by monthly, quarterly, half-yearly and yearly instalments, he or she would be eligible for coverage during grace period now.

"As earlier during the grace period it was not mandatory to provide coverage to their policyholders and some of the insurers were offering such benefits on of their own. But now all insurers have to provide this benefit to their policyholders," says Abhishek Kumar, a SEBI RIA and founder of SahajMoney.com.

Let me give you an example to make it clearer what is going to change for the health insurance policyholders:

Suppose your health insurance premium renewal date was May 1, 2024. You forgot to pay the premium by mistake or can't pay it on time due to some financial crunch. Your insurance company offers you a grace period of 15 days and you thought you would pay it before the grace period gets over.

Unfortunately, you met with an accident on May 12 and had to go to a hospital. According to the earlier rule, the insurance company was not liable to pay your claim as the accident happened during the grace period. It would be up to the insurer whether they wanted to pay to claim or not. Some insurers might pay it, some might not as it was not mandatory, explains Bhaskar Nerurkar, Head of- the Health Administration Team, Bajaj Allianz General Insurance.

Usually, when a policyholder raises a claim during the grace period, he or she has to pay the premium first and then get the coverage. However, Bajaj Allianz General Insurance has claimed that they offer coverage during the grace period without asking for the due premium amount.

(The writer is Anulekha Ray.)

TOP

IRDAI reduces audit firm term to bolster audit quality - The Hindu Business Line – 25th May 2024

Mandates rotation of joint audit firms every four years, with a three-year cooling period for retiring firms Insurance regulator IRDAI's new corporate governance guidelines have reduced the engagement period of statutory auditors with insurance companies. Audit firms now have a four-year term for joint statutory audits, followed by a mandatory three-year cooling-off period, according to the IRDAI's Master Circular on 'Corporate Governance for Insurers 2024'.

During this cooling-off period, outgoing auditors and their affiliates are barred from undertaking investment risk management or concurrent audits of the insurer. Additionally, incoming auditors must not include any affiliates of the retiring auditor. Previously, audit firms could serve up to ten years, but the new rules ensure a fresh review of financial statements every four years to enhance audit quality and to reduce complacency. Commenting on latest IRDAI move, Jaspreet Bedi, Partner, Nangia & Co LLP, said "the auditor refresh policy is to promote independence, impartiality, and integrity in the audit process." The latest change on audit firm tenure enhances transparency and accountability by introducing new auditors at regular intervals of four years, preventing complacency, and maintaining rigorous financial reporting standards, Bedi said.

Already the Insurance Regulatory and Development Authority of India (IRDAI) guidelines stipulate a mandatory joint audit for all insurance companies. In India, joint audits are currently mandatory for banks, public sector undertakings and insurance companies. Meanwhile, under the latest master circular on corporate governance, IRDAI has stipulated that an audit firm should be entitled to carry out Statutory Audits of not more than three insurers (life/general/health/reinsurer) at a time. Also it has been stipulated that an audit firm should not have the audit assignments of more than two insurers in one line of business (i.e life insurance, general insurance, health insurance and reinsurance) at a time. The latest IRDAI master circular also highlighted that existing audit firm appointments for period of five years would have to be continued.

(The writer is Kr Srivats.)

TOP

LIFE INSURANCE

Insurance Brokers Urge IRDAI to Allow Them to Appoint 'Bima Vahaks' - Business Standard -26th May 2024

Insurance brokers have requested the Insurance Regulatory and Development Authority of India (Irdai) to allow them to appoint 'Bima Vahaks' and not limit the appointments to insurance companies, as this will aid in insurance penetration. The proposal was put forth during the 'Bima Vitarak Manthan' held earlier this month. The meeting was attended by various insurance intermediaries, including insurance brokers, corporate agents and other insurance marketing firms.

The event was organised to share insights as well as explore innovative strategies and collaboration in the insurance sector. "During the Bima Vitarak Manthan, one of the proposals put forward by the Insurance Brokers Association of India (IBAI) was to allow insurance brokers and corporate agents to appoint Bima Vahaks instead of limiting their appointment by insurance companies only," R Balasundaram, secretary general, IBAI said.

"It was suggested that corporate agents, insurance brokers and other distribution channels appointing women as Bima Vahaks at the Gram Panchayat level should lead to a faster creation, training and service support. This is because brokers or corporate agents have the experience, expertise and infrastructure to support them," Balasundaram said. Bima Vahak, a part of Irdai's Bima Trinity, is a women-centric, dedicated distribution channel to sell insurance products. Bima Vahak is a legal person registered in accordance with the respective laws and engaged by an insurer.

Insurance companies have the authority to appoint individuals or engage with corporate Bima Vahaks to progressively achieve coverage of every gram panchayat. The Bima Vahaks, both corporate and individual, will be authorised to undertake activities like collection of proposal information, know-your-customer (KYC) documents and co-ordinate claims-related services. According to brokers, insurance companies will have to invest in 'Bima Vahaks', which will be a fixed cost for insurers. But it will be a variable cost for the distribution channels. The expertise offered by the distribution channel will also aid in insurance penetration in the country.

While discussing other methods to boost penetration, insurance brokers have also asked for additional distribution channels. Vedanarayanan Seshadri, managing director (MD), Mahindra Insurance Brokers, said, "Insurance brokers have also said that auto dealers, under the motor insurance service provider (MISP) arrangement, be allowed to distribute other products. This is to leverage their extensive reach across the country to fast track penetration of insurance products."

In 2017, Irdai framed Guidelines on Motor Insurance Service Provider, 2017 ("MISP Guidelines"), following the report of a committee set up to review payouts to automobile dealers. The guidelines regulated the distribution of motor insurance products by automobile dealers. Now, insurance brokers have suggested the sale of other basic insurance products through these auto dealers. Furthermore, IBAI has also given a few recommendations, which will enhance the role of insurance brokers and improve the overall customer experience. These include reducing educational qualifications of insurance agents from Class 10 pass to Class 8 pass.

They have also suggested participation of insurance brokers in State Level Insurance Committees (SLIC) and steering state-level insurance programmes for last-mile penetration. This will extend coverage to villages through Gram Panchayats and District-level Insurance Committees.

(The writer is Aathira Varier.)

TOP

GENERAL INSURANCE

DICGC posts 17% growth in insurance fund - The Economic Times – 31st May 2024

The Deposit Insurance and Credit Guarantee Corporation (DICGC), a wholly-owned subsidiary of the Reserve Bank of India (RBI), reported a 17 percent increase in its deposit insurance fund in FY24.

The Deposit Insurance Fund (DIF), which is crucial for settling claims of depositors from liquidated or amalgamated banks, climbed to ₹1,98,310 crore as of March 31, 2024, up from ₹1,69,602 crore the previous year.

The fund is collected by premiums received from insured banks, interest income from investments, and cash recoveries from failed banks. The deposit insurance limit in India is set at ₹5 lakh per depositor per bank.

In FY24, the DICGC collected ₹23,879 crore in deposit insurance premiums, an 11.7 percent increase year-on-year. During the same period, the total claims settled by the DICGC amounted to ₹1,431.5 crore.

DICGC has insured 1,997 banks, including 140 commercial banks (12 small finance banks, 6 payments banks, 43 regional rural banks, and 2 local area banks) and 1,857 cooperative banks (1,472 urban cooperative banks, 33 state cooperative banks, and 352 district central cooperative banks).

TOP

Cyclone remal: kind of home insurance you should have before the next natural calamity - Business Outlook – 28th May 2024

Cyclone Remal, the first major cyclonic storm of the year, hit the shores of India recently, causing extensive damage to infrastructure and property. Several casualties were reported from the state of West Bengal. In circumstances like this, what steps can you take if your home is affected by a cyclone:

According to experts, lately, coastal regions of India have been struck by cyclones like Amphan, Nisarga, Yaas, and most recently, Remal, which affected the eastern coast, causing property damage and further losses.

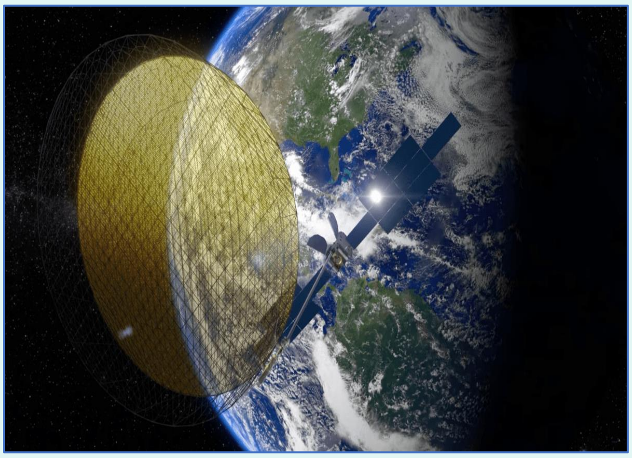
Parthanil Ghosh, director, and Chief Business Officer, HDFC Ergo General Insurance added, "To keep your home safe from future calamities, we advise you to identify the potential natural calamity risks associated with your location, such as cyclones, floods, earthquakes, etc. and carefully review your current insurance policy to ensure it offers coverage against those natural perils. For comprehensive coverage, one can also increase the coverage limits to ensure it matches the full cost of rebuilding or repairing the home in case of any natural calamity. It is always wise to regularly review and update the insurance coverage to ensure it reflects any home improvements or changes in property value."

Vivek Chaturvedi, Chief Marketing Officer (CMO) and head of direct sales, Go Digit General Insurance said, "In case a cyclone affects your home, your top priority should be ensuring the safety of yourself and your loved ones by heeding evacuation instructions or finding safe shelter. After addressing any safety issues, return to your home once it is completely safe. After assessing the damages, reach out to your insurance provider to report the same and initiate the claims process. Capture images or videos of the damage incurred and share the same with the claims assessor. Make sure you understand the coverages of your policy and are aware of the things that are covered in your policy and any exclusions. In case you have taken a separate policy for structure and contents with two different insurers, make sure you lodge your claim with both insurers." "Understanding these potential threats empowers you to choose the right insurance coverage. Take proactive steps to get the most out of your coverage. Discuss these risks with your insurer to determine the appropriate plan. To ensure smooth claims filing, document your valuables with photos, videos, and a detailed inventory. Consider installing preventive measures like smoke detectors, water leak sensors, or sprinkler systems, as these can not only minimize potential damage but also lead to insurance premium discounts," Chaturvedi said.

(The writer is Meghna Maiti.)

TOP

Guardians of the Galaxy: The growing importance of space insurance in India - The Economic Times - 27th May 2024



As the space industry rapidly expands, the once-niche concept of space insurance is gaining increasing relevance. Despite not being widely discussed, the burgeoning number of satellite launches and space missions is driving demand for insurance solutions tailored to the unique risks associated with space activities.

Space insurance is not just about covering the cost of satellites; it encompasses a range of policies, including launch insurance, in-orbit coverage, and third-party liability. As space becomes more accessible, the potential for collisions, malfunctions, and space debris impacts rises, making comprehensive insurance more critical than ever.

Earlier, it was reported that space insurance claims have totaled around $2 billion over the last 12 months, highlighting the high-risk nature of this field.

Expanding Horizons
Indian insurance specialist Tata AIG is making significant strides in the space insurance sector. On May 13, Tata AIG announced the launch of satellite in-orbit third-party liability insurance, covering bodily injury and property damage. Sushant Sarin, president of commercial business at Tata AIG, highlighted the

importance of this innovative product for the growing Indian space sector. "This innovative product caters to the growing needs of satellite manufacturers and operators in the Indian space sector, especially in the wake of recent solar storms that highlight the potential hazards faced by orbiting spacecraft," he said.

Deepak Kumar, Senior Executive Vice President & Head of Reinsurance, Credit & Aviation Insurance at Tata AIG, emphasized the necessity of robust insurance solutions for India's burgeoning space industry, which boasts 189 startups. "To address this need, Tata AIG offers customized space insurance aligned with international standards. Complex risks are mitigated through reinsurance partnerships, ensuring coverage limits meet client requirements," Kumar noted.

Industry Challenges and Opportunities

The space insurance market faces several challenges, including the unpredictability of space missions and the high costs involved in underwriting policies. However, this also presents opportunities for innovation. Founder of SatSure, Abhishek Raju, welcomed Tata AIG's new insurance product. "With the increase in assets in low-earth orbits, the probability of collision is increasing by the day; spacecraft/satellite owners are concerned about the potential impact of loss of assets and associated revenues. With the introduction of their new Satellite In-Orbit Third-Party Liability Insurance, TATA AIG has solved a significant problem faced by the industry," Raju said.

The failure of high-profile missions such as Viasat-3 and the power issues affecting the first four SES O3b mPower satellites have driven insurance rates up by as much as 100% in the last quarter of 2023 compared to the same period in 2022. Despite these challenges, industry collaboration and government initiatives are seen as crucial for ensuring coverage continuity and making the market more sustainable.

Government Initiatives and Market Evolution

The Indian government is also playing a pivotal role in fostering the space economy. The recent release of the 'Norms, Guidelines and Procedures for Implementation of Indian Space Policy-2023' by INSPACe mandates third-party liability insurance coverage for all licensed space objects in India. This regulatory framework is expected to bolster the domestic space insurance market.

Deepak Kumar also remarked on the exciting opportunities for insurers like Tata AIG amid these government initiatives. "Government initiatives fostering the space economy present exciting opportunities for insurers like Tata AIG. While a limited claims history in space insurance exists, industry collaboration can ensure coverage continuity," he said.

As the space industry continues to expand, the importance of specialized insurance solutions to safeguard these ventures cannot be overstated. New India Assurance Co is also one of the companies that is providing space insurance in India, along with Bajaj Allianz.

With increasing space activity and a growing number of private players, the demand for comprehensive space insurance is set to rise, bringing new challenges and opportunities for insurers. While still a niche segment, the relevance of space insurance is rapidly growing, making it a critical component of the space economy's future.

(The writer is Sheersh Kapoor.)

TOP

Gross direct premium income of general insurers set for a 32 percent increase to ₹3.7 trillion by FY26 - The Hindu | The Economic Times – 27th May 2024

Gross direct premium income (GDPI) of general insurers in the country is expected to touch ₹3.7 trillion by 2025-26, which will be an increase of 32 percent from the ₹2.8 trillion registered in 2023-24, ICRA said on Monday. In the current fiscal, GDPI of the general insurance companies is likely to increase 15.5 percent on the back of continued strong growth in the health segment, it said in a report. Health segment was also behind the robust growth of the insurance sector in FY24.

Private insurers growth is expected to remain strong and their profitability likely to improve supported by better underwriting performance. The growth for PSU insurers is likely to remain moderate because of the weak capital position. The combined ratio for PSU insurers will remain weak thereby impacting the net profitability.

"With higher growth, market share of private insurers in terms of GDPI is likely to rise to 69 percent for FY25 and 71 percent for FY26. It was 68 percent in FY24. The health segment, which witnessed the strongest growth and accounted for almost half of the incremental GDPI of Rs.375 billion in FY-24, is likely to remain the key driver with the rising awareness of health insurance as well as increased ticket sizes, said Neha Parikh, V-P and Sector Head – Financial Sector Ratings of ICRA.

Besides the health segment, the more than 15 percent increase in GDPI of general insurers last fiscal was aided by a growth in the motor segment, which in turn was driven by the increase in the new vehicle sales – two-wheelers by 13.3 percent and passenger vehicles by 8.4 percent. With high frequency and severity of natural catastrophic events in FY24, the net loss ratio of the fire segment was impacted. However, considering the reinsurance and low retention in this segment, the impact on the overall net loss ratio of the industry was manageable. Profitability for private players remained strong supported by improved investment income, which is likely to continue, ICRA said in a release.

TOP

HEALTH INSURANCE

India and the 'managed care' promise - The Hindu – 31st May 2024

Universal Health care is a complex maze, but managed care organisations could be a part of the answer Indian health care seeks. Health insurance as the main modality of universal health coverage (UHC) now looks to be indisputably confirmed to be ingrained in Indian health policy thinking. Aided by the digital revolution, it is opening doors to potential reforms that are redolent of the United States, albeit with local adaptations that avoid its profligate spending on health. Recently, a notable health-care chain in South India announced its foray into comprehensive health insurance by combining insurance and health-care provision functions under one roof — what can be called the Indian iteration of a managed care organisation (MCO). It is timely to reflect on whether MCOs hold promise for the bigger Indian health-care landscape, particularly when it comes to extending universal health care.

Having its precursors in some rudimentary prepaid health-care practices in the United States of the 20th century, the strongest impetus for mainstreaming MCOs in U.S. health care came in the 1970s, when cost containment concerns in health care loomed large. Hitherto dominated by generously reimbursed providers in cahoots with insurers, high premiums became increasingly unattractive for health insurance purchasers following the economic slowdown after the 1970s. This prompted the fusion of insurance and provisioning functions under one roof, a focus on prevention and early management, and a strict emphasis on cost control — all this was against a fixed premium paid by the enrollee. Ever since then, MCOs have evolved into multiple generations and forms, and have penetrated deep and wide into the health insurance space. Although robust evidence on their contribution to improving health outcomes and prioritising preventive care has been lacking, evidence indicates that they did help in reducing costly hospitalisations and associated costs.

(The writer is Soham D. Bhaduri.)

TOP

Cashless insurance for Ayurveda patients could be available soon - Financial Express – 29th May 2024

In a bid to make Ayush treatments available to the last mile patient, stakeholders gathered to discuss the regulatory framework and the policy support needed to mainstream Ayush treatments in health insurance schemes at the sensitization program organised by the Ministry of Ayush for Insurance Companies and Ayush Hospital Owners at the All India Institute of Ayurveda (AIIA) in New Delhi on Tuesday.

The meeting was necessitated due to the recent Insurance Regulatory Development Authority (IRDAI) directions to bring Ayush treatments under health insurance cover effective April 01, 2024 and the need to create a deeper understanding between Ayush hospitals & healthcare providers and the insurance sector stakeholders, and foster affordable Ayush healthcare to citizens. Vaidya Rajesh Kotecha, Secretary, Ministry of Ayush, said, "The aim is to ensure easy access to Ayush treatments for everyone. A significant milestone was achieved with the joint publication of standard treatment guidelines by DGHS & Ayush (STG), marking a first-of-its-kind integration in India. This focus on accessibility is coupled with remarkable growth in the sector, with the manufacturing of Ayush products increasing eightfold in the last decade."

Prof. Tanuja Nesari, Director, All India Institute of Ayurveda (AIIA) said, "We're making significant strides in integrating Ayush treatments into the mainstream healthcare system. Our collaboration with insurance companies focuses on enabling cashless access to Ayush services through the TPA network. Today's meeting is a pivotal step in this journey, bringing us closer to realizing our vision of making Ayush treatments accessible and affordable for all". Speaking about the need for separate registry for Ayush hospitals, Prof. Bejon Kumar Mishra, Chairman, Core Group of Experts for Insurance, Ministry of Ayush, said, "A key recommendation is to promote Ayush HCO empanelment and Adopt MoAyush approved Standard Treatment Guidelines (STGs), ICD-TM2 codes and increase Ayush representation on key committees."

Rajiv Vasudevan, MD & CEO, Apollo AyurVAID Hospitals, said, "The current insurance services are largely focused on surgical and emergency services but two-third of the sector belongs to people dealing with long-term diseases and effective healthcare is required. The question is what do patients with long-standing issues, recurring issues autoimmune diseases, neurodegenerative diseases do? It's time to go from symptomatic relief to identifying and working on the root cause of the disease(s). Ayush treatments will also be highly effective in case of palliative care and end-of-life care." "We expect General Insurance Council to provide the leadership on behalf of its 39 general insurance, standalone health insurance, reinsurance and specialized insurance companies to be an integral component in publishing the White Paper," Mishra added.

Dr. Kousthubha Upadhyaya, Adviser, Ministry of Ayush, said, "The Ministry of Ayush has constituted a Core Group of experts for the insurance sector in October 2023 with the objective to advice and monitor insurance-related matters in the Ayush sector and conduct a study of current status of Ayush systems under health insurance and to create a white paper." "The Ministry of Ayush and NHA are working towards inclusion of Ayush interventions in Ayushman Bharat-Pradhan Mantri Jan Aarogya Yojana (AB-PMJAY)," he said. This event is a significant step towards integrating traditional medicine into mainstream healthcare, ensuring broader insurance coverage for Ayush treatments, and promoting overall health and well-being.

TOP

Stakeholders discuss ways to widen Ayush insurance coverage - Express Healthcare - 28th May 2024

Aim is to ensure easy access to Ayush treatments for everyone. Recently, the stakeholders gathered to discuss the regulatory framework and policy support needed to mainstream Ayush treatments in health insurance schemes at the sensitisation program organised by the Ministry of Ayush for Insurance Companies and Ayush Hospital Owners at the All India Institute of Ayurveda (AIIA). The objective was to make Ayush treatments available to the last mile patient.

The meeting was necessitated due to the recent Insurance Regulatory Development Authority (IRDAI) directions to bring Ayush treatments under health insurance cover effective April 01, 2024 and the need to create a deeper understanding between Ayush Hospitals & healthcare providers and the insurance sector stakeholders and foster affordable Ayush healthcare to citizens.

Vaidya Rajesh Kotecha, Secretary, Ministry of Ayush, said, "The aim is to ensure easy access to Ayush treatments for everyone. A significant milestone was achieved with the joint publication of standard treatment guidelines by DGHS & Ayush (STG), marking a first-of-its-kind integration in India. The aim is to ensure easy access to Ayush treatments for everyone. This focus on accessibility is coupled with remarkable growth in the sector, with the manufacturing of Ayush products increasing eightfold in the last decade."

Prof. Tanuja Nesari, Director, All India Institute of Ayurveda (AIIA) said, "Our collaboration with insurance companies focuses on enabling cashless access to Ayush services through the TPA network." Speaking about the need for separate registry for Ayush hospitals Prof. Bejon Kumar Mishra, Chairman, Core Group of Experts for Insurance, Ministry of Ayush, stated, "A key recommendation is to promote Ayush HCO empanelment and Adopt MoAyush approved Standard Treatment Guidelines (STGs), ICD-TM2 codes and increase Ayush representation on key committees."

On the other hand, Rajiv Vasudevan MD & CEO, Apollo AyurVAID Hospitals, discussed the current state of insurance services which are largely focused on surgical and emergency services. However two-third of the sector belong to people dealing with long-term diseases and effective healthcare is required. It's time to go from symptomatic relief to identifying and working on the root cause of the disease(s). Ayush treatments will also be highly effective in case of palliative care and end-of-life care" he added.

"We expect General Insurance Council to provide the leadership on behalf of its 39 general insurance, standalone health insurance, reinsurance and specialised insurance companies to be an integral component in publishing the White Paper," Mishra further added. Further, Dr Kousthubha Upadhyaya, Adviser, Ministry of Ayush said "Ministry of Ayush has constituted a Core Group of experts for Insurance Sector in October 2023 with the objective to advice and monitor insurance related matters in Ayush Sector and conduct a study of current status of Ayush systems under health insurance and to create a white paper."

Ministry of Ayush and NHA are working towards inclusion of Ayush interventions in Ayushman Bharat-Pradhan Mantri Jan Aarogya Yojana (AB-PMJAY), he added. Dr A. Raghu, Deputy Director General (Ayush), Ayush vertical in Director General of Health Services emphasised three levels of medical management (Mild/Moderate/Severe) for each disease where treatment duration should be systematically derived by experts. Here package inclusions and exclusions are clearly defined based on Duration x Per Day Rate.

(The writer is Kalyani Sharma.)

TOP

AYUSH Ministry's advice: Hospitals should strictly follow quality standards, patients should get full benefit of insurance - Amar Ujala - 28th May 2024

In a meeting of the country's insurance companies and AYUSH hospital operators, the Union AYUSH Ministry has warned that hospital management should strictly follow the quality standards. The responsibility of following the quality and rules lies on the hospitals to provide the benefit of AYUSH insurance to the patients. At the same time, insurance companies were asked to prepare more affordable AYUSH packages for the patients.

In this meeting held at All India Institute of Ayurveda, New Delhi on Monday, during two separate sessions, representatives of hospitals, insurance companies and AYUSH Ministry discussed several points related to health insurance. Union AYUSH Secretary Vaidya Rajesh Kotecha said that the government is working together in many areas to promote traditional medicine. At present, AYUSH insurance facility is available with more than 275 packages. But the government wants to make it comprehensive, for which all the concerned people were called in the meeting.

He said that soon the benefit of AYUSH package will also be available under the Pradhan Mantri Jan Arogya Project. Under this scheme, health insurance benefits of five lakh rupees per annum are being provided. He even said that to improve AYUSH treatment, recently guidelines of quality standards have been issued in collaboration with the Directorate General of Health, which all the hospitals in the country have to follow. Soon the government will also get the International Organization for Standardization (ISO) certification. A lot of efforts are being made on this. On the other hand, Tanuja Nesari, Director of All India Institute of Ayurveda, on insurance in AYUSH sector says that all insurance companies will now cover AYUSH packages as well. We are trying to make it more user-friendly. For this, documentation is very important, which is done carefully day-to-day. This makes it clear what is the quality of service, what kind of service we have provided.

TOP

Health segment leads growth in insurance sector in FY-24: ICRA - Express Healthcare – 28th May 2024

The industry GDPI rises by 15.5 per cent, driven by increased health insurance awareness. The health segment, which witnessed a strong growth, accounting for approximately 50 percent of incremental GDPI of around Rs. 375 billion in FY2024, is likely to remain the key driver with the rising awareness of health insurance and increased ticket sizes, according to ICRA report. In FY2024, the (GDPI) expanded by 15.5 percent, reaching Rs. 2.79 trillion, supported significantly by the health segment.

The sector's financial performance remained strong despite the impact of natural catastrophic events, with private insurers showing marked improvements in their combined ratio and return on equity (RoE). ICRA projects the industry's GDPI to grow to Rs. 3.7 trillion by FY2026, a robust 32 percent rise from Rs. 2.8 trillion in FY2024.

The report details that private insurers are expected to see continued strong growth, while public sector undertaking (PSU) insurers may experience moderate growth due to weaker capital positions. The profitability for private insurers is likely to improve, supported by better underwriting performance and investment income. Private insurers' RoE is anticipated to reach 13.3 per cent in FY2025 and 14.0 per cent in FY2026.

Neha Parikh, Vice President and Sector Head – Financial Sector Ratings, ICRA, says, "With higher growth, the market share of private insurers in terms of GDPI is likely to rise to 69 per cent for FY2025 and 71 per cent for FY2026 from 68 per cent for FY2024. The health segment, which witnessed the strongest growth (accounting for 50 per cent of incremental GDPI of ~Rs. 375 billion in FY2024), is likely to remain the key driver with the rising awareness of health insurance as well as increased ticket sizes."

Despite these positive trends, PSU insurers face challenges. Their combined ratio, although improving, is expected to remain weak at 121 per cent in FY2025, down from an estimated 122 per cent in FY2024. Additionally, three PSU insurers, excluding New India, require substantial capital infusions estimated at Rs. 94-102 billion to meet solvency requirements by March 2025.

TOP

New national portal being launched to simplify health insurance claims - Business Standard - 27th May 2024

The government is planning to launch a Unified portal that will process health insurance claims across hospitals all over the country. The National Health Claim Exchange (NHCX) one-stop-portal is likely to be launched in the next two-three months. The new portal will use a common data collection format that will contain all the information needed by different insurance companies. It will aim to speed-up the pre-authorisation time and discharge approvals, and bring down insurance premiums in the future.

Currently hospitals use different private portals to process insurance claims, which makes the process inconvenient for the consumers. This new portal will allow faster processing, as it will bring almost 50 insurance providers under the same umbrella. The claim exchange has been developed as part of Ayushman Bharat Digital Mission (ABDM).

The NHCX is designed to streamline the claim settlement process for everyone involved. Hospitals will be able to submit claims electronically, reducing paperwork and speeding up approvals. Insurance companies will benefit from faster and more efficient claim processing. Most importantly, policyholders can expect quicker claim settlements and a less cumbersome experience when seeking reimbursements. Aligned with the Government's flagship 'Ayushman Bharat Digital Mission', the operationalisation of the National Health Claims Exchange (NHCX), a digital health claims platform, will be a significant leap towards ensuring interoperability of health claims, democratising insurance and fostering transparency within the industry. As the one stop platform for exchanging claim related information among different stakeholders in the healthcare ecosystem, the NHCX will empower individuals, medical services providers and insurers with greater access to healthcare data and thus will be instrumental in ensuring seamless claim experience," said Parthanil Ghosh, Director & Chief Business Officer, HDFC ERGO General Insurance. The NHCX is expected to bring greater transparency and efficiency to the health insurance sector. The centralized platform will allow for easier tracking of claims and potentially reduce instances of fraud.

"The National Health Claim Exchange (NHCX), a unified platform for submitting and processing health insurance claims across hospitals, will benefit the health insurance sector. It is designed to drive efficiency, boost customer satisfaction, streamline data management and analytics, ensure regulatory compliance, minimize discrepancies, and facilitate scalability within the industry. Star Health Insurance, India's leading retail health insurance company, has fully integrated its systems with the NHCX. In tandem with the GI council, we are actively working towards onboarding all major hospitals onto the platform at the earliest. We believe that the NHCX will create a mutually beneficial scenario for customers, insurance companies, and hospitals alike," said Amitabh Jain, COO, Star Health Insurance.

(The writer is Sunainaa Chadha.)

TOP

India Explores International Insurance Coverage - The Hindu Business Line – 27th May 2024

India is in talks with OECD (Organisation for Economic Co-operation and Development) countries, particularly their insurance providers, to explore the possibility of allowing medical insurance claims for foreign nationals who visit India for Ayush (Ayurveda, Yoga, Naturopathy, Unani, Siddha and Homeopathy) treatment.

This initiative aims to facilitate medical coverage for individuals seeking alternative and traditional forms of healthcare and treatment here. According to Vaidya Rajesh Kotecha, Secretary, Ministry of Ayush, “portability of medical insurance” is being discussed, while international standardisation of treatment and operating procedures are being discussed too. The OECD countries include the USA, UK, Germany, Spain, Turkey, Portugal, Sweden, Slovania, South Korea, Switzerland, France, Slovakia, Greece, among others.

Ayush visa

Portability in this case means, if the foreign national – say a German – comes to India on an Ayush visa and takes medical treatment in India under any of the accredited institutions, following certain “laid down guidelines that are internationally accepted,” then his claims will be valid with the insurance provider of his country. Generally, alternative treatment forms are not covered under medical insurance claims globally, apart from in India. Standard treatment guidelines for Ayush are in-place and these are being reviewed from time-to-time, Kotecha said.

The BIS (Bureau of Indian Standards) has already published 50-plus standards in Ayush medicines and plans are afoot to introduce ISO Standards, that will allow it international access to over 100 countries. A committee for standardisation of alternative treatment is being pushed at the BIS too.

“So, we are in talks with insurance providers, primarily those in OECD countries to allow inter-operability or portability of policies. If some foreign national comes to India, gets an alternative or traditional form of treatment here, then these can be claimed under his medical insurance policy. It will require standardisation of guidelines, convincing insurance providers towards the scientific approach of alternative methods of treatment, and also the fraud detection mechanism in place,” he said on the sidelines of a program organised by the Ministry.

Ayush visa categories were introduced last year as part of India’s drive to push up medical tourism. Approximately 2 million patients visit India each year from 78 countries for medical, wellness and IVF treatments, generating $6 billion for the industry which is expected to reach $13 billion by 2026 backed by the government’s ‘Heal in India’ initiative.

Ayush claims rise

India’s insurance regulatory, IRDAI, recently issued directions to all insurance companies telling them to cover Ayush treatment just as other treatments. According to Kotecha, alternative and traditional treatment insurance claims till December 31, 2023 (first 9 months of FY24) stood at 10,826, up 54 percent, over the FY23 (full year) when claims were 7,006. Between FY19 and 9MFY24, claims increased 280 percent from 2,859.

Similarly, disbursements (money released) shot up 447 percent between FY23 and 9MFY24 from ₹13.82 crore to ₹75.52 crore. Between FY19 and 9MFY24, the disbursals increased over 1000 percent. In FY19, money released by insurance companies were ₹6.3 crore. As per last available data, there were 280-odd insurance products across companies here in the Ayush category.

(The writer is Abhishek Law.)

TOP

Govt asks insurance companies to roll out daycare package for Ayush patients - The Economic Times – 28th May 2024

The government has asked insurance providers to introduce daycare packages for patients seeking Ayush treatment and said it expects insurance coverage to expand as the treatment guidelines are standardised. Claims under Ayush - an acronym for Ayurveda, Yoga & Naturopathy, Unani, Siddha and Homoeopathy - rose to ₹78 crore in 2023 from ₹9 crore in 2016.

"We are building the Ayush insurance on the pillars of transparency, standardisation and scientific approach," Rajesh Kotecha, secretary - ministry of Ayush, said at an event Monday.

The treatment guidelines help to standardise treatment plans, making it easier for insurance companies to weed out fake claims. The ministry has also released, for the first time, standard treatment guidelines for musculoskeletal disease using an integrated approach.

"The guidelines were reviewed by allopathic doctors and professors of orthopaedics giving it a scientific hue and we are working on guidelines for metabolic-related disease," added the secretary. The Insurance Regulatory and Development Authority of India (IRDAI) directed all insurance providers to consider Ayush treatment on a par with other treatments in January this year, providing policyholders with different treatment options.

TOP

Ayush Ministry to Sensitize Insurance Companies for Affordable Healthcare - IB Times – 26th May 2024

The Ministry of Ayush on Sunday announced that it will launch a sensitisation programme for executive officials of insurance companies and owners of Ayush hospitals to promote accessible and affordable healthcare in the country. The programme, which will take place on May 27 at the All India Institute of Ayurveda (AIIA) in the national capital also aims to facilitate the empanelment of public and private Ayush hospitals for insurance coverage in India, the ministry said.

The programme will also discuss the regulatory framework and policy support needed to mainstream Ayush treatments in health insurance schemes and facilitate a dialogue between key stakeholders to address both challenges and opportunities. Recently, the Insurance Regulatory and Development Authority of India (IRDAI) advised all insurers to provide AYUSH coverage in line with the increasing demand for AYUSH treatments.

Coverage in the Ayush sector, standard treatment guidelines (STG) and ICD codes for the insurance sector, and penetration of Ayush in the insurance sector are the other key issues of discussion. The programme will also discuss Ayush Hospital's achievements, and success stories of AIIA, the onboarding of Ayush hospitals on the ROHINI platform, and the empanelment of Ayush Hospitals for insurance coverage, the ministry said.

TOP

The Need for a Health Regulator in India's Healthcare System - The Economic Times – 26th May 2024

For a country like India that aspires to be the third largest economy in the world by 2030, public health is of key significance. A robust healthcare system ensures economic and social stability, enhanced productivity, innovation, and attracts foreign investments. India's healthcare landscape boasts vast and varied capabilities, yet it frequently encounters critical systemic issues, such as the ongoing conflict between hospitals an insurance companies. Hospitals accuse insurers of underpayment, while insurers counter that hospitals inflate charges.

Current Scenario

India currently has the Insurance Regulatory and Development Authority of India (IRDAI) that oversees the regulation of life, non-life, and health insurance companies across the country. While all insurance companies fall under IRDAI's purview for health insurance, it is the insurers themselves who are responsible for designing the policies. The delivery of services, managed by hospitals, falls outside the jurisdiction of IRDAI and is largely self-regulated. Considering this gap, why can't we enable IRDAI with exclusive health regulator.

Role and Benefits of a Health Regulator

Standardisation and Transparency

Currently, there is no standardised pricing for medical procedures across hospitals in India. Treatment protocols and even the qualifications of medical staff can vary significantly. Patients, particularly those unfamiliar with the medical field, are left vulnerable, unsure of whether they are receiving appropriate care at a fair price. The regulator can address this by establishing benchmark costs for various treatments. This will not only prevent hospitals from overcharging but also allow insurance companies to develop fair reimbursement rates. Additionally, the regulator can mandate hospitals to follow standardised operating procedures, ensuring a consistent level of care across institutions.

Empowering Patients

A health regulator can empower patients by creating a system to identify and recognize ethical hospitals. This will help patients make informed decisions about their healthcare providers and avoid falling prey to fraudulent practices. Additionally, the regulator can establish a mechanism for patients to file complaints against hospitals, ensuring greater accountability within the healthcare system.

Making Modern Treatments Accessible

A strong health regulator can define parameters and create a technology-based solution to monitor the quality of medical treatments. This would improve the healthcare system by ensuring quality and reducing the focus on problems without concrete solutions. Modern treatments are making significant progress. For example, robotic surgery allows for minimally invasive procedures with quicker recovery times. Additionally, new techniques like transcatheter aortic valve implantation are replacing open-heart surgery for certain procedures. These advancements offer hope for an improved future here quality healthcare is accessible to everyone.

Need for Stakeholder Collaboration

Being a medical practitioner for over 15 years, I have noticed that many doctors in India are underpaid for the services they deliver. India offers high-quality medical care at a fraction of the cost compared to Western countries. This combination of evidence-based medicine (using proven treatment methods) and affordability makes India a leader in medical value travel. This ecosystem holds tremendous economic potential. Therefore, a committee that includes representatives from medical practitioners, hospitals, health insurers, etc., is necessary to ensure a successful implementation of a health regulator.

Challenges and the Road Ahead

While the establishment of a health regulator presents a promising solution, there are challenges to consider. Defining fair pricing for medical procedures will require careful consideration of factors like hospital infrastructure, doctor expertise, and geographical location. Additionally, aligning the interests of various stakeholders, including hospitals, insurance companies, and the government, will be crucial for the success of this initiative.

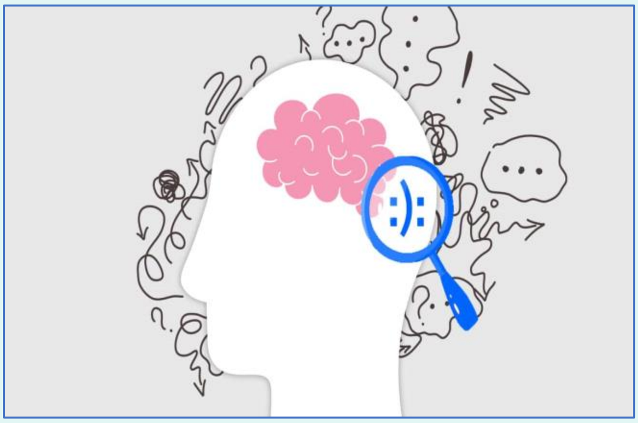
Healthcare Market in India

The Indian healthcare sector has witnessed rapid growth, driven by substantial investments from established corporate hospital chains and new players supported by private equity investors. In 2022, the industry surpassed $370 billion and is projected to exceed $610 billion by 2026. The Indian hospitals market, valued a USD 98.98 billion in 2023, is expected to reach USD 193.59 billion by 2032, growing at a CAGR of 8.0 percent. Additionally, the telemedicine market is forecasted to reach USD 5.4 billion by 2025, and AI applications in healthcare are anticipated to grow at a 45 percent annual rate by 2024. Looking at the growth of the healthcare sector establishing a health regulator in India's healthcare system is imperative for enhancing health insurance penetration. By standardizing pricing, empowering patients, and ensuring quality care, a health regulator can address critical systemic issues and contribute to the country's economic and social development.

(The writer is S Prakash.)

TOP

Go for a health plan that covers mental illness - Financial Express – 25th May 2024



The Insurance Regulatory and Development Authority of India (Irdai) has mandated mental illness to be considered at par with physical illnesses, making it compulsory to be included in health insurance. Taking a plan that offers coverage for out patient department (OPD) services is a prudent step to save yourselves from higher out-of-pocket expenses.

Mental illness may not necessarily require admission in hospital but frequent consultations. The cost of mental health treatments is increasing rapidly. In fact, the average cost of a single psychiatric consultation is `1,500-5,000. Most health insurance plans offer coverage against the hospitalisation costs resulting from a likely mental illness, such as anxiety, traumatic stress, acute depression, and bipolar disorder. This includes overall treatment, diagnostic fees, room charges, ambulance fees, pharmacy expenditures, and more. Several health insurance providers also offer outpatient coverage which includes costs such as rehabilitation, meditative sessions, and consultations.

There is no specific demographic that should consider investing in mental health insurance. Mental illness can affect anyone at any age or point in time. Young adults can also suffer from adverse mental health conditions because of a variety of factors. Increasing sedentary lifestyle, lack of physical activity, high stress levels due to career or life changes also impact mental health of individuals. Everyone should consider buying comprehensive health insurance that covers mental health. Additionally, people who have a history of antidepressant use or have a family background of mental health disorders should also deliberate over obtaining coverage. The same applies to those with documented instances of clinical depression, neurological disorders, personality disorders, sociopathy, or psychopathy. A positive development in the insurance industry is that several insurers nowadays offer plans that cover many mental disorders.

Points to keep in mind

All policyholders need to serve a waiting period in which certain illnesses won't be covered in health insurance. Disclose any pre-existing mental conditions before buying a health insurance policy. If you skip disclosing your illness, then it may lead to rejection of claims later. Similar to other pre-existing conditions, mental illness coverage entails a waiting period of two years. The minimum time of hospitalisation should be 24 hours to claim expenses for hospitalisation for a mental illness. Read the terms and conditions of the policy to know the exact waiting period and coverage. Another thing to keep in mind are exclusions. No health insurance plan provides coverage against psychological disorders or complications due to alcohol or drug abuse, dependence, and withdrawal. It also doesn't provide coverage against self-inflicted injury or suicide attempts.

(The writer is Siddharth Singhal.)

TOP

MOTOR INSURANCE

1.04 Million Motor Accident Claims worth Rs 80,455 Crore Pending Nationwide: RTI - Business Standard – 26TH May 2024

As many as 10,46,163 motor accident claims worth Rs. 80,455 crore are pending across the country and their numbers have increased constantly between 2018-19 and 2022-23, according to an information received through RTI Act. The details have been provided by the Insurance Regulatory and Development Authority of India (IRDAI) in response to the query filed by Supreme Court advocate K C Jain in April.

In his query to the Ministry of Road Transport and Highways (MoRTH), Jain had sought to know the total number of motor accident claims pending in the country with state- and district-wise details. He also sought to know the annual break up of claims instituted, disposed of and remaining during the last five years and the initiatives, if any, taken by the Centre for an early disposal of the motor accident claims. According to IRDAI's information, at the end of the financial years 2018-19, 2019-20, 2020-21, 2021-22, and 2022-23, the number of motor accident claims pending was 9,09,166, 9,39,160, 10,08,332, 10,39,323, and 10,46,163, respectively, with claim amounts of Rs 52,713 crore, Rs 61,051 crore, Rs 70,722 crore, Rs 74,718 crore, and Rs 80,455 crore, respectively.

On regional-level breakup of information, the IRDAI stated, "District-wise and state-wise details of motor third party claims are not available with IRDAI, as IRDAI does not collect or maintain such granular information." Citing the data, the Agra-based lawyer said the number of pending claims has been increasing year by year, and there is also a delay in the disposal of claims for the dependents of deceased and injured persons in road accidents. The road safety activist also raised concerns over the "snail pace" of claim settlements, estimating that it takes an average four years for a victim to get financial relief.

"If we look at the pace of claim settlements, the number of pending cases at the beginning of the financial year 2022-23 was 10,39,323, and the number of new claims received this year was 4,54,944. Thus, the total number of pending claims was 14,94,267, out of which only 4,48,104 cases were settled, which was only 29 per cent of the total cases. Therefore, on average, it is estimated that it takes four years to decide a claim," he said. In the wake of inordinate delays in adjudication of motor accident claims, Jain said he has filed an interlocutory application in the Supreme Court under writ petition (civil), demanding that considering the delay in decision and payment of compensation in road accidents, an interim payment scheme should be formulated by the central government under Section 164A of the Motor Vehicles Act so that victims can get relief. "It is suggested that this amount be at least Rs 5,00,000 for fatal cases and Rs 2,50,000 for injury cases, as per the no-fault liability under Section 164 of the MV Act," he added.

TOP

SURVEY AND REPORTS

Indian LGBTQIA+ community prioritize savings over spending, own life insurance, reveals survey - Outlook India – 30th May 2024

The annual India Protection Quotient Survey (IPQ) study, co-conducted by Max Life Insurance Company, revealed that 9 in 10 respondents LGBTQIA+ community in India prioritised savings over spending. The main metric of the survey Protection Quotient related to life insurance was at 37 points among the community, 17 points down compared to digitally-savvy urban Indians who scored 54 points. The survey was co-conducted by the marketing data analytics company KANTAR in 25 cities, including urban metros, Tier 1 and Tier 2 cities to shed light on the financial preparedness of the LGBTQIA+ community in India in the context of life insurance. LGBTQIA+ community constitutes around 135 million people, approximately 10 percent of India's 1.4 billion population.

TOP

INSURANCE CASES

Landmark ruling: insurance claims for stolen vehicles not to be denied for fir delays in India - Drive Spark – 28th May 2024

A recent order by the Consumer Court in India has ruled that insurance companies cannot reject claims for stolen vehicles solely due to delays in filing a First Information Report (FIR). This decision has significant implications for vehicle owners across the country.

In India, all vehicles must be insured, including third-party liability insurance, which is mandatory. Various insurance options cater to different needs and cover potential losses, including theft. Understanding these options is crucial for vehicle owners.

Case Study: Farmer From Latur District

A farmer from Latur district, Maharashtra, insured his vehicle with Tata AIG General Insurance Company. The vehicle was stolen several years ago. Despite repeated attempts, the police initially delayed filing an FIR. After a long struggle and several protests, the police finally registered the case.

Key Takeaways

Key Points	Details
Insurance Claims	Cannot be denied solely based on delays in filing FIRs.
Police Delays	Not considered the fault of the consumer.
Consumer Awareness	Vehicle owners should understand insurance processes and potential pitfalls.

Consumer Court's Decision The court heard both parties and concluded that denying a claim based solely on the delay in FIR registration was unfair and unreasonable. It clarified that delays caused by police procedures were not the consumer's fault. Consequently, the court directed the insurance company to settle the claim and pay the farmer the due compensation. Implications For Vehicle Owners This order protects consumers' rights and prevents insurance companies from using such delays as a reason for denial. Vehicle owners should be aware of potential claim issues and seek necessary guidance to ensure a smooth claim experience.

(The writer is by Athul.)

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IRDAI CIRCULAR

Circular	***Reference***
Press Release - Health Master Circular	https://irdai.gov.in/web/guest/document-detail?documentId=4943348
Master Circular on Health Insurance Business 29052024	https://irdai.gov.in/web/guest/document-detail?documentId=4942918

TOP

GLOBAL NEWS

Risk-adjusted property-catastrophe reinsurance pricing turns moderate at 1 June – Asia Insurance Review

Property-catastrophe reinsurance market pricing at 1 June 2024 has moderated, after notable rate increases in 2022 and 2023, observes Howden Re, the reinsurance and strategic advisory arm of Howden. In a commentary, Howden Re says that average risk-adjusted property-catastrophe reinsurance rates-on-line are 5% lower within a typical range of -7.5% to – 2.5% at 1 June.

A period of adjustment

The reinsurance market is experiencing a period of adjustment, due in part to a resurgence in dedicated sector capital, which now exceeds 2021 levels, says Howden Re. This recovery, supported by strong ILS inflows, has increased capacity at the top of programmes and led to risk-adjusted rate reductions in higher layers.

Buyers and sellers engaged early in the year, with cedents targeting better terms and conditions to address previous increases in limits and attachments, as well as narrower wordings. Reinsurers exhibited a proactive stance by completing many programmes early, enabling the deployment of increased retrocession capacity as the renewal drew near. This strategic approach enabled some buyers to achieve more favourable terms in what remains a cautious market.

Increased capacity, shifting focus

The ILS market saw a notable increase in activity and competition, with over $3bn of issuance covering Florida perils alone so far this year. Collateralised retrocession capacity has likewise expanded, with capital providers' assets under management growing significantly. Some reinsurers have begun to re-focus on property risks, aiming to grow in peak zones including southwest wind. This shift follows strong performances in 2023, with many reinsurers reporting their best financial results in decades. The increased level of ILS interest reflects a broader market trend towards diversified alternative risk transfer mechanisms, offering reinsurers and cedents more options to manage their exposures.

Mr David Flandro, head of Industry and strategic advisory at Howden Re, added, "The reinsurance market is at a critical juncture. While the recovery of dedicated capital and increased capacity signal a potential softening of rates, the forecasted active hurricane season and other market pressures could counteract these trends. Strategic adaptability and expert guidance are essential in navigating these dynamics."

Vigilance

Whilst there are signs of downward pressure on property-catastrophe reinsurance rates due to capital recovery and increased market capacity, reinsurers remain vigilant. The anticipated active hurricane season and other market factors could still present significant challenges. Howden Re is committed to closely monitoring these developments and working with clients to navigate the evolving market landscape.

TOP

Japan: Strong profitability and capitalisation underpin stable outlook for P&C insurance sector - Asia Insurance Review

Moody's Ratings says that its outlook for Japan's property and casualty (P&C) insurance sector is stable, underpinned by strong overall profitability and capitalisation.
Elaborating on this, Moody's Ratings says:

Geographic diversification will support insurers' overall profitability

The three major P&C insurance groups will continue to diversify their businesses away from their home market, which is highly concentrated on gross natural catastrophe risks and has weak growth prospects due to a shrinking population. Their overseas businesses – which are mainly for corporate clients – account for about 40% of their overall premiums and generate solid profit on the back of several years of premium rate growth that has exceeded increases in insurance loss costs caused by inflation.

Domestic premiums will continue to grow, though modestly

Coverage expansion and rate increases for consumer auto and fire insurance, as well as growing demand for insurance for businesses, will lead to increases in domestic premiums. This will allow them to sustain the profitability of their domestic insurance.

Capitalisation will remain strong, supported by prudent risk management

The major insurers will maintain strong capitalisation as they prudently manage capital generated through retained earnings and divestments of equity holdings.

Asset quality will be stable

Following regulators' mandate, insurers will gradually divest strategic equity shareholdings, unlocking unrealised gains. However, they will use some of the proceeds to invest in other instruments, such as foreign corporate bonds, which will increase their exposure to credit risks, partly offsetting reductions in asset risks from equity holdings.

TOP

Taiwan: Medium-sized non-life insurer improves underwriting profitability to pre-COVID-19 levels - Asia Insurance Review

Union Insurance Company reported materially improved operating results in 2023, driven by a recovery in underwriting profitability to pre-pandemic levels, and the release of reserve provisions for pandemic insurance claims, notes AM Best. Gross premiums written increased moderately, mainly supported by growth in commercial lines and non-motor personal lines. Voluntary motor is the company's largest line of business and has a stable loss ratio.

Union also has booked stronger investment results with the highest net investment yield (including capital gains and losses) over the past five years.

AM Best views Union's improved operating performance as partly due to a one-off reserve provisions release, and Union is expected to deliver positive results through traditional lines underwriting and investment income over the intermediate term.

Ratings affirmed
AM Best has affirmed Union's Financial Strength Rating of 'A-' (Excellent) and the Long-Term Issuer Credit Rating of 'a-' (Excellent). The outlook of these credit ratings is stable.
The ratings reflect Union's balance sheet strength, which AM Best assesses as very strong, as well as its adequate operating performance, neutral business profile, and appropriate enterprise risk management.

The company's balance sheet strength is supported by its risk-adjusted capitalisation, which remained at the strongest level in 2023, as measured by Best's Capital Adequacy Ratio (BCAR). Union's adjusted capital and surplus have largely been restored to pre-COVID-19 pandemic levels. This result was driven by significantly improved operating performance with full profit retention and reserve releases related to pandemic insurance policies. The company's pandemic insurance losses largely settled in the first half of 2023, which should allow Union's capital position to grow through organic capital generation and profit retentions over the short to intermediate term.

Union's investment portfolio has remained liquid and diversified, with the majority of assets invested in cash and domestic investment-grade bonds. The company's reinsurance programme is placed with a reinsurer panel of good credit quality that remains in place despite industry-wide reinsurance rate hikes. The company's risk-based capital ratio remains at a healthy level.

Business profile
Union is a medium-sized player in Taiwan's non-life insurance market and ranked eighth in 2023, based on direct premiums written. Similar to other companies in the market, Union's underwriting portfolio is diversified moderately but slightly skewed toward the motor business, with its other major business lines being the fire and accident business. The company has maintained a diversified distribution channel mix, with major business contributors being car dealers, the direct channel, and brokers.

TOP

Sri Lanka: Regulator introduces Optional Compensation Scheme for auto accident victims - Asia Insurance Review

The Insurance Regulatory Commission of Sri Lanka (IRCSL) has introduced an Optional Compensation Scheme (OCS) through licensed general insurance companies to provide compensation to third-party victims of motor vehicle accidents or their legal heirs. The OCS offers a payout of LKR500,000 ($1,657) on death and up to LKR500,000 for permanent disability, without having to go through court proceedings.

The regulator said, "It's important to note that despite the introduction of this new scheme, the existing legal avenues to seek compensation remain unaffected." Implemented since 1 March 2024, this approach — which the IRCSL describes as a ground-breaking move—was developed in collaboration with the Ministry of Transport and Highways and other key stakeholders in the transport sector. It signifies a noteworthy shift in the insurance landscape, demonstrating IRCSL's commitment to address the needs of third-party accident victims in a more efficient and compassionate manner.

Compensation is provided by the licensed general insurance company that has insured the motor vehicle involved in the accident, at least by a third-party motor insurance cover. To obtain compensation, applicants must complete the designated application form contained in a circular (No. 03 of 2024) issued by IRCSL, along with specified information, and submit it to the relevant insurance company that has insured the motor vehicle involved in the accident, within six months of the death or permanent disability caused by the accident.

Compensation will be paid to the victim or his/her legal heirs. In case of death, the legal heirs will receive LKR500,000, while those facing permanent disability may receive up to LKR500,000, subject to the limits outlined in the circular. It's worth noting that to qualify for compensation, the death or permanent disability must result from the motor vehicle accident and occur within 12 months of the accident. The regulator also said, "This initiative showcases the IRCSL's dedication to providing timely and meaningful support to accident victims and their families. If the compensation provided under this scheme is insufficient, victims or their heirs have the right to pursue legal action to seek appropriate compensation."

TOP

China predicted to contribute 17% of additional life insurance premiums globally over next 10 years - Asia Insurance Review

China alone will generate around 17% of the overall global additional premiums, adding $256bn between 2025 and 2034, according to Swiss Re Institute (SRI). In its new sigma study, "Life insurance in the higher interest rate era: asset-savvy is the new asset-light", SRI estimates that advanced markets will generate $900bn or 61% of additional premiums in absolute terms in the next decade while emerging markets will contribute an additional $578bn or 39%. SRI forecasts an additional $1.5tn in global insurance savings premiums over the next decade, as consumers are moving to buy life-savings products that secure higher retirement incomes. As a result, total global premiums are forecast to grow to $4tn by 2034. In contrast, global life insurance premiums grew by only $300bn in the entire low interest-rate decade of 2010 to 2019. The institute said that higher interest rates around the world are transforming the outlook for life insurance growth and profitability. Savings products are attractive to consumers after a decade of weak demand and low returns.

Swiss Re group chief economist Jerome Haegeli said, "Higher interest rates are a game changer, providing life insurance and pension products a tailwind to much better tackle the retirement savings challenges of ageing demographics. Savings products are attractive again as a direct consequence of normalising interest rates. Higher investment yields also benefit long-duration protection products." Swiss Re CEO life & health reinsurance Paul Murray said, "Higher interest rates give consumers more attractive options to secure their retirement income and we are seeing very positive market growth for life insurance to meet this need. Higher interest rates also allow insurers to meet their cost of capital. Reinsurers can furthermore support life insurers by freeing up capital, boosting underwriting capacity, and focusing on product innovation for capital-light growth."

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Philippines: Insurance industry chalks up 45% jump in 1Q net profits - Asia Insurance Review

The insurance industry saw its net income soar by 45% to more than PHP14.29bn ($246m) in the first quarter of this year, compared to PHP9.86bn in the corresponding quarter in 2023, according to data from the Insurance Commission (IC). The results led the share of the sector to the country's gross domestic product (GDP) to improve to 1.78% in 1Q2024 from 1.75% in 1Q2023. Of the total PHP14.29bn, life insurance business accounted for PHP9.65bn or 68% of the total. The net result for life business is 50% higher than the PHP6.5bn generated in 1Q2023. The growth was driven by the 12% increase to PHP87.66bn in premium revenue as both variable unit life (VUL) insurance policies and traditional life insurance posted growth.

Non-life market

In contrast, the net result of the non-life insurance segment slid by 4% to PHP2.52bn in the first three months of this year from PHP2.63bn in the corresponding quarter in 2023. This followed a 1.3% dip in non-life premiums earned during the first quarter of this year to PHP15.99bn. Mutual benefit associations (MBAs) reported a net surplus of PHP2.12bn in 1Q2024, more than double the figure posted in 1Q2023. The MBAs increased their premiums by 3% year on year to PHP3.88bn in 1Q2024. Expenses fell by 28% to PHP1.81bn. The 1Q2024 insurance data came from the submissions of 129 out of the 132 licensed insurers and MBAs.

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COI Training Programs

Mumbai – June 2024

Sr. No.	Program Name	Program Start Date	Program End Date	Details	Registration Link
1	Reinsurance Program: International (RPI)	10-Jun-24	15-Jun-24	ClickHere	Register
2	Cutting Edge Marketing Strategies for Branch/Unit Leaders of Life Insurance	10-Jun-24	10-Jun-24	ClickHere	Register
3	Understanding Life Insurance Operations for Middle Level Managers	10-Jun-24	11-Jun-24	ClickHere	Register
4	Risk Inspection- Methods & Reporting	12-Jun-24	13-Jun-24	ClickHere	Register
5	Workshop on Soft Skills for team leaders	12-Jun-24	13-Jun-24	ClickHere	Register
6	Techniques for Telemarketing Teams in Insurance	13-Jun-24	14-Jun-24	ClickHere	Register
7	Basics of Life Insurance for New Recruits	14-Jun-24	14-Jun-24	ClickHere	Register
8	Life Insurance Marketing for Brokers	18-Jun-24	19-Jun-24	ClickHere	Register
9	Creating High performers in BancaChannel	18-Jun-24	18-Jun-24	ClickHere	Register
10	Liability Insurance: Focus - Casualty Lines	20-Jun-24	21-Jun-24	ClickHere	Register
11	Program on AML-KYC-CFT Requirements	20-Jun-24	20-Jun-24	ClickHere	Register
12	Principles of Valuation of Life Insurance Companies	21-Jun-24	21-Jun-24	ClickHere	Register
13	Compliance Management for Principal Officers of Corporate Agents, Banks	24-Jun-24	24-Jun-24	ClickHere	Register
14	Insurtech and Agriculture	21-Jun-24	21-Jun-24	ClickHere	Register
15	Motor OD Insurance - Underwriting and Claims	26-Jun-24	27-Jun-24	ClickHere	Register
16	Liability Insurance: Focus Cyber & Crime	27-Jun-24	28-Jun-24	ClickHere	Register
17	Forensic Science in Insurance Investigations	27-Jun-24	27-Jun-24	ClickHere	Register
18	Compliance 2.0 – An upgrade for Principle based Regulatory Regime	27-Jun-24	28-Jun-24	ClickHere	Register

Kolkata – June 2024

Sr. No	Program Name	Program Start Date	Program End Date	Details	Registration Link
1	Annuities as a Distinct Marketing Too-CT Kolkata	12-Jun-24	12-Jun-24	ClickHere	Register
2	Managing Liability Insurance: Marketing, Underwriting and Claims (Other than Motor TP and Cyber Liabilities)-CT Kolkata	13-Jun-24	14-Jun-24	ClickHere	Register
3	Renewable Energy Insurance - The emerging opportunities-CT Kolkata	27-Jun-24	28-Jun-24	ClickHere	Register
4	Paradigm Shift in Life Insurance Underwriting-CVT Kolkata	28-Jun-24	28-Jun-24	ClickHere	Register

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Courses offered by COI

CC1 - Certificate Course in Life Insurance Marketing

Course Structure –

Particulars	Details
Date	6th July 2024
Duration of the course	4 months
Mode of Teaching	Self-study + 3 days Online Contact Classes
Total hours of Teaching	18 hours for Online Contact Classes (to solve queries)
Exam pattern	MCQ pattern + Assignments
Target Group	Graduate / Post Graduate, Freshers as well as employees working in Insurance Companies
Fees for the course	Rs. 5900/- (Rs. 5000/- + 18% GST)

CC2 - Advanced Certificate course in Health Insurance

Course Structure –

Particulars	Details
Date	6th July 2024
Duration of the course	4 months (3 hours on weekends)
Mode of Teaching	Virtual Training – COI, Mumbai
Total hours of Teaching	90 hours
Exam pattern	MCQ pattern
Target Group	Graduate / Post Graduate, Freshers as well as employees working in Insurance Companies
Fees for the course	Rs. 11,800/- (Rs. 10,000/- + 18% GST)

CC3 - Certificate Course in General Insurance

Course Structure -

Particulars	Details
Date	6th July 2024
Duration of the course	3 months (on weekends)
Mode of Teaching	Virtual Training - COI, Kolkata
Total hours of Teaching	100 hours
Exam pattern	MCQ pattern
Target Group	Fresh graduates/Post Graduates, Broking Companies, Insurance Companies, Freelancers
Fees for the course	Rs. 14,160 /- (Rs. 12,000/- + 18% GST)

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

Course Structure -

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

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

Post Graduate Diploma in Collaboration with Mumbai University

Post Graduate Diploma in Health Insurance (PGDHI)

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

Post Graduate Diploma in Insurance Marketing (PGDIM)

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