



INSUNEWS

- WEEKLY E-NEWSLETTER

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QUOTE OF THE WEEK

“For success, attitude is equally as important as ability.”

WALTER SCOTT

Insurance Term for the Week

Guaranteed Insurability Rider

A Guaranteed Insurability Rider is an optional feature added to a life insurance policy that allows the policyholder to purchase additional coverage at specific times in the future without further underwriting. It provides flexibility and convenience by eliminating the need for new applications or medical exams when increasing coverage.

Key Takeaways

- **Guaranteed Insurability Rider:** An additional benefit that allows increasing coverage without a medical exam or being denied due to health conditions.
- **Impact on Premiums:** Adding coverage through the rider increases premiums based on age, not health.
- **Health Rating and Qualification:** The same health rating is used for the extra coverage, regardless of new health issues.
- **Benefits:** Flexibility to increase coverage in the future, protection against future health issues, and regular insurance review reminders.
- **Considerations:** Suitable for whole life policies, limited use for term life insurance, and may not be necessary if sufficient coverage is already in place.

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INSURANCE INDUSTRY

How technology is revolutionising customer experience in the insurance industry - ABP News - 1st June 2023



For centuries, the insurance industry has been steeped in tradition, characterised by laborious manual processes and an abundance of paperwork. But as the world becomes increasingly digitised, the insurance industry has been forced to adapt to keep up with the times. With the advent of cutting-edge technologies like artificial intelligence (AI), machine learning (ML), and blockchain, the industry is undergoing a revolutionary transformation. These technological advancements are enabling insurance companies to streamline their operations, improve customer experience, and boost fraud detection capabilities.

Expanding Insurance Market in India

The insurance industry in India is experiencing remarkable expansion, fueled by the growing utilisation of technology to foster innovation and cater to the demands of a digitally inclined populace. Recent reports indicate that the Indian insurance market reached a significant milestone, amounting to \$131 billion in FY22, and it is projected to surge to an impressive \$222 billion by FY26. This substantial growth underscores the nation's embrace of insurtech and highlights the potential for further advancements in the sector.

Let's look at how the Indian insurance industry is undergoing a significant transformation through the integration of advanced technologies like AI, ML, and blockchain:

AI: Empowering Insurance Processes

Artificial intelligence is revolutionising the insurance industry by automating time-consuming tasks, reducing operational costs, and enhancing decision-making processes. In India, insurance companies are increasingly leveraging AI to streamline various processes, such as underwriting, claims processing, and customer service. Through advanced algorithms, AI systems can quickly analyze vast amounts of data to assess risk, determine premiums, and expedite claims settlement.

Moreover, AI-powered chatbots and virtual assistants are being deployed by insurance companies to provide personalised customer support around the clock. These intelligent assistants can answer policy-related queries, provide instant quotes, and guide customers through the claims process. This automation not only enhances efficiency but also improves the overall customer experience by reducing response times and ensuring consistent service.

ML: Enhancing Risk Assessment and Fraud Detection

Machine learning algorithms have the ability to analyze complex patterns and trends within insurance data, enabling more accurate risk assessment and fraud detection. In India, where insurance fraud is a significant concern, ML is proving to be a valuable tool for insurers to identify suspicious claims and fraudulent activities.

By analyzing historical claims data, machine learning models can identify patterns indicative of fraudulent behaviour. This helps insurers flag potentially fraudulent claims for further investigation, reducing losses and protecting the interests of genuine policyholders. ML algorithms continuously learn and adapt from new data, improving their ability to identify evolving fraud patterns and stay ahead of fraudsters.

Blockchain: Transforming Trust and Transparency

Blockchain technology is revolutionising the insurance industry by providing a decentralised and immutable record of transactions. In India, where trust and transparency are crucial, blockchain has the

potential to transform various aspects of insurance, including policy management, claims settlement, and identity verification.

By utilising blockchain, insurance companies can create smart contracts that automatically execute policy terms and conditions. This eliminates the need for intermediaries, reduces administrative costs, and ensures trust among all parties involved. Additionally, blockchain-based identity verification systems enable insurers to securely and instantly verify customer information, reducing the risk of identity theft and fraud. By embracing technology, insurers in India are well-positioned to meet the evolving needs of their customers and capitalise on the opportunities offered by a digitised insurance landscape.

(The writer is Ravi Mathur.)

TOP

Universal cover: On the IRDA's all-in-one insurance policy – The Hindu – 31st May 2023



Last week, the chief of India's insurance sector regulator unveiled a fresh blueprint to cover a larger portion of the population against risks of adverse shocks, with an eye on insuring everyone by 2047. The lynchpin of this "UPI-like moment", being pursued by the Insurance Regulatory and Development Authority of India (IRDAI) to bridge the country's "huge protection gaps", is envisaged to be a simple, all-in-one insurance policy.

This bundled 'Bima Vistaar' scheme, being worked out with life and general insurers, would provide households with expeditious monetary support in case of medical emergencies, accidents, thefts or a death in the family. With awareness about the benefits of insurance still quite

low, the regulator has proposed a women-led Gram Sabha-level initiative to educate every household's female head about how such a scheme could come in handy at times of distress. A new 'Bima Sugam' platform would integrate insurance players and distributors to give customers a one-stop shop experience to begin with, and facilitate claims servicing going forward. Linking States' digital death registries to the platform, the regulator believes, could enable life insurance claims to be settled within hours or a day at the most.

A legislative reboot is also on the anvil to ease capital requirement norms and allow a slew of new players to enter the market and serve the untapped needs of niche and specialised segments. Over two decades after the entry of private players into the once moribund public sector-led industry, India's insurance penetration (the ratio of premium payments to GDP) has risen — from 2.7% in 2001-02 to 4.2% in 2021-22. In fact, there has been a slide in the metric over the past decade from 5.2% in 2009-10, with non-life policies yet to surpass the 1% mark. Given the sheer size of India's population and poor financial literacy levels, the imperative to break from the status quo is unquestionable.

The IRDAI's move to rope in State governments and set up bodies similar to State-level banking committees would help formulate granular district-wise strategies for raising awareness and coverage levels. Industry players also need to look beyond the top cities and the 'Bima Vistaar' scheme could catalyse the volumes they need to get out of comfort zones. Most of all, the Centre needs to rethink the 18% GST levy on health and life insurance premia. The notion that those who can afford to buy health cover can afford to pay so much tax is untenable in a country where one health calamity can push a household below the poverty line. Ensuring continuity of leadership at IRDAI is equally critical — situations such as the nine-month vacuum at its helm before the current chairperson's tenure are simply unacceptable.

TOP

With the support of their employees, WTW marks a successful 30-year-long run in India - The Economic Times - 31st May 2023

WTW, a global advisory, broking and solutions company, reached the 30-year milestone of their journey in India, and they have emerged as one of the giants in the Indian industry. Famed worldwide for providing data-driven, insightful solutions in the areas of people, risk and capital in over 140 countries, WTW's colleagues are their biggest asset in the success they have managed to achieve in the country. India is the third-largest country for WTW employees based outside the US and UK, and the company has a significant presence locally. The firm also helps organisations sharpen their strategy, enhance organisational resilience, motivate their workforce and maximise performance. Since 1828, WTW has been putting clients first. It takes a collaborative approach to deliver its best to clients every day by bringing a One WTW experience to them. This means new and better ways to help them in the areas of people, risk and capital, acquiring industry-leading capabilities and offering targeted solutions to address today's complex challenges and transform tomorrows.

Humble Beginnings

What started in 1992 as a modest, four-member pilot project expanded into a firm with 20 colleagues in two years. The millennium brought a milestone moment for WTW as they began supporting the US business and brought their three offices under one roof in Vikhroli. Fast forward to 2023, WTW's India Global Delivery Center has more than 4,000 employees across four locations in addition to colleagues in their broking and consulting business. The center supports WTW businesses globally and is designed to deliver best-in-class service with a focus on innovative technology and a robust operations model.

Sudhir Mahadevapura, Managing Director, WTW India Global Delivery Center says, "Three decades in India reflect the depth and scale of talent the country provides. We are committed to leveraging this invaluable asset to grow and transform our business further. All of our service offerings are expanding, allowing us to onboard the best and grow existing talent. These are exciting times for us, as we look to build on our strong foundation further."

Inclusive and Thriving Work Culture

A rewarding work culture is something that is primarily valued by employees, as it gives them the opportunity to thrive and achieve their true potential. WTW is renowned for its unique employee experience; they are committed to creating an inclusive environment where employees feel they can bring their authentic selves to work each day and feel appreciated. The organisation is also well-known in the talent market for their flexible work arrangements and an overall focus on employee wellbeing. This, coupled with a strong emphasis on continuous learning and numerous career development opportunities, is what makes WTW special.

Anupama Subramanian, Director - Office of the General Counsel, Human Resources and Communication & Employer Branding, WTW India Global Delivery Center says, "At WTW, we firmly believe in having an environment where colleagues can be their true selves and therefore, bring their best to work! I see several examples of colleagues living our values each day and the quality of having each others' backs is intrinsic to our culture. Our people thrive, develop, progress and focus on our clients every single day."

WTW India Global Delivery Center is proud of their 1:1 gender ratio. This year, they were honoured with three awards at the DivHERsity Awards 2023 organised by JobsForHer - Top3 Companies By Industry - Banking/Financial Services/Insurance, Top5 Most Innovative Practices - DivHERsity Hiring, and Top20 Most Innovative Practices - Women L&D Programs. They were also proud to receive the National Best Employer Brand award at Times Ascent's - World HRD Congress.

They have defined their employee value proposition as - Authentic, Curious, Bold:

- Authentic: We see the human in everything we do
- Curious: We step into the unknown, together
- Bold: We're fiercely proud of what we do, how we do it and who we do it with

Dhiren Rajput, Senior Advisor, Broking and Client Servicing Operations at WTW says that it is truly an exciting time to join the organisation. “To be a part of a legacy built over 30 years is definitely an honour. The culture here is open and respectful, and I look forward to our journey ahead,” he adds.

Deepa Vasudevan, who has been working with the company for 22 years says that WTW’s culture is unmatched. “At WTW, it’s the culture that stands out - one where clients and colleagues are at the center of everything we do. I joined the company 22 years back and have seen my career transform remarkably ever since,” she said. WTW India uncovers opportunities for sustainable success and provides a unique perspective for their business and employees alike. Furthermore, they are committed to investing in existing and new talent to support the growth of their business in India.

TOP

Insurance plan that can help save tax in the new financial year – Live Mint – 29th May 2023

The new financial year has begun, and people are looking at options which can help increase their wealth, give financial protection to the family and can also help save taxes. While investment tools like mutual funds/ PPFs/ FDs/ NPS etc. can help create wealth and save tax, multiple insurance products in life and health insurance categories can help individuals in safeguarding their finances, along with tax saving.

In health insurance, individuals can save tax under Section 80D, where the policyholder can get a deduction of upto INR 25,000 for his/ her health insurance, as well as for the spouse and children. The policyholder can also get a deduction upto INR 50,000, if the parents are above 60 and deduction of INR 25,000, if parents are below the age of 60. Policyholders (Under Hindu Unified Family) who are paying for any disabled family member, can get exemptions upto INR 1.25 lakh under Section 80D. People can also get tax exemption of upto INR 5000, for preventive health check-up, under section 80D; this tax exemption can be claimed on behalf of the policyholder or his/ her spouse, children and even parents.

In case of life insurance plans, an individual can claim a tax deduction of up to INR 1.5 lakh on premiums paid towards life insurance policies under Section 80C. This deduction is available for policies that cover the individual, his/ her spouse and children. However, it is important to note that the life insurance policy must have a minimum term of 5 years to be eligible for tax deduction. Government has also revised the tax rules under ULIPs, where the proceeds from ULIPs will lose their tax-exempt status if the total premiums for all ULIP policies held by an individual surpass INR 2.5 lakh annually, under Section 80C. While life and health insurance policies can help individuals with tax saving, people should not look at buying these policies only for tax saving purpose. Both life and health insurance are significantly important for protecting an individual and his/ her family from any kind of unprecedented circumstance.

(The writer is Indraneel Chatterjee.)

TOP

Arrival of Bima Sugam, a watershed moment for Insurance Industry: Leaders – The Economic Times – 29th May 2023



The Insurance Regulatory and Development Authority of India (IRDAI), last week shared its plan to soon roll out Bima Sugam, a one-stop online marketplace where all life and general insurance policies will be listed. The platform, which is expected to be live by 1st August, 2023, could be a UPI-like (united payment interface) moment for the industry, Debasish Panda, Chairman, IRDAI said at the CII Annual Session 2023. “We are working with insurance councils to create a UPI-like moment for the insurance industry. The conceptual framework is in place. The execution will start soon,” he said. Insurance leaders believe the arrival of Bima Sugam, which they are also referring to as the 'Amazon of Insurance', to be a watershed moment for the Industry.

Sanjeev Mantri – Executive Director, ICICI Lombard, pointed out that the regulator in the past year has announced a slew of revolutionary reforms and now the much anticipated roll out of Bima Sugam on 1st August will truly mark a watershed moment for the insurance industry. Bima Sugam, potentially the first of its kind online insurance marketplace globally, will serve as the ‘Amazon of insurance’ for the customers offering convenience, wide access to products, seamless digital journey and better pricing, he said.

The launch is expected to happen in the next few months. The General Insurance Council, Life Insurance Council, brokers associations, among others will collectively be the key stakeholders, and efforts are underway to develop the platform, highlighted Adarsh Agarwal, Chief Distribution Officer, Digit Insurance. Bima Sugam will immensely bring down co-dependencies of various systems and improve turnaround times of the entire insurance journey. This will hugely benefit customers as their buying decisions will improve. Rapid adoption of the Bima Sugam platform will surely boost growth of insurers, he added.

Applauding the proactive and forward-thinking approach taken by the regulator, Sharad Mathur, MD & CEO, Universal Sompo General Insurance also said that the industry recognizes the importance of adapting to changing market dynamics and evolving customer expectations. Bima Sugam initiative introduced by the IRDAI marks an important milestone in the evolution of the insurance industry and driving positive transformation in the sector, he added.

(The writer is Sheersh Kapoor.)

[TOP](#)

Why IRDAI’s All-in-One insurance policy initiative a game changer – Outlook India – 26th May 2023



The Insurance Regulatory and Development Authority of India (IRDAI) has embarked on an ambitious initiative to address the country’s low insurance penetration. IRDAI’s “Bima Trinity,” an affordable bundled product, aims to provide citizens with comprehensive health, life, property, and accident coverage. This plan also expedites claim settlements by integrating death registries onto a common industry platform. If successfully implemented, households across India can benefit from the all-in-one policy, offering extensive protection, quick claim settlements, and value-added services, like gym or yoga memberships.

Bima Trinity: Revolutionising India’s Insurance Coverage

The IRDA recognises the significant gaps in insurance coverage that persist in various sectors, including life, health, motor, property, and crops. In response, they are striving to create a transformative “UPI-like moment” in the insurance industry through their Bima Trinity plan, involving collaboration with general and life insurance firms. This comprehensive approach aims to provide citizens with a bundled insurance solution that addresses multiple risks while ensuring affordability and accessibility.

Streamlining Claim Settlements: Expediting Payouts & Simplifying Processes: Under the Bima Trinity plan, a unified platform called Bima Sugam will integrate insurers and distributors, streamlining the insurance process and creating a one-stop shop for customers. Policyholders can make service requests and settle claims conveniently through this platform. Simultaneously, the development of Bima Vistar, a comprehensive risk cover bundled product, aims to expedite claim settlements. With parametric triggers that eliminate the need for surveyors, Bima Vistar promises faster claim payouts, ensuring that defined benefits are promptly credited to the policyholder's bank account. These advancements in claim settlement procedures hold the potential to revolutionise the insurance experience for policyholders in India.

Towards Inclusive Insurance: State-Level Committees & Value-Added Services: To achieve the goal of providing insurance cover for all by 2047, the IRDA is considering the formation of state-level insurance

committees, akin to those in the banking sector. Collaborating with state governments, these committees will devise district-level plans to offer localised insurance solutions that cater to the diverse needs of the population. Furthermore, the IRDAI is proposing amendments to insurance laws that would enable insurers to offer value-added services alongside their policies. These changes aim to make insurance more appealing by providing additional benefits such as gym or yoga memberships and nursing services for distant parents. By introducing differentiation in the industry and catering to various geographical regions and population segments, the IRDAI strives to enhance insurance coverage and make it more inclusive for all citizens.

With the implementation of the all-in-one policy plan and the proposed amendments to insurance laws, the IRDAI anticipates a significant boost in insurance coverage, bridging the existing protection gaps in India. These comprehensive measures aim to make insurance more accessible, affordable, and convenient for citizens across the country, ultimately contributing to the growth of the insurance sector and the overall economy.

(The writer is Meghna Maiti.)

TOP

The Impact of technology on the Indian insurance industry – The Times of India – 26th May 2023



Economic Survey 2022-2023 observes that India is poised to emerge as one of the fastest-growing insurance markets in the coming decade. The insurance industry has seen massive drives over the last few years, with insurance penetration increasing from 2.7% in 2000 to 4.2% in 2020-21 in the country. However, the proportion of the uninsured and underserved continues to be significant. The underserved population includes people living in rural areas, Tier 3/4 cities, low income households and those working in the informal sector. This population often faces financial instability and are at a risk of being pushed further into poverty due to unforeseen events like illness, accidents or natural disasters.

Factors like rising awareness about the need for insurance, enhanced governmental support through launch of new programs, opening up of regulations have helped create inroads into the under-served segment. The government has launched several initiatives to promote insurance awareness and incentivize people to purchase insurance products. For example, the Ayushman Bharat Yojana that provides for family coverage in the poor and vulnerable segment or Pradhan Mantri Jeevan Jyoti Bima Yojana, a government-backed life insurance scheme, offering life insurance cover at a nominal premium of appx Rs. 1 per day. However, more needs to be done to accelerate this process, and technology led models could be the game changer.

The under-served segment faces challenges at multiple levels:

- Availability of suitable products that help them cover their specific financial risks while at the same time being affordable
- Easy access to the products and a trusted partner to take them through the process of explaining the product to actual usage and claim settlement

Technology has had a transformative impact on the insurance industry. Insurtech is being seen as a way to bridge the gap by leveraging technology to offer affordable and accessible insurance products to low income customers, customer in remote areas. The industry has been able to disrupt by means of reducing costs, increasing efficiency and providing better service models to customers through technological advancements.

The problem of access: In the past, the only means of reaching the end customer in this segment was through a physical presence, however, with greater availability of mobile phones including smart phones, internet and other digital platforms, touch points have increased. This has also helped reduce customer acquisition costs to a certain extent. Digital issuance has been increasing and with IRDAI allowing issuance through Digilocker, the process has received a major boost. Additionally, initiatives like the Ayushman Bharat Digital Mission (ABDM) (that is creating the necessary digital health infrastructure) reinforce the government's focus on digital.

The problem of suitable products: With increasing digital behaviour and history, companies are able to use data analytics and AI for risk assessment and product pricing thus enabling newer product development for this market. Technology has enabled insurance companies and insurance distributors to reach out to a wider population and offer customized insurance products and services that cater to the specific needs of the underserved population. In addition, digital platforms are enabling insurance providers to offer more flexible insurance products such as pay-as-you-go or on demand insurance. These products allow customers to purchase insurance coverage when they need it, providing more affordable and accessible insurance for the new to insurance target population.

The problem of a viable distribution model: Financial Institutions have the willingness and the appetite to design products for this segment. However, the dearth of suitable and commercially viable distribution models was one of the factors for under penetration of formal financial services, especially insurance and savings in this segment. Evolution of newer digital marketplace or embedded insurance distribution models are increasing access points for the end customers. Marketplace offers a plethora of choices of suitable multiple products from different insurance companies to choose from while embedded insurance models help provide access to insurance by bundling it with another product or service. Eg. Rural based institutions have been working across the country over the last several years, bundling insurance with existing offerings which helps leverage an existing network of trust.

Reduced costs of service: Technology has made it easier for insurance companies and Distributors to onboard clients digitally and process claims, which is an important factor for enhancing penetration of insurance products in low-income segments. Insurtech companies are using AI and machine learning to automate claims processing, thereby reducing the turnaround time for claims settlement. The ease of onboarding as well as access to insurance benefits helps add to customer loyalty and trust and initiates a behavioural change. According to PwC, the use of AI and ML in claims processing can reduce processing time by upto 90%.

Challenges and Limitations: While the impact of technology on the insurance sector in India has been largely positive, there are some challenges and limitations that need to be addressed. One of the significant challenges is the lack of digital literacy among the underserved population, which makes it difficult for them to understand and access online insurance products and services. Additionally, there is a need to address cybersecurity concerns and protection of individual customer data.

TOP

INSURANCE REGULATION

Irdai issues draft Bima Vahaks guidelines - The Economic Times - 1st June 2023

Regulator Irdai on Thursday came out with draft guidelines for 'Bima Vahaks (BV)', which seeks to establish a dedicated distribution channel at the level of Gram Panchayats. The guidelines propose Corporate Bima Vahaks and Individual Bima Vahaks for the distribution channel. Corporate Bima Vahak would be legal persons registered in accordance with the respective laws and engaged by an insurer. Individual Bima Vahak could be any individual appointed by an insurer or appointed by a Corporate Bima Vahak.

The BVs, both corporate and individual, would be authorised to undertake activities like the collection of proposal information, and KYC documents and coordinate claims-related services. "Every Insurer shall remain responsible for ensuring KYC and AML (anti-money laundering) compliance with respect to the

policies sourced through Individual Bima Vahaks and Corporate Bima Vahaks," said the draft on which Irdai has invited stakeholders' comments till June 22. As per the draft, every insurer would have to make available optional modes for payment of premiums by prospects or policyholders. Also, Bima Vahaks should be encouraged to adopt electronic payment processes facilitated by the insurers to enable direct remittance of premiums, it added.

Irdai said the objective of BV is to establish a dedicated distribution channel that is focused on enhancing insurance inclusion and creating awareness in every Gram Panchayat, thereby improving accessibility and availability of insurance in every nook and corner of the country. Another objective is to identify and develop resources locally who understand and appreciate local needs within every Gram Panchayat and village, especially encouraging, the onboarding of women, who can gain the trust of locals as Bima Vahaks for distribution and servicing of insurance products.

TOP

IRDA plans to allow insurance firms to sell mutual funds: Know the pros & cons – Outlook – 26th May 2023



Debasish Panda, the Chairman of the Insurance Regulatory and Development Authority of India (IRDAI), has supported a proposal to allow insurance companies to sell mutual funds. Due to the interconnected nature of the financial services industry, IRDAI believes a one-stop solution would enhance accessibility and availability of financial services. It will also contribute to financial inclusion and promote greater access to a wide range of financial products and services.

It aligns with a finance ministry proposal to explore allowing insurers to offer a range of financial products, including mutual funds. In the past, insurance companies had

introduced products similar to mutual funds. Earlier, we had bancassurance, banks selling insurance, but that, too, has pros and cons. Currently, insurance companies can launch schemes that invest in portfolios resembling traditional mutual funds. If the latest proposal becomes a reality, it will have several pros and cons.

Convenience: Customers can access mutual funds through the same platform or provider they already have insurance policies with, making it convenient to manage their investments in one place. Customers would benefit from streamlined communication by having a single financial adviser or agent who can address their needs across multiple financial touch-points. This centralized approach simplifies the customer experience, allowing for efficient and effective communication with a dedicated professional who can provide guidance and support. **Lower Costs:** Furthermore, insurance companies selling mutual funds can potentially benefit from lower operational costs. Costs reduction could result from economies of scale as insurance companies have a large customer base and a wide existing network.

This cost optimization has the potential to translate into more affordable solutions for customers, resulting in increased accessibility and cost-effectiveness of financial products and services. They can also use shared resources such as back-office support, customer service centers would also lead to cost efficiency/

Familiarity & Trust: Existing insurance customers may already have a relationship with the insurance company, which can provide a level of familiarity and trust when considering mutual fund investments.

Financial Planning: Insurance companies offering mutual funds may have financial planning tools and resources to help customers make informed investment decisions and align their investments with their overall financial goals. However, as mentioned there are some cons too.

Limited Options: Insurance companies may have a limited selection of mutual funds available compared to dedicated mutual fund providers. This can restrict the choices for customers who prefer a wide range of investment options.

Potential Bias: Insurance companies may promote their own proprietary mutual funds or funds from affiliated companies, which may not always be in the best interest of customers. This could lead to potential conflicts of interest. In the case of bancassurance, there have been instances when bank executives have sold ULIP policies to senior citizens with the promise of fixed returns.

Lack Of Specialization: Insurance companies primarily focus on insurance products, and their expertise in managing mutual funds may not be as specialized as dedicated asset management firms. Customers may miss out on the expertise of specialized mutual fund managers.

(The writer is Meghna Maiti.)

TOP

LIFE INSURANCE

ULIP debt funds back in focus after debt mutual funds taxation. Here's the top performing funds – Moneycontrol – 2nd June 2023



Post the amendment to the Finance Bill 2023 that took away the indexation benefit and long term capital gain tax benefit away from debt mutual funds, they have now come on par with the Bank Fixed deposits (FDs) in terms of taxation. Meanwhile, the maturity proceeds received from the Unit Linked Insurance Plans (ULIPs) enjoy tax free status subject to some conditions. Simply put, as per the current rule, after the lock-in period of five years, the maturity amount is tax-free if your annual premium paid for the ULIP will be Rs 2.5 lakh and below. The proceeds from ULIPs will lose their tax-exempt status if the total premiums for all ULIP policies (single or multiple) surpass Rs. 2.5 lakh annually. Capital gain tax is applicable on those maturity proceeds. This makes ULIP

debt funds are more attractive for small investors than the debt mutual funds and bank FDs.

The debt funds offered under ULIP plans are likely to gain more investors' attention. "There is no other alternative fixed-income option which will give similar superior risk-adjusted returns to the policyholder, with the additional benefit of tax", says Arun Srinivasan, Head – Fixed Income, ICICI Prudential Life Insurance. Bank FDs come with penalty charges for premature withdrawals, although they've been in focus too, thanks to high prevailing interest rates. Here's where ULIP debt funds retain a bit of the lustre. ULIP debt funds offer the flexibility to switch between funds and the added tax benefit make them a compelling buy to create long-term wealth adds Srinivasan. Most insurance companies provide this facility of switching among the fund options for free of charge. "Matured investors can predict the market correctly to benefit from such switches" says Melvin Joseph, Managing Partner of Finvin Financial planners. However, Joseph cautions on the entry charge, policy administration charge, mortality charge etc which will reduce the return on investment from the ULIP funds.

Here, we compiled the list of medium to long duration ULIP debt funds from Morningstar.in. We further shortlisted the funds based on the 5-year rolling returns that were calculated from the last ten years' NAV history. We selected only the funds offered for the plain vanilla life policies and excluded the funds pertaining to the pension and health policies. Also, only funds with track record of above 10-years were considered. These ULIP funds delivered similar returns to that of the debt mutual funds. The returns shown in the below slides were adjusted to fund management charges but not adjusted to other charges such as premium allocation, policy administration etc that ULIPs levy.

- ULIP Fund Name: ICICI Prudential Life - Protector Fund II
Launch Date: 20-May-2004
Portfolio allocation (G-secs: Corporate debt: Money market & Cash): 36:62:2
Modified Duration: 5.08 Years

- ULIP Fund Name: Tata AIA Life - Whole Life Income Fund
Launch Date: 6-Feb-2007
Portfolio allocation (G-secs: Corporate debt: Money market & Cash): 68:22:10
Modified Duration: 4.2 Years
- ULIP Fund Name: HDFC Life - Secure Managed Investment Life
Launch Date: 2-Jan-2004
Portfolio allocation (G-secs: Corporate debt: Money market & Cash): 51:44:5
Modified Duration: 4.3 Years
- ULIP Fund Name: ICICI Prudential Life - Protector Fund IV
Launch Date: 27-Aug-2007
Portfolio allocation (G-secs: Corporate debt: Money market & Cash): 47:40:13
Modified Duration: 4.3 Years
- ULIP Fund Name: Tata AIA Life - Bond Fund
Launch Date: 13-Jan-2009
Portfolio allocation (G-secs: Corporate debt: Money market & Cash): 67:30:3
Modified Duration: 4.4 Years
- ULIP Fund Name: Aditya Birla Sun Life - Individual Income Advantage Fund
Launch Date: 22-Aug-2008
Portfolio allocation (G-secs: Corporate debt: Money market & Cash): 57:39:4
Modified Duration: 6 Years
- ULIP Fund Name: Kotak Mahindra Old Mutual Life - Kotak Dynamic Bond Fund
Launch Date: 15-Apr-2004
Portfolio allocation (G-secs: Corporate debt: Money market & Cash): 59:35:6
Modified Duration: 4.7 Years
- ULIP Fund Name: Max Life Secure Plus Fund
Launch Date: 7-May-2009
Portfolio allocation (G-secs: Corporate debt: Money market & Cash): 73:25:2
Modified Duration: 5.3 Years
- ULIP Fund Name: SBI Life - Bond Fund
Launch Date: 10-Jan-2005
Portfolio allocation (G-secs: Corporate debt: Money market & Cash): 48:49:3
Modified Duration: 4.7 Years

(The writer is Dhuraivel Gunasekaran.)

TOP

Breaking boundaries: Insurance sector's promising shift – Live Mint -31st May 2023

In the past few years, the Indian insurance sector has shown several markers of growing maturity. Between 2013-14 and 2021-22, the sector saw its premiums grow at an average annual rate of 11.3 percent. Several insurers moved up to a trajectory of steady profits. The online channel is gaining traction, and distribution and business models are emerging around it. Eight insurers, from both the life and non-life segments, have gone public. And now, the insurance regulator is looking to dish out about a dozen licences this year to add to the current pool of 59 companies, which could lead to further expansion of the sector. This would build on the momentum from the past 12 months, a period that saw the regulator give away three licences—the first permits since 2018. It could, in fact, mark the biggest licence issuance award for the industry since 2007-2008, when 10 licences were given.

Between 2012 and 2018, 11 licences were issued, all in the non-life space. It was only earlier this year that licences in the life segment were issued for the first time since 2011, to Acko Life Insurance and Credit Access Life. Broadly, the insurance sector is divided into two segments: life and non-life. While the life

segment accounts for about three-fourths of total premiums, it's the non-life segment (such as auto and health) that is growing faster. In the past eight years, non-life has averaged annual growth of 13.5 percent in premiums, against 10.5 percent for the life segment. Volumes are driving growth in the non-life segment. The number of new non-life policies issued, a measure of industry expansion, has increased from 105 million in 2013-14 to 266 million in 2021-22. That's an average annual growth of about 12 percent. While non-life is the smaller of the two segments, it's the one that is currently seeing more activity, experimentation and innovation. The insurance sector in India, in its current shape, is still relatively young. It was only in 2000 that, after decades of state ownership, the sector reopened its doors to private players. Private insurers have been steadily chipping away at the monopolies of state-owned insurers. They have been more successful in the non-life segment in doing so, as the numbers for share of gross direct premiums show. Between 2013-14 and 2021-22, the share of state-owned companies has dropped from 75.4 percent to 61.8 percent in the life segment, and from 55.8 percent to 40.8 percent in the non-life segment.

One reason for this variance is the historic hold the Life Insurance Corporation, the state-owned life insurer, has had. With its wide physical presence, symbolized by its army of about 1.3 million individual agents, LIC acquired that exalted status of a noun becoming a verb. Some of that faith has eroded over the years. The first blow was the whittling down of agent commissions on insurance-cum-investment plans, which were the growth staple for LIC and other life insurers. The second blow to LIC came when it offered its shares to the public in May 2022, and they under-performed miserably. In India, a public listing of insurers is something that has happened only in the past five to seven years. So far, eight insurers have gone public, including three state-owned ones. Six of them have been listed for at least five years, and the returns delivered by all of them during this period trail that of the broad market.

For state-owned insurers such as LIC, the listing imperative was to enable the government to raise revenues. For private insurers, a public listing symbolized their reaching some degree of scale and profitability, and providing exits to partners and investors. Insurance remains a business for the long haul. In 2021-22, about a third of life insurers and half the non-life insurers reported losses. In both segments, the top five insurers by net profit were defined by track record. In the life segment, other than LIC that has had historical heft, the other four top insurers by profits were all private players that started in 2000 and 2001. In the non-life space, some relatively younger companies appear. A disruption is on in the non-life space, with newbies such as GoDigit and Acko leveraging the online space. The next phase may unlock those possibilities further.

TOP

This insurer becomes first life insurance company to give cover for surrogate mothers and egg donors in India – Live Mint – 31st May 2023

Life insurance cover for surrogate mothers in India: Aegon Life, digital India's life insurance company, makes news strides by pioneering the first life insurance cover tailored for surrogate mothers and egg donors, effectively backing their financial well-being. This trailblazing initiative supports the implementation of provisions in the Surrogacy (Regulation) Act, 2021, and the Assisted Reproductive Technology (Regulation) Act, 2021, spearheaded by India's Ministry of Health & Family Welfare. Notably, the innovative coverage provides a life cover of three years for surrogate mothers and one a year for egg donors to provide protection against any life-threatening complications arising out of the said procedures. The company rolls out this offering aimed specifically at surrogate mothers and egg donors, who have largely been overlooked by conventional life insurance products. In case of an unfortunate event leading to their death, the policy provides financial protection to their nominees. Offered as a group plan through ART-registered fertility and surrogate clinics, the company has already provided coverage for over 100 surrogacy procedures since the beginning of this calendar year.

Satishwar B., MD & CEO of Aegon Life Insurance, said, "We are proud to be the first life insurance company in India to embrace this initiative. Our advanced digital infrastructure has facilitated the swift creation of this holistic and affordable solution, thereby backing surrogate mothers and those pursuing surrogacy.

This represents our staunch commitment to equip our customers with the means to fulfill their life objectives."

Aegon Life Insurance is dedicated to cultivating inclusivity and keeping pace with the changing needs of individuals and families in the contemporary world. This breakthrough life insurance coverage for surrogate mothers and couples is a testament to the company's ceaseless drive to develop pioneering solutions that secure and empower all Indians. Earlier, this month, insurance regulator IRDAI asked insurance companies to provide comprehensive coverage for intending parents and surrogate mothers undergoing surrogacy and fertility treatments. "An insurance coverage of such amount as may be prescribed for a period of 12 months in favour of the oocyte donor by the commissioning couple or woman from an insurance company or an agent recognised by the IRDAI," the regulator had said.

TOP

Term insurance premium by few insurers could see hike this year – Financial Express – 30th May 2023



Term insurance premium could see another hike this year with at least a few insurers mulling an increase in rates. However, in some relief to customers, the quantum of increase may not be as high as in the past few years. The increase is likely to be in the 5-8% range this time. According to industry sources, a number of insurers are mulling an increase in the premium rates this year with the expected normalisation of the industry after two years of high claims from the Covid-19 pandemic.

"The past two years have seen high claims for the life insurance industry due to the pandemic. While reinsurers had increased rates, some insurers chose not to absorb it at that time and not burden the customer," said an insurer,

adding that some of these firms are now planning to hike rates in the next few months. According to industry estimates, term insurance premium has risen by about 45% over the last two to two-and-a-half years as reinsurers had increased their rates and tightened underwriting due to the high mortality and unprecedented claims during the pandemic.

Another insurer said that a few firms are looking at a hike in the premium rate for term insurance in the near future. "However, unlike in previous years, this time, the increase would be in single digits," he said, adding that the increase in term cover premiums is due to the increase in reinsurance rates in the last few years during the pandemic, which some insurers did not pass on at the time. "Moving ahead, the prices would also depend on external factors which may impact life expectancy. Recent reports from World Health Organization on an emerging pathogen with even deadlier potential, and with China bracing for a new Covid wave, may have an impact on the term insurance prices too," the insurer pointed out. Industry experts however, point out that the premium for term insurance remains much lower in India compared to other countries.

For a `1 crore term insurance, the monthly premium can be Rs 1,000 or even less for a 30-year-old individual. "For less stringent underwriting norms, that would help increase penetration of life insurance policies, there is still some scope for higher premium," said an expert. Term insurance is a pure life insurance policy that provides financial protection that provides a guaranteed sum to the nominee in case of death of the policyholder. The product saw a sharp increase in customer interest and demand during the pandemic.

(The writer is Surabhi.)

TOP

Can premium rates for life insurance policies fall in future? – Business Today – 29th May 2023



Amid Covid pandemic, Indian insurers encountered elevated claim ratios, leading foreign reinsurers to perceive India as an added risk. As a consequence, premium rates for group health insurance spiked significantly for corporations providing health insurance to their employees. This surge was a result of the high loss ratio in group health insurance policies, primarily due to the surge in Covid-related claims. However, experts now suggest that reinsurers should revert to pre-Covid premium rates for short-term contracts.

Insurance serves as protection for individuals, while reinsurance is a cover taken by large insurance companies to ensure their resilience against significant losses. Any

increase in premium rates by reinsurers ultimately affects policyholders. In India, GIC reinsures a portion of the life insurance business, while foreign players underwrite a larger share. GIC Re primarily offers reinsurance services to general insurance companies operating in the Indian market.

“As a risk management strategy, most life insurers enter into reinsurance agreements. These contracts are of a long-term nature and the pricing is based on the mortality experience. Short-term volatility has relatively less impact on reinsurance rates for such contracts. However, we believe for short term insurance contracts, there is a case for normalisation of reinsurance rates to pre-COVID-19 levels...Reinsurers are actively monitoring the short and long-term mortality trends compared to the pricing,” said Souvik Jash, Appointed Actuary, ICICI Prudential Life Insurance.

Group term insurance is an annual contract where a company pays an annual premium to the insurance company and in return, the insurance company pays the sum insured to the family of the employee in case of sudden death. Can premiums be reduced for life insurance policies if reinsurers lower their rates in the future? “Premium for short-term contracts may come down if reinsurance rates fall in the future,” said Jash.

There are several factors that determine premium rates. Reinsurance is just one of the many factors which can impact premium rates. Other factors which can have a significant impact on the pricing are the company’s own mortality experience, target customer segment, competitive environment among others.

(The writer is Teena Jain Kaushal.)

TOP

Why term plans can get rejected and how to solve claim rejection issues – The Economic Times – 28th May 2023

Term insurance is one of the basic financial security tools for an individual to save money and safeguard future of nominee/s. A term insurance can help the insured to prepare for any eventuality arising from the financial stability that may occur if the breadwinner of a family passes away due to an illness, accident or unforeseen death. It gives life coverage for a large amount of money, for which the policyholder pays premium over a given period of time. The earlier one buys a term insurance plan, the lower premium amount one has to pay. However, there are cases where even after paying premiums, term plans get rejected during claim settlements. Let us take a look at these reasons, so that consumers can save themselves from claim rejections, during the need of the hour.

Any policy holder, while buying term insurance should keep in mind about providing right information, related to the all the conditions and parameters as stated by the insurers. Disclosure of medical history, right age, income, personal habits, information about current insurance policy or any other previous insurance policy, nominee details etc. are vital for safeguarding policyholders from troubles, delays, or rejection with claim settlements. If policyholders try to withhold important information related to age,

income, personal habits or any such information is declared false, misunderstood or undisclosed, the insurance company can reject the claim and suspend the policy benefits.

(The writer is Indraneel Chatterjee.)

TOP

Insurance industry comes together to increase life insurance awareness under aegis of IRDAI - India TV - 27th May 2023



Life Insurance: As part of the Insurance Regulatory and Development Authority of India (IRDAI) vision of 'Insurance for All' by 2047, the Indian Insurance industry has collectively come together to drive insurance penetration in Mizoram. Tata AIA Life Insurance and IFFCO-Tokio General Insurance are leading the initiative, supported by Life Insurers and General Insurers from India's Private and Public Sectors.

Life Insurance offers comprehensive solutions providing cover for one's life, employees, etc. with term insurance as also opportunities to grow wealth with guaranteed income and investment-linked plans. Further, the category has pension products to ensure a worry free retirement. On the other hand, General Insurance offers covers for property (vehicle, home) as also health indemnity covers as well as corporate and rural insurance (tractor, crop insurance) solutions. Under the leadership of the IRDAI, a committee of representatives from various Life and General Insurance companies have been working towards increasing awareness and penetration of life insurance in the state.

As part of the process to discuss the progress of the initiatives and the way ahead, a meeting was held in Mizoram under the guidance of Shri Lalramsanga Sailo, Secretary, Government of Mizoram, Gautam Kumar, Deputy General Manager, IRDAI. Key dignitaries including senior officials from Common Service Centers (CSC), Life and General Insurance companies, Agents and Bank representatives were present in the joint industry-level stakeholders meeting.

Sharing his keynote at the event, Lalramsanga Sailo, Secretary, Govt of Mizoram, said, "Insurance is one of the most important security cover for any individual, family or business. We are very happy to support the initiative of IRDAI to introduce state-level insurance awareness and penetration drive. We are keen to participate in the initiative and ensure the success of this program. We look forward to Life and General insurance companies making significant contribution to promote the cause of insurance, generate employment and promote entrepreneurship in the State of Mizoram."

Speaking at the occasion, Gautam Kumar, IRDAI, said, "IRDAI as the Insurance regulator has envisioned Insurance for all by 2047. We are pleased to obtain the support of the State Government of Mizoram to drive insurance awareness and penetration in the state. Mizoram is one of the most literate and well-to-do states, and hence there is a lot of scope of development of insurance sector. The people of Mizoram will definitely get benefit from the security net of insurance, and it will generate new opportunities of employment and development too."

Sharing his perspective as the Lead Life Insurer, Girish Kalra, Chief Marketing Officer from Tata AIA Life Insurance, said, "In line with the vision of IRDAI, Tata AIA is leading the efforts of the life insurance industry and making insurance accessible to every citizen of Mizoram. We have already implemented a mass media campaign in FY23 through digital and social media, reaching over 8 lakh people of Mizoram. Our tie-up with the Common Service Centers (CSC) has enabled us to reach the rural and remote locations of Mizoram. We have further scaled up our efforts for FY24 along with other life insurers and would deepen our reach in Mizoram through multiple initiatives including Village Level Entrepreneur training, Bimarath introduction, tie-ups with MSME associations, etc."

Sharing his perspective, Raj Bora, EVP, IFFCO-Tokio General Insurance, said, "We are committed to working towards the goals set by IRDAI. We have already started with the Insurance awareness activities across several districts of Mizoram and plan to ramp up the activities on a bigger scale. Under the guidance of IRDAI and State authorities, along with other insurers we will conduct various training sessions and joint initiatives to increase the reach and awareness of insurance in the state."

Digital Campaign – Reached 8 lakh people

Tata AIA along with other life insurers has implemented campaigns through the popular Digital and Social Media that are widely viewed by the people of Mizoram. The focus of this campaign was to improve citizens' awareness and understanding of financial planning. To achieve this goal, a series of videos were developed in Mizo language, using simple story lines and featuring Ka Pu Sanga, a financially savvy middle-aged Mizo resident.

The response to these videos has been highly encouraging with high (8%+) engagement among the viewers on digital and social media. These videos explain how life insurance offers comprehensive benefits to people at different life stages - families can be protected from life's uncertainties with term insurance, they can plan for rising costs with guaranteed income plans and ensure a worry-free retirement with pension products. Additionally, these campaigns were linked to a special website in Mizo language, to provide detailed information on the solutions and their benefits.

IFFCO-Tokio is also creating visibility for general insurance solutions with the help of outdoor media campaign in identified areas of the state. It will also conduct social campaigns in mizo to increase the digital reach.

Rural Outreach through Common Service Centers (CSC)

To deliver much-needed life insurance coverage to the people of Mizoram, Tata AIA supported over 50 Village Level Entrepreneurs (VLEs) as part of association with Common Services Centers (CSE), an organisation run by the Ministry of Electronics & IT. Known as the last mile of distribution, a VLE provides essential government and non-government services from CSC outlets for the welfare and development of rural communities. Tata AIA provided permanent visibility at CSC outlets and trained these VLEs about life insurance solutions, to help them solicit life insurance business.

IFFCO-Tokio, along with other non-life insurers, plans to conduct insurance seminars and van activations to reach the rural areas of Mizoram.

Benefits to the people of Mizoram

The initiative launched by IRDAI with the support of the State Government of Mizoram will lead to multiple benefits:

Security cover to the citizens of Mizoram – life insurance & general insurance covers

Employment generation with the recruitment of Insurance staff, Advisors across the length and breadth of the state

Development of industry, especially MSMEs that form the backbone of India's growth engine. The insurance industry offers specific solutions in the area of business insurance.

Referred to as the land of the whispering winds and Blue Mountains, Mizoram boasts the second-best literacy rate in India. Its literacy rate at 91.3% is significantly higher than the national average of 74.0%. Despite being India's second least populous state, Mizoram has the unique distinction of having a similar male-to-female ratio across age groups.

(The writer is Aizawl.)

TOP

Unlocking Growth and Driving Customer-Centricity: How Machine Learning is Transforming the Life Insurance Industry – The Economic Times – 27th May 2023



In the era of Industry 4.0, businesses are building a competitive edge by combining data analytics with Machine Learning algorithms. The value of data is now widely recognised, and rapid technological advancements, coupled with increasing data literacy are redefining the concept of being "data-driven."

The emergence of data-driven approaches is providing companies across various industries with valuable insights into customer behaviour. Retailers can now personalise shopping experiences based on customer data, while food delivery services can suggest menu items using order history. Streaming platforms are even leveraging user behaviour analysis to recommend new shows and movies.

These approaches are empowering companies to anticipate behaviours, identify issues and opportunities in real-time, and connect more closely with their customers.

For instance, according to a 2021 McKinsey article titled – "Prediction, the future of CX", a leading airline implemented a machine-learning system based on 1,500 customer operations, and financial variables to measure satisfaction and predicted revenue for its over 100 million daily customers. The system identified and prioritised customers at risk of losing their relationship due to delay or cancellation and offered them personalised compensation to save the relationship and reduce customer defection on high-priority routes. The potential of data analytics is boundless and with the right analytical tools, businesses can unlock unprecedented opportunities.

How do Machine Learning models work in life insurance

The life insurance industry is no exception and insurers are making use of advanced Machine Learning solutions to empower customers in continuing their policies and maximising the product benefits. Insurers recognise that when customers drop off, they not only lose the security insurance provides, but also disrupt their long-term financial goals. Customer loyalty, also known as persistency, holds immense significance for life insurance companies. This is primarily due to the high cost of acquiring new customers. According to Propeller, a leading global market research agency, the average acquisition cost per customer in the insurance industry globally is a staggering \$303, as opposed to a meagre \$10 in the retail industry. Given the high cost of customer acquisition, it becomes imperative for insurers to focus on retaining existing customers and ensuring they continue to pay renewal premiums.

Higher persistency translates to a greater inflow of renewal premiums, in turn resulting in increased assets under management. Moreover, higher persistency reduces the sum at risk, thereby decreasing the burden of pay-out for claims. It also leads to increased profitability, reduced costs and overall growth and development for the insurers. Let me explain in brief, how life insurers are implementing Machine Learning models across the three stages of the policy lifecycle, predicting customer behaviour and identifying their financial needs.

Implementing Machine Learning

During the onboarding stage itself, Machine Learning models help identify customers who exhibit undesirable traits, such as a high likelihood of making fraudulent claims or a history of lapsing on premium payments. By detecting these traits early, the sales team can take prompt action, offering suitable interventions and addressing any customer concerns. Then, at the renewal collection stage, the model analyses past behaviour of existing customers, identifying those at risk of defaulting on their premium payments. The insurer can then reach out to these customers, providing tailored solutions to renew their policies. Lastly, Machine Learning models assist insurers in identifying customers whose policies have

lapsed but do present a likelihood of being revived. This enables the insurer to provide personalised solutions, motivating customers to reinstate their policies and stay invested for the long run.

These advanced Machine Learning models enable life insurers to predict future persistency trends and optimise their efforts to improve overall persistency. As the world becomes increasingly digitalised, businesses are turning to data-driven approaches to gain insights into customer behaviour. By harnessing the power of technology, companies can gather and analyse large swathes of information to predict future trends. This is leading to a new era in customer-centricity, where businesses can tailor their offerings to meet the needs of varied customer segments. With the right safeguards in place, businesses can use data to create a more personalised and fulfilling customer experience.

(The writer is Dhiren Salian.)

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GENERAL INSURANCE

Defect Liability Cover vs Property Insurance: Key differences you should know - Financial Express - 1st June 2023



When it comes to protecting your property, you have a few options. Two common types of insurance coverage you may encounter are Defect Liability Cover and Property Insurance. While both provide protection for your property, there are key differences between the two.

In this article, we'll explore those differences so you can make an informed decision about which type of coverage is right for you.

Defect Liability Cover

Defect Liability Cover is a type of insurance that is typically purchased by contractors and builders. It provides protection against any defects or issues that may arise with a property after construction is complete. Essentially, it ensures that the work done by the contractor is up to standard and that any issues that arise will be covered.

One of the key differences between Defect Liability Cover and Property Insurance is the time-frame for which they provide coverage. Defect Liability Cover is typically only in effect for a certain period of time after construction is complete. This time-frame can vary, but it is usually around 10 years. During this time, if any defects or issues arise with the property that is a result of the contractor's work, the insurance will cover the repairs or damages.

Another key difference between Defect Liability Cover and Property Insurance is the types of issues that are covered. Defect Liability Cover specifically covers issues that are a result of the contractor's work. This can include things like structural defects, issues with the plumbing or electrical systems, or any other issues that are a result of the construction process. However, it does not cover issues that are a result of normal wear and tear or issues that arise due to natural disasters or other events outside of the contractor's control.

Property Insurance

Property Insurance, on the other hand, is a type of insurance that is typically purchased by property owners. It provides protection against a wide range of issues that may arise with a property, including damage from natural disasters, theft, and other types of damage. Essentially, it ensures that if anything happens to the property, the owner will be covered. One of the key differences between Property Insurance and Defect Liability Cover is the types of issues that are covered. Property Insurance covers a wide range of issues, including damage from natural disasters, theft, and other types of damage. It also covers issues

that arise due to normal wear and tear. However, it does not cover issues that are a result of the construction process or issues that are a result of the contractor's work.

Another key difference between Property Insurance and Defect Liability Cover is the time-frame in which they provide coverage. Property Insurance is typically in effect for as long as the owner pays the premiums. As long as the premiums are paid, the property will be covered against a wide range of issues. However, if the owner fails to pay the premiums, the coverage will lapse and the property will no longer be covered.

Which Type of Coverage is Right for You?

Determining which type of coverage is right for you depends on a few factors. If you are a contractor or builder, a Defect Liability Cover is essential to protect yourself against any issues that may arise with the property after construction is complete. It provides peace of mind and ensures that any issues that arise will be covered. If you are a property owner, Property Insurance is essential to protect your property against a wide range of issues that may arise. It provides peace of mind and ensures that if anything happens to your property, you will be covered.

In some cases, both types of coverage may be necessary. For example, if you are a contractor who is also a property owner, you may need both Defect Liability Cover and Property Insurance to protect yourself and your property. In conclusion, Defect Liability Cover and Property Insurance are two types of insurance coverage that provide protection to your property. While they both provide protection, they differ in the types of issues that are covered and the time-frame in which they provide coverage. Determining which type of coverage is right for you depends on your specific situation and needs. Whether you are a contractor or a property owner, it is important to have the right type of coverage to protect your property and ensure peace of mind.

[TOP](#)

Fake insurance policies are on the rise in India; here's how you can be aware – Business Today – 29th May 2023



Innocent policy buyers easily fall prey to insurance fraud and only realise it when making a claim. Today, the menace of fake insurance policies is not only subjected to urban or rural areas but across the country. With the increasing digitisation, even insurers feel the heat of fraud and cannot pre-empt fraudulent incidents. Hence it becomes crucial for policy buyers to be more vigilant at the time of making payments when buying insurance policies, especially small ticket size covers such as motor insurance.

Challenges: One of the biggest challenges is dealing with data protection, privacy issues, and information sharing among insurers. Insurers encounter several instances when the policyholder's documents get tampered with. Typically,

the miscreants collect higher premiums from policyholders and provide them with a forged policy document. They easily alter policy documents using software and pass them on as original documents.

Vivek Chaturvedi, CMO and Head of Direct Sales at Go Digit General Insurance said, "In a written reply in July 2019, the Ministry of Finance informed Rajya Sabha that fake motor policies to the tune of over Rs 50 crore were issued in FY19. Overall, instances of fraud are often seen more in motor insurance. These frauds are also done in small volumes at multiple places, often making it hard to catch the culprits."

What to do if you get a fake policy: If the policy issued to you is fake, taking legal action might be your only recourse. One can approach the right law enforcement authorities to file a complaint depending on how you got defrauded. You could register a complaint with the cyber cell if you were cheated online or through phone calls. Rakesh Goyal, Director of Probus Insurance Broker, said, "A fake policy has no value, and the policyholder needs to buy a new one from the authorised agent. There will be a monetary loss, as

the amount paid cannot be returned, and they must also pay for the new policy. Having said that, policyholders can lodge a complaint with the cyber cell or a police complaint regarding the fraud."

How to be aware: If you are buying a policy through an agent or broker, ask for identification proving they are authorised to sell the insurance policy of a particular insurer, and directly verify their registration and identification details with the insurance company. You should not make cash payments or transfer monies directly to the agent's account. In case of any suspicion, you can contact the insurer directly to verify the authenticity. "Luring customers through huge discounts could also be a red flag and a sign to conduct a thorough check before making any payment. Many insurers also have a policy genuineness check feature to check the authenticity of the policy," said Chaturvedi. In the case of motor insurance, a policyholder can also check whether their policy is genuine on the VAHAN portal, the national vehicle registry run by the Ministry of Road Transport and Highways. However, you must do all checks before making the payment.

(The writer is Navneet Dubey.)

TOP

What is highway hypnosis, blamed for many fatal road accidents? – The Economic Times – 26th May 2023



Road hypnosis has been blamed for many accidents on highways across the world. Road hypnosis is a condition in which the eyes of the driver are open but brain does not record and analyse what the eyes see. But many drivers are not aware of this condition. According to healthcare professionals, such a condition usually happens when one is on a long drive, especially through straight roads. It is usually caused when a person is driving on highway having monotonous scenery, no traffic light and little traffic

Recently, a Maharashtra state highway police attributed some of the accidents on first phase of Mumbai-Nagpur Samruddhi Expressway to highway hypnosis. A total of 39 persons have lost their lives and 143 were injured in accidents on the Mumbai-Nagpur Samruddhi Expressway since its launch in December 2022 till the end of April this year, according to officials. According to a Times of India report, highway officials plan to put up billboards, signages, posers, message board along the Samruddhi Expressway to keep drivers engaged through positive distractions which would not let them slip into highway hypnosis. "Highway hypnosis lessens focus, and concentration leading to accidents," says an official.

What does highway hypnosis feel like

According to the website of TATA AIG, which offers auto insurance, "Highway hypnosis occurs when individuals zone out while driving a vehicle, often travelling a significant distance without recollecting it. Experiencing highway hypnosis can zone out drivers for hundreds of miles or short distances."

In case you abruptly realise that you have no memory of the last eight miles you drove, says TATA AIG website, "you probably were under the influence of highway hypnosis. Another sign that indicates experiencing highway hypnosis is noticing yourself drifting into the rumble strip or moving onto the next lane."

How to prevent highway hypnosis

Experts advise against driving continuously without breaks or driving for long hours without proper sleep/rest. They advise drivers to take breaks every 2-3 hours, take walks during the break and have tea/food or talk to someone.

TOP

HEALTH INSURANCE

Can an inclusive insurance policy help companies do more to protect the health of LGBTQAI+? - Live Mint - 1st June 2023



In the competitive business landscape, prioritising employees' welfare has become a key factor in attracting and retaining top talents. But poorly designed workplaces can negatively impact the health of employees, especially those who are underrepresented--LGBTQAI+ communities, people with disabilities, and women. According to the report by Plum, a health insurance platform, acceptance for queer communities in the workplace is still in a nascent stage. People from the LGBTQAI+ communities are still witnessing discrimination including while renting houses, seeking jobs, getting insurance covers, opening bank accounts, etc.

Nation Human Rights Commission's 2018 report highlighted that 96% of trans persons were denied jobs while 92% were denied participation in any economic activity. Additionally, policy terms such as HIV, Oral chemotherapy, mental health, maternity, and LGBTQAI coverage are not covered in the majority of the scenarios at workplaces. "Diversity and inclusion are not about these (gender, sexuality, disabilities, etc) identities, it's a lot about who you are, where and how you can treat people and behave. What needs to happen is that you look at understanding who your workforce is and ask who is missing, not being seen, not being heard," Madhumita Venkataraman.

Plum suggests companies craft health insurance policies that work for all kinds of employees and their dependents. According to Plum, for the LGBTQAI+ community, the policy should involve (gender reassignment, mental health, option for live-in partner coverage, and surrogacy)" In India, gender reassignment surgeries cost anywhere between ₹2 lakh to ₹5 lakh for males and ₹4 lakh to ₹8 lakh for females. According to Plum, India's insurance penetration is just 4.2%, and pocket health expenses are 47% of the total health expenditure. "Insurance coverage for elective surgeries is even more minuscule," the report said.

"A bad work culture impacts every employee and certain historically underrepresented groups suffer the most," Harish Iyer, Equal Right Activist. In the case of women staff, the representation is also abysmally low. According to Sebi's regulation, all listed companies need to have at least one woman as their board member. However, Excellent Enabler's survey of 100 listed Indian firms found that only 27% of firms have two or more independent women directors; 61% of companies have only one independent woman director while 12% have no woman director. Dr Saundarya Rajesh, Founder of Avtar Group said, "Lack of diversity in leadership is one of the reasons behind women still being left behind. When leaders in an organisation are predominantly male, the inclusion of women can go ignored". Plum's report suggested that companies must include terms like (egg freezing covers, IVF, maternity-related complications, and surrogacy) for women staff.

COMPANIES THAT ARE PLAYING PROGRESSIVE ROLES:

Meesho:

Meesho offers 30 weeks of maternity leaves which can be extended by a few months, or up to a year. The startup also offers 30 days' leave for transitioning or gender reassignment surgery, covered under health insurance. The company's health insurance policy also includes terms like IVF and live-in partners.

WeWork India:

The company offers infertility coverage up to ₹1 lakh. The policy comprises egg harvesting, freezing, and surrogacy with maternity benefits. WeWork also claims to have gender-neutral washrooms in the office.

(The writer is Mansi Jaswal.)

TOP

High-value health insurance: Is it worth the price? – India Today – 1st June 2023



High-value health insurance plans have gained significant attention in recent years as individuals seek comprehensive coverage that goes beyond the basics. These plans promise extensive benefits and enhanced services, but are they truly worth the price?

In this article, we delve into the advantages, considerations, and potential drawbacks of high-value health insurance to help you make an informed decision about your healthcare coverage.

What is high-value health insurance?

High-value health insurance, which offers premium or comprehensive plans, includes a broad range of coverage and enhanced benefits beyond what standard plans provide. These plans often come with lower deductibles, reduced or no copayments, expanded networks, and additional services tailored to individual needs.

Advantages

Comprehensive coverage: High-value health insurance plans offer comprehensive coverage for a wide array of medical services, including hospital stays, surgeries, specialist consultations, preventive care, and prescription medications. This robust coverage ensures that policyholders have financial protection against unforeseen medical expenses and can access necessary treatments without substantial out-of-pocket costs. **Lower out-of-pocket expenses:** Premium plans typically come with lower deductibles, copayments, and coinsurance rates. This results in reduced out-of-pocket expenses for policyholders when seeking medical care. Lower financial burdens can be particularly advantageous for individuals with chronic conditions, frequent medical needs, or families with dependents who require regular healthcare services.

Broader network of providers: High-value health insurance often provides access to a wider network of healthcare providers, including doctors, specialists, hospitals, and medical facilities. This flexibility allows policyholders to choose the providers that best meet their specific healthcare needs, ensuring continuity of care and personalized treatment options. **Enhanced benefits and services:** Premium plans may offer additional benefits and services not typically included in standard health insurance. These may include dental and vision coverage, mental health support, wellness programs, alternative therapies, and telemedicine options. These added features contribute to overall well-being and can be valuable for policyholders seeking comprehensive care.

Drawbacks

Higher premiums: The comprehensive coverage and enhanced benefits of high-value health insurance come at a higher cost. Premiums for these plans are generally more expensive compared to basic or standard health insurance options. Individuals considering high-value plans must evaluate their budget and financial circumstances to determine if the higher premiums are affordable and justifiable. **Overinsurance:** For individuals who are generally healthy, have minimal healthcare needs, or already have coverage through other sources, high-value health insurance may lead to overinsurance. Paying for extensive benefits that are unlikely to be utilized can result in unnecessary expenses. It is important to carefully assess your health profile and consider whether the additional coverage is truly necessary.

Limited network options: Some high-value health insurance plans have restricted networks of healthcare providers. While these plans may offer lower out-of-pocket costs within the network, seeking healthcare services outside the network may result in higher expenses or may not be covered at all. Individuals should evaluate their preferred doctors, specialists, and hospitals to ensure they are included in the plan's network.

Individual health needs and preferences: The decision to opt for high-value health insurance should consider your specific health needs, medical history, and preferences. If you have pre-existing conditions, ongoing treatments, or a higher likelihood of requiring specialized care, comprehensive coverage may be more beneficial. On the other hand, if you are generally healthy and rarely seek medical attention, a basic plan with lower premiums might suffice.

In conclusion, the decision to purchase high-value health insurance depends on individual circumstances, including health needs, budget, and preferences. While comprehensive coverage and reduced out-of-pocket costs can provide peace of mind, it's essential to weigh the higher premiums against your actual healthcare requirements. Consider consulting with an insurance professional or financial advisor to determine the optimal level of coverage that aligns with your requirements.

TOP

There is bias in healthcare, insurance coverage for underrepresented groups: Plum - The Economic Times - 31st May 2023



There are significant gaps in healthcare and insurance access faced by underrepresented groups in the workplace, finds a new study. The report by employee insurance platform Plum, titled 'What Goes into Building a Company That Cares' reveals that while the conversation around diversity, equity, and inclusion (DEI) has gained considerable traction over the recent years, the needle is yet to move to ensure access to quality healthcare and insurance coverage for underrepresented groups: including members of the LGBTQAI+ community, people with disabilities and women.

These underrepresented communities make up approximately 50% of India's population. 60% of the platform's customers have opted for new-age insurance coverage, demonstrating a growing demand for comprehensive healthcare. However, while progressive and comprehensive, less than 1% of these covers are inclusive. For example, there is much to be done to cover people with disabilities (example: Down's Syndrome, cerebral palsy or autism) or even add LGBTQAI+ specific treatments (like gender reassignment surgery and mental health support) to these comprehensive policies.

Additionally, less than 25% of customers have comprehensive insurance that caters to women's unique healthcare and lifestyle needs, resulting in higher out-of-pocket expenses for an overlooked segment of the population. "We are on a mission to redefine corporate healthcare practices by advocating for comprehensive employee health benefits that truly embrace inclusivity.

By acknowledging and addressing the disparities faced by diverse employees, particularly those belonging to underrepresented groups, we have the potential to instigate change in the way companies prioritise the well-being of their workforce," said Abhishek Poddar, co-founder and CEO of the Tiger Global and Sequoia Capital-backed platform. The platform's whitepaper on inclusion through insurance also proposes corrective measures to make benefits at workplaces truly inclusive. Plum collaborated closely with top DEI experts and activists like Saundarya Rajesh - founder-president at Avtar The Power of Diversity, Harish Iyer, an equal right activist, Akshay CM - DEI and talent management consultant, Priti Shetty - chief people and culture officer at WeWork, etc. to develop this whitepaper.

(The writer is Brinda Sarkar.)

TOP

World No Tobacco Day 2023: Health insurance for smokers in India; all you need to know – Live Mint – 31st May 2023



Every year on May 31, the World No Tobacco Day campaign works to raise public awareness on the risks of tobacco use and to advocate appropriate tobacco control policies. Understanding how health insurance might help smokers is vital in India, where smoking is still a major public health risk. The different aspects of health insurance for smokers in India are covered in this article, along with vital information that will enable readers to make educated decisions regarding their health.

The impact of smoking on health

Smoking plays a significant role in preventable disease and early mortality globally. It raises the chance of a number of illnesses, such as heart disease, stroke, respiratory issues, and several types of cancer. Smokers are usually considered high-risk individuals by insurers since they are more prone to have certain health issues. That does not mean, however, that smokers are unable to purchase health insurance.

Availability of health insurance for smokers

Smokers can get health insurance coverage, although some restrictions may apply. Smokers are commonly defined by insurers as those who have ingested tobacco in any form over the previous 12 months. To prevent issues with the claims process, it is essential to be honest when applying for health insurance about your smoking habits.

Premiums for smokers

Because smoking raises your health risks, smokers' insurance rates are frequently higher than non-smokers'. The frequency and length of smoking, as well as the person's general health, are criteria that insurers consider. Depending on the insurer, kind of policy, and level of coverage, the rates may change. However, as insurers may revise the rates after a smoke-free period, quitting smoking might eventually result in lower costs.

Health insurance features available for smokers

Smokers can still benefit from health insurance despite the higher costs because of its many advantages, making it a vital financial investment for their well-being. Here are a few significant benefits:

Financial Protection: Medical costs associated with smoking-related ailments are covered by health insurance. It can aid in reducing the cost of hospitalisation, operations, medicines, and other medical procedures.

Pre-existing Conditions: Smoking-related illnesses are often regarded as pre-existing conditions if they develop themselves after acquiring health insurance coverage. After a certain waiting period, pre-existing conditions are often covered by health insurance coverage. It is critical to comprehend all of your policy's terms and conditions.

Wellness Programs: Some insurance companies provide wellness initiatives designed to aid smokers in quitting. These programs could offer tools, guidance, and assistance to encourage a smoke-free lifestyle. Utilising such programs can save your insurance costs and improve your health in the long run.

Enhanced Coverage: Health insurance plans frequently cover diseases and injuries that are not caused by smoking. This extensive coverage guarantees that you are safeguarded from a wide range of health difficulties beyond diseases brought on by smoking.

Quitting Smoking: A path to better health and insurance rates. Even if smokers have access to health insurance, it is critical to understand the long-term health risks associated with tobacco use. In addition to enhancing your general health, giving up smoking increases your likelihood of obtaining reasonable health

insurance premiums in the future. By giving up smoking, you can qualify for policy changes and have access to the advantages of cheaper rates as a non-smoker.

Conclusion

It is vital to emphasise the value of health insurance for smokers in India as we commemorate World No Tobacco Day. Even if smoking is connected with higher rates, people need to realise that health insurance offers important protection against ailments brought on by smoking and other health issues. One can improve their health and possibly lower their insurance costs in the long term by giving up smoking. Let's urge smokers to put their health first, think about their insurance alternatives, and take action to live a better and smoke-free life on this World No Tobacco Day.

(The writer is Rakesh Goyal.)

TOP

Premium rates for PM-JAY to rise for first time since '18 – Live Mint – 31st May 2023

The National Health Authority (NHA) is planning to revise the premium for the world largest health assurance scheme, the Pradhan Mantri Jan Arogya Yojana (AB PM-JAY). The marquee scheme provides a health coverage of ₹5 lakh per beneficiary family per year. Currently, the premium per family is ₹1,052 per year, which is shared between the Centre and state governments in a 60:40 ratio. As part of the Centre's share, NHA releases about ₹5,000-6,000 crore to states annually. "Since the inception of the scheme in 2018, the premium has not been revised. In view of the high inflation during the period, higher scheme utilization and increased expenditure, states are asking NHA to upwardly revise the premium," said a person aware of the matter said. "In this regard, a committee has been constituted comprising members from NHA and state health authorities to undertake the exercise of calculating per- family expenditure on the basis of a health cover of ₹5 lakh for beneficiary family per year," said the person. Queries sent to the health ministry remained unanswered at press time.

AB PM-JAY has logged a 50 million hospital admissions so far, involving a financial commitment of ₹61,501 crore, the health ministry said on Wednesday. The scheme is being implemented in all states and Union territories except Delhi, Odisha and West Bengal. Till date, 233 million beneficiaries have been verified and issued Ayushman cards for availing free treatment under the scheme. The scheme offers policy holders 1,949 procedures under 27 different specialties.

(The writer is Priyanka Sharma.)

TOP

Home treatment: When health insurers allow domiciliary hospitalisation – The Hindu Business Line – 27th May 2023



At the peak of the Covid pandemic, there were widespread reports of hospital beds being unavailable for new patients looking for admission and treatment. Imagine facing a situation like that or a few other unforeseen circumstances where you are forced to take treatment for your health condition at home. But do health insurance companies entertain claims for treatment taken at home? That's where domiciliary coverage of health insurance plans comes into the picture. When is domiciliary treatment allowed, how is the claim settled and which ailments and treatment modes aren't entertained by health insurance companies? Here's what you must know about Domiciliary

hospitalisation claims in health insurance. When is domiciliary treatment allowed? It is not as if you can stay at home and get all the treatment required because you find the set-up comfortable and familiar. Insurance companies have specific rules on accepting such claims. At least one of the following conditions is generally required for insurance companies to accept claims.

First, a registered medical practitioner must certify that it is better for you to be treated at home in the present circumstances rather than moving you to a hospital ward. Of course, you should have otherwise needed inpatient treatment at a hospital. Second, it must be proved that there are no suitable hospital beds available at network or non-network hospitals near your place of residence or even within the city. That is, hospitals running with full patient capacity may not be in a position to admit you, thus necessitating treatment at home. Third, a registered doctor must certify that shifting you to a hospital may aggravate or worsen your present health condition and that treatment at home would be a better option under the circumstances.

Policies from companies such as HDFC Ergo (health suraksha), ICICI Lombard (health advantage), Niva Bupa (ReAssure), Star Health (comprehensive insurance) and Royal Sundaram (family plus) cover domiciliary treatment expenses. Often, domiciliary hospitalisation claims are settled on a reimbursement basis. So, you will have to pay first and register your claim later. Usually, the treatment costs are covered. But there are some nuances to specific policies of health insurers. Pre- and post-hospitalisation expenses are among these. Niva Bupa's ReAssure does not pay them, even though it allows cost of treatment. However, Royal Sundaram's family plus policy says that if a claim is accepted under domiciliary treatment, then pre and post-hospitalisation expenses are also covered. If the doctor treating you recommends a qualified nurse to attend to your needs on the path to recovery, then ICICI Lombard's health AdvantEdge allows that expense as well.

Insurers do not allow domiciliary hospitalisation claims for all kinds of ailments. For a claim to be entertained, your treatment must last for at least three continuous days. For any period less than that, insurers mostly reject such claims. Star Health allows claims for AYUSH (ayurveda, unani, siddha and homeopathy) treatment, too, while most insurers reject such claims. Almost all insurers refuse to entertain claims for a host of ailments. These include asthma, bronchitis, tonsillitis and upper respiratory tract infection, including laryngitis and pharyngitis, cough and cold, and influenza. Other common occurrences such as arthritis, gout and rheumatism, chronic nephritis and nephritic syndrome, diarrhoea and all type of dysenteries including gastroenteritis, diabetes mellitus and insipidus, epilepsy, hypertension, and pyrexia of unknown origin. In short, normal outpatient type treatments where you visit a doctor, take prescribed pills and rest adequately to recover will not be entertained. Chronic conditions that require prolonged outpatient or home-based care will also not be covered. You must maintain all documents, doctor certificates and recommendations, prescriptions and receipts pertaining to your domiciliary treatment carefully, so that your reimbursement process is smooth.

(The writer is Venkatasubramanian K.)

TOP

IRDAI & NHA's Health Exchange to foster efficiency at all levels: Insurance leaders - The Economic Times - 26th May 2023

The Insurance Regulatory and Development Authority of India (IRDAI) Chairman Debasish Panda, last week met the Chief Executive Officers of some insurance companies in Mumbai to give a new thrust to pending projects. These projects include high tech platforms like the Bima Sugam and National Health Exchange, to deepen insurance penetration and simplify the claim procedures. Faster completion of a Health Exchange platform was discussed with CEOs of the general insurance industry as IRDAI now wants general insurers to be part of Health Exchange platform, which is being set up by the National Health Authority (NHA).

A follow-up meeting on Health Exchange is scheduled in New Delhi next Monday. The regulator is aiming to onboard them by 1 August 2023. According to industry experts, the exchange will serve as a centralized hub for health insurance-related activities, ensuring efficient policy management, hassle free processing of claims, automatic fund transfer for policyholders & hospitals, and reduced cost per claim to the insurer.

A national health exchange for health-related claims will help both the customers as well as the insurer by simplifying the claims settlement process, said Suresh Sankaranarayanan, Chief Technology Officer, Kotak

Mahindra General Insurance. "For the customer, it means lesser wait times and faster preauthorization, while for the insurer, it means better operational efficiency, reduction in claims costs and paperless process," he added. On a similar line, Sanjeev Mantri, Executive Director, ICICI Lombard echoed that the implementation of Health Exchange platform, in collaboration with the NHA and integration of a unified platform for claims and policyholders' medical history will not only enable faster and simplified claims processing, but more importantly foster trust among stakeholders and strengthen the fight against insurance fraud.

The proposed process will also save a considerable amount of time that the hospitals have to spend on claims and provide them with easy access to the patient's medical history. According to Shreeraj Deshpande, Head - Health Vertical, SBI General Insurance, the Health Exchange is an excellent initiative which will enable seamless exchange of data digitally between the Insurance companies /TPAs/Health Care Providers. "This initiative brings about increased efficiency at all levels, resulting in faster turnaround times for customers, savings in cost of operations for insurers and TPAs and single payer network for health care providers resulting in faster payments," he said.

The industry would also benefit from good quality data for further growth of the health insurance sector, he added. The NHA has invited contributors and developers from the open community, especially those working in the health insurance and healthcare provider space to test, contribute and become a participant in the Health Claims Exchange ecosystem by onboarding on the HCX- Sandbox environment. With this proactive measure, IRDAI looks forward to driving positive change in the industry as the platform will work on principles of simplicity, security, convenience, transparency and innovation, Ajay Shah, Head - Distribution, Care Health Insurance highlighted.

"The initiative will not only meet changing market demands but also position India as a thought leader for insurance innovation," he said.

(The writer is Sheersh Kapoor.)

TOP

MOTOR INSURANCE

Why Should You Buy Car Insurance Online in India? – The Pioneer – 29th May 2023



In today's digital era, the convenience and accessibility of online platforms have transformed various aspects of our lives. The insurance industry is no exception, with an increasing number of people opting to buy car insurance online. India, in particular, has witnessed a surge in online car insurance purchases. In this article, we will explore the reasons why buying car insurance online in India is a wise decision.

Convenience and Time-saving

One of the primary advantages of purchasing car insurance online is the convenience it offers. Gone are the days of visiting multiple insurance providers or dealing with

lengthy paperwork. With online car insurance, you can compare different policies, customize coverage options, and complete the entire purchase process from the comfort of your home or office. This saves valuable time and effort, enabling you to secure insurance quickly and efficiently.

Wide Range of Options

Online car insurance platforms provide a vast array of options. You have the freedom to explore policies, features, and prices offered by the insurance company. This extensive selection allows you to make an informed decision based on your specific requirements and budget. Additionally, online platforms often offer exclusive deals, discounts, and promotional offers that may not be available offline.

Transparent and Instant Quotes

Obtaining insurance quotes online is a transparent and straightforward process. You can easily enter your vehicle details, coverage preferences, and personal information to receive instant quotes from multiple insurers. This transparency enables you to compare premiums, deductibles, and coverage terms, empowering you to choose the most suitable policy at a competitive price.

Enhanced Policy Management

Online car insurance platforms provide policyholders with convenient features for policy management. You can effortlessly renew your policy, make changes to coverage, update personal information, and even file claims online. This digital accessibility ensures that you have control over your policy and can conveniently handle any administrative tasks with just a few clicks.

Cost Savings

Buying car insurance online in India often results in cost savings. Online policies typically have lower premiums compared to offline counterparts due to reduced administrative expenses and the elimination of agent commissions. Additionally, exclusive online discounts and promotional offers further enhance the cost-effectiveness of online car insurance purchases.

Ease of Documentation

With online car insurance, the hassle of physical paperwork is eliminated. You can upload and store important documents, such as vehicle registration, driver's license, and previous insurance records digitally. This not only saves space and reduces the risk of document loss but also simplifies the process of accessing and sharing documents whenever required.

Conclusion

Choosing to purchase car insurance online in India provides several benefits. The convenience, wide range of choices, immediate quotes, efficient policy management, cost-effectiveness, and simplified documentation make online car insurance a compelling option for informed customers. Embracing the digital realm for car insurance not only saves time and energy but also offers enhanced transparency, flexibility, and policy control. Therefore, seize the opportunity presented by the online insurance ecosystem and protect your vehicle with convenience and assurance.

[TOP](#)

What are different types of car insurance policies in India? Details here – Business Standard – 26th May 2023



Car insurance coverage is an important concept to understand when someone buys a new car. Even if an owner takes all the necessary precautions, the car could still be involved in an accident, breakdown, or other unforeseen event. A car insurance policy can help protect the owner from financial losses in the event of such an event.

There are many different types of car insurance policies available, each with its own set of coverage options. It is important to choose a policy that meets the specific needs and budget of the car owner.

Here are the different types of car insurance coverage in India:

Third-party liability only cover

Third-party liability insurance is a type of car insurance that covers the insured against legal liability arising from loss or damage to the property or person of a third party caused by the insured. This type of insurance covers the following: cost of repairs or replacement of the damaged vehicle of third parties, cost of hospitalisation and treatment of third parties, liabilities arising out of the death of third parties.

Third-party liability insurance is mandatory in India under the Motor Vehicles Act. The sum assured on the insurance should be high enough to prevent the car owner from having to pay out-of-pocket in the event of an accident.

Collision damage or own damage (OD) cover

Collision damage car insurance coverage reimburses the car owner for the cost of repairing the car if it is damaged in an accident. The cost of the coverage is determined by the age of the car and its insured declared value (IDV). The IDV is based on the market value of the car. The maximum amount that the car owner can be paid under a collision damage coverage policy is the IDV less accumulated depreciation. Accumulated depreciation is the amount of wear and tear that the car has experienced since the time it was first bought.

If a car owner buys a car on a loan, then he/she/they should have collision damage coverage. This is because the lender will require the owner of the car to have this type of coverage to protect their interest in the car.

Personal accident cover

A personal accident car insurance policy is a type of car insurance that protects the owner-driver of the vehicle in case of an accident. It covers medical expenses, death, and permanent disability. This type of insurance is important for people who travel frequently for work, as they are more likely to be involved in an accident. If a car owner travels frequently for work, then they should consider buying a personal accident car insurance policy. This type of insurance can provide the owner with financial protection in the event of an accident.

Zero depreciation insurance

Zero depreciation cover is an add-on to car insurance policies in India. It helps the owner get the full claim amount without accounting for depreciation. This means that the owner won't have to pay for the depreciation of the parts that need to be replaced.

Zero depreciation cover is available for all parts of a car, except for tires, tubes, and batteries. These parts are covered at 50 per cent. Generally, insurers allow 2 zero depreciation claims during the policy tenure. However, some insurers allow an unlimited number of claims.

Comprehensive car insurance

As the name suggests, it provides the most comprehensive type of car insurance policy available. It covers a wide range of risks, including damage to other people or property, damage to the owner's vehicle, personal injury, and non-collision damage such as storms, floods, fire, and theft. The user can also add additional coverage options to further enhance the policy.

Comprehensive car insurance protects the owner financially against a wide range of risks, including damage to the car, injury to the owner and his passengers, and damage to the cars and property of others. It gives extensive coverage, which covers all losses or damages done to the owner and the car, and also protects against third-party liabilities.

[TOP](#)

SURVEY AND REPORTS

How much do Indian households spend on healthcare every month? – The Wire – 2nd June 2023

Indian households spent over Rs 120 billion on healthcare-related expenditure in November 2022, estimates based on data from the Centre for Monitoring Indian Economy's Consumer Pyramids Household Survey (CMIE-CPHS) suggest. Urban India accounted for 42.3% of the total healthcare-related expenditure in this period, while the remaining 57.7% of the expenditure came from rural India. CMIE-CPHS is a continuous fast-frequency survey conducted on sample consisting of 178,677 households and over 875,000 household members as of 2022. The survey includes expenditure incurred by households on

medicines, doctors, hospitalisations, health insurance, medical tests, medical aids, and health enhancement services under healthcare-related expenditure.

Health enhancement services, which include fitness services, hygiene products, parlours and spas, accounted for the largest share of healthcare expenditure at 45.5%. Medicines came in next and accounted for 42.3% of all expenditure on health. The CPHS estimates 6.7% of the Indian population to be taking regular medication, with this share being higher in older age groups. Doctors'/physiotherapists' fees accounted for 5.6%, while health insurance premium made up 2% of all healthcare-related expenditure. There was no major relative gap between the trends for most categories of expenses among rural and urban areas, except health insurance premiums, where the share was 3.6% in urban areas, and just 0.8% in rural areas.

The average Indian household spent Rs 3,632 on healthcare-related expenditure in FY 2018. This increased marginally to Rs 3,638 in FY 2022. However, as Figure 3 shows, this is due to the fluctuations in the expenditure caused in the interim which includes the pandemic years. While on average households reported a 23.3% increase in spending on health between FY 2018 and FY 2019, there was a marginal drop of 0.5% in the subsequent year. Reported spending on healthcare dropped by 29.8% in FY 2021, the first year of the Covid-19 pandemic, before increasing by 16.3% in FY 2022.

Looking at monthly spending reveals that the total money spent on healthcare by households saw the sharpest decline in Apr 2020, when the country was under a stringent lockdown brought in to check the spread of the Covid-19 pandemic. From over Rs 94 billion in February 2020, healthcare expenditure declined to Rs 79.3 billion in March, and then plunged to Rs 43.8 billion in April, the first full month when the country was locked down. Spending across different components of healthcare was impacted. While expenditure on medicines decreased by almost 19% in April 2020 compared to March, expenditure on health enhancement services dropped by 66.4% in the same time period.

Since April 2020, healthcare expenditure has largely been on an upward trend and witnessed a small spike in April 2021, when India saw a fatal wave of Covid-19 that infected millions, leaving behind a trail of destruction. The total estimated expenditure on healthcare increased from RS 97.9 billion in March 2021 to Rs 104.5 billion in April 2021, with expenditure on medicines, doctor fees, hospital charges and medical tests driving this increase.

It is important to note that some of these trends could be an outcome of possible confounding effects, and the numbers need to be read with context: on the one hand, for many, healthcare expenditure increased due to Covid-19 related illness, on the other hand, many individuals had to defer non-essential procedures during the pandemic. 2020 was an extraordinary year – lockdowns led to reduced mobility, and the year saw reduced air pollution and fewer accidental deaths. As the pandemic began to recede, while Covid-19 related expenditure could have fallen, expenditure on deferred treatments could have contributed to the increase in healthcare-related expenditure.

Household expenditure also varied by income groups. Rural households with monthly income under Rs 8,000 spent Rs 304 on average on healthcare in Nov 2022, while those in the highest income group with a monthly income above Rs 80,000 spent Rs 447 in the same month. Among urban households, this difference was much wider. Those earning less than Rs 8,000 per month spent an average amount of Rs 344 on health and the richest households spent an average amount of Rs 1,275 in the same period.

Additionally, there was significant variation in healthcare expenditure by state. Households in Haryana spent Rs 873 on healthcare on average in Nov 2022 – 2.4 times the national average, and the highest among all states and union territories (UTs) surveyed by CPHS. On the other hand, households in Assam spent Rs 223 on healthcare in this period, the least among all states and UTs.

There was also some variation in the share of household expenditure that was incurred on health. In Tripura, healthcare-related expenditure comprised 5.3% of the total household expenditure in Nov 2022, followed by Haryana and Goa where it comprised 4.4% and 3.9% respectively. On the other end of the spectrum was Rajasthan, where health expenditure made up only 1.3% of the total household

expenditure, followed by Jammu and Kashmir where healthcare-related expenditure accounted for 1.5%, and Jharkhand where this share was 1.6% in the same period. India's healthcare industry was estimated to reach USD 372 billion in 2022, as per a report of the NITI Aayog published in 2021. Healthcare had emerged as one of the largest sectors of the Indian economy, both in terms of employment generation and revenue, the report had noted.

However, as CEDA has noted previously, government spending on healthcare remains low in India as compared to global standards, resulting in high reliance on the private sector and high proportions of out-of-pocket expenditures by households. Almost 55% of all expenditure on health in India is financed out-of-pocket, data compiled by the World Bank (as of 2019) shows. This was significantly higher than the global average of 18% in the same year.

(The writer is Akshi Chawla.)

TOP

Growing preference for customised health insurance: Survey - The Hindu Business Line - 1st June 2023



A majority of existing and potential health insurance customers in Indian regard customisation as a crucial factor, with 94 per cent keen on incorporating features that align with their specific needs and life stage, according to a survey by Future Generali India Insurance Company.

In fact, customers don't mind spending extra money and time on getting a customised insurance product. The demand for an uncluttered, customised, convenient policy experience is increasing, especially for renewals, the report noted.

The report also shows that 94 per cent of the respondents made their own research before buying or renewing their health insurance policy; two-thirds used online portals to compare products, while half of them sought advice from family, friends, and peers before choosing a provider and plan.

"As consumers' demands evolve and mature, the need for convenient and easy-to-manage policies takes centre stage. We have taken a step in this direction by launching our new health insurance product, D.I.Y. Health, which comprises the most exhaustive base plan complemented with a host of modular covers, designed to give the power of choice to our customers," said Anup Rau, Managing Director and CEO, Future Generali India Insurance Company Ltd.

The survey, conducted in association with market research agency Unomer, covered 1500+ respondents aged 25-45, including self-employed and salaried professionals across 14 Indian cities (Delhi, Mumbai, Kolkata, Chennai, Hyderabad, Bengaluru, Pune, Ahmedabad, Lucknow, Coimbatore, Jaipur, Visakhapatnam, Nagpur, and Kota).

TOP

INSURANCE CASES

Insurer liable to pay compensation to accident victim's kin even if offending vehicle driver's licence is invalid or expired: High Court - The Economic Times - 1st June 2023

An insurance company is liable to pay compensation to accident victim's kin even if the driving licence of the offending vehicle's driver has expired and not renewed as an expired licence would not make him an unskilled driver, the Bombay High Court has said. A single bench of Justice S G Dige in an order passed in April, a copy of which was made available on Thursday, directed ICICI Lombard General Insurance Co Ltd to pay compensation to the family of a woman who lost her life in an accident in November 2011.

The court said the insurance company could recover the compensation amount from the owner of the offending vehicle later. The court was hearing a petition filed by the family members of the deceased woman challenging an order passed by the Motor Accidents Claims Tribunal exonerating the insurance company from paying compensation as the driving licence of the driver of the offending vehicle had expired. The tribunal had directed the truck owner to pay the compensation.

The woman, Asha Baviskar, was travelling towards Hadapsar in Pune in November 2011 and was riding pillion on the motorcycle when a truck rammed into it at high speed. Baviskar fell under the truck and died. The bench in its order noted that the deceased died after the truck rammed into her scooter and at the time of the incident the truck was insured with the insurance company. Hence there was a contractual liability of the insurance company to indemnify the compensation, the court added.

"Driving licence of the driver of the offending vehicle was not renewed at the time of the accident. It does not mean that he was not a skilled driver," the HC said. It added that it is a well-settled principle of law that if the driver of the offending vehicle was not holding an effective and valid driving licence at the time of the incident, the insurance company has to pay compensation first and later recover it from the owner of the vehicle.

The high court said the tribunal has not considered this and passed its order rejecting the claim mechanically. The court directed the insurance company to pay compensation to the deceased person's family within a period of six weeks and recover it from the owner of the vehicle. The insurance company had opposed the plea claiming that the petitioner claimants are only entitled for compensation and they are not supposed to see from whose pocket they are getting the compensation.

TOP

'Moderate liquor consumption no ground to reject insurance claims' – The Pioneer – 29th May 2023

The district consumer grievances redressal forum in a recently passed order said moderate consumption of alcohol cannot be used as grounds to reject medical insurance claims. The Forum directed New India Assurance Company Limited to reimburse complainant Giani Ram Saini (51) `1,28,677 which was incurred by the complainant on his medical treatment along with interest at 9% per annum. The complainant is also entitled to compensation of `50,000 as well as `22,000 as litigation expenses. The rejection was on the grounds of Giani Ram Saini had not disclosed at the time of taking the policy that he was suffering from a pre-existing disease "liver abscess being a chronic alcoholic".

Saini in his complaint said he his wife and children had held the health insurance policy for the period from 9.2.18 to 8.2.19. In May 2018, he felt abdominal pain and was admitted to the Institute of Liver & Billiary Sciences, Vasant Kunj, New Delhi.

Thereafter conducting the necessary tests, the doctor found a liver infection and the complainant remained admitted for his medical treatment in the hospital from 8.5.2018 to 14.5.2018. The complainant incurred `1,28,677 for his entire treatment. But the complainant said, his claim for reimbursement was rejected by the insurer company, and he was only discharged after his family paid out-of-pocket. In its response, New India Assurance Company said Saini had not disclosed at the time of taking the policy that he was suffering from a pre-existing disease "liver abscess being a chronic alcoholic".

The company said, "As per policy terms and conditions alcohol-related disease is not payable, hence claim does not fall within the purview of the Policy terms and conditions, we regret our inability to admit the claim." However, the court did not accept the insurer's argument and sided with the complainant, saying that it could not be proved that the complainant developed of infection or abscess in the liver for which he had been treated as a result of alcohol intake and before he was hospitalized was behind the illness.

According to the decision, "It is a matter of common knowledge that the disease of liver infection resulting in pain abdomen can occur at any time to any person without having known to any previous history of the said ailment.

It was the burdened duty of insurance firm to conduct thorough medical check-ups on the person of complainant and his family members, to ascertain whether the complainant and his family members had been suffering from any such liver infection or any other disease with any history of account of alcohol or not.

(The writer is Parvesh Sharma.)

TOP

Insurance co denies claim for not disclosing pre-existing diabetes, told to pay up – The Times of India – 28th May 2023

The state consumer disputes redressal commission, upholding an earlier decision of the district commission, has ordered an insurance company, Universal Sompo General Insurance Co Ltd (USGICL), to pay Rs 1,00,896 to its client, Ashwini Kumar, for the expenses incurred during his percutaneous transluminal coronary angioplasty (PTCA) treatment. Kumar, a resident of Nainital, underwent the PTCA procedure in 2016. However, the insurance company denied his claim, saying that he had not disclosed his pre-existing diabetes when purchasing the policy. The commission found no evidence of a link between diabetes and heart disease presented by the company. USGICL has also been ordered to pay a compensation of Rs 15,000 to Kumar on account of "mental agony and litigation."

(The writer is Pankul Sharma.)

TOP

IRDAI CIRCULAR

Topic	Reference
Bima Vahak Guidelines	https://irdai.gov.in/web/guest/document-detail?documentId=3469959

TOP

GLOBAL NEWS

Hong Kong: Insurance market sees 7% fall in gross premiums in 1Q – Asia Insurance Review

The Hong Kong insurance industry saw a 7% decrease in total gross premiums to HK\$147.2bn (\$18.8bn) in the first quarter of 2023 compared to the same period in 2022, according to provisional statistics released by the Insurance Authority (IA).

Long-term business

Total revenue premiums of in-force long-term business were HK\$126.6bn in the first quarter of 2023 (decreased by 8.9% from 1Q2022), mainly comprising HK\$109.7bn from Individual Life and Annuity (Non-Linked) business (decreased by 3.2%), HK\$6.5bn from Individual Life and Annuity (Linked) business (decreased by 18%), as well as HK\$8.3bn from Retirement Scheme business (decreased by 47.6%). This was mainly caused by isolated transactions concerning Retirement Scheme business for the same period in 2022 and the premium payment pattern of some products related to Individual Life and Annuity (Non-Linked) business. Meanwhile, total claims and benefits paid to policyholders amounted to HK\$78.5bn (increased by 9.6%).

In 1Q2023, new office premiums (excluding Retirement Scheme business) of long-term business were HK\$47bn (increased by 10.7%), made up of HK\$43.5bn from Individual Life and Annuity (Non-Linked) business (increased by 15.2%) and HK\$3.4bn from Linked business (decreased by 25.2%).

General business

In the first quarter of 2023, the gross and net premiums of general insurance business were HK\$20.7bn (increased by 6.9%) and HK\$12.5bn (increased by 4.1%) respectively, against which total gross claims of HK\$7.5bn (decreased by 4.7%) were paid. The overall underwriting profit sagged from HK\$1,063m to HK\$513m.

In direct business, the gross and net premiums were HK\$14.9bn (increased by 4.8%) and HK\$10.1bn (increased by 4.4%) respectively. The gross premiums of Accident & Health business were HK\$6.1bn (increased by 12.4%), benefitting from new business written and rate hardening for the medical subclass and uptick of outbound travel for the non-medical subclass.

Direct business generated an overall underwriting profit of HK\$387m (decreased by 59.9%), with the net claims incurred ratio going up from 54.5% to 60.5% upon normalisation of economic activities that led to adverse outcomes in Accident & Health business, Motor Vehicle business, Ships business, and General Liability (comprising Employees' Compensation) business.

Reinsurance inward

On reinsurance inward business, the gross and net premiums were HK\$5.7bn (increased by 12.7%) and HK\$2.4bn (increased by 3%) respectively, driven by the reclassification of direct Ships business mentioned above and new coverages written for Property Damage business. The overall underwriting profit improved from HK\$98m to \$127m, with the net claims incurred ratio dropping from 61.6% to 52.9%, supported by positive outcomes in Property Damage business and Goods In Transit business, partially offset by the weaker performance of Pecuniary Loss business.

TOP

People in emerging digital growth markets are most trusting of AI - Asia Insurance Review

The most AI-trusting people hail from emerging digital growth markets such as India, Indonesia, Philippines, Nigeria, Mexico, and Argentina, according to an analysis by Swiss Re Institute (SRI). On the other hand, the more digitally advanced a country is, the less people trust artificial intelligence. Germany, France, the UK, Canada, and the US are in the top 20 most prepared for AI out of 120 countries in the study. Trust in this technology, on the other hand, is comparatively low in these advanced digital economies, with only a third of respondents on average in each country understanding and trusting AI.

According to the analysis, which is part of Swiss Re Institute's latest report "Decoding Digital Trust: A Consumer Perspective", digital trust is influenced by a variety of psychological factors including cultural and generational attitudes, trust in institutions, the incidence of online fraud, ease of use and understanding of technology such as AI. The report also delves into how technology such as sensors and AI/automated decision-making is closing the gap between the real and online worlds.

(Re)insurance

For (re)insurers, digital trust is vital for business since access to data is the key component behind risk analytics and automation capabilities.

Ms Pravina Ladva, Group Chief Digital & Technology Officer of Swiss Re, said, "As the insurance industry increasingly improves its value chain with advanced analytics and different forms of AI, creating digital trust is essential. What is surprising in 'Decoding Digital Trust: A consumer perspective' is that countries with advanced levels of digital infrastructure have relatively little trust in AI. This really underlines how important it is to be transparent with customers, truly understand their needs, and deliver on them. The safety, security, and efficiency of online engagements are paramount, especially in the insurance industry where customer relationships are built on trust."

Mr Rob Burr, CEO of iptiQ, Swiss Re's digital B2B2C insurer, said, "To foster digital trust in insurance, much can be done in establishing transparency and effectively engaging with customers at every relevant touch point. The findings of this report are a call for insurers to think about their customers' gut feelings and how they can work with them to establish digital trust. The key is to leverage innovative technologies that offer seamless customer experiences and make every aspect of insurance as good as humanly possible."

TOP

New Zealand: Households to pay more for home and motor cover this year - Asia Insurance Review

House insurance premiums jumped on average by 20.3% in the 12 months ended 31 March 2023, according to data collected by online insurance platform company Quashed. Contents insurance premiums rose on average by 14.7% and car insurance by 10% over the same 12 months, said Mr Justin Lim, the Auckland-based company's chief executive. An average household with insurance on its house, contents, and two cars, faced paying NZ\$561.50 (\$337) more this year for cover than last year. The average household renewing its house, contents, and car cover can expect to pay over NZ\$560 (\$336) more in premiums this year.

Quashed calculated the data based on the premiums quoted to households who used the Quashed Market Scan comparison tool in January, February, and March this year. The company has published the first in what it hopes will be a series of quarterly reports on premium inflation, making the general insurance market more transparent.

Factors driving up premiums included inflation, the extreme weather events that hit the country earlier this year, as well as rising car crime, Mr Lim said. Another factor is a rise in Earthquake Commission (EQC) levies. Quashed, launched in 2020, offers an all-in-one insurance platform making it easy for Kiwis to sort out all their insurance policies in one place. It also has an insurance comparison tool, called Market Scan.

TOP

Bangladesh: Regulatory reform allows life insurers to sell full-fledged health insurance plans - Asia Insurance Review

The Insurance Development and Regulatory Authority (IDRA) has allowed life insurance companies to offer full-fledged health insurance policies, ending the monopoly of non-life insurers in the medical insurance market. The liberalisation is expected to intensify competition in the market as all the 81 insurance companies in the country can now vie for business, reported The Financial Express. The new directive will not only help increase the number of people covered by health insurance but also lead to more affordable premiums as the market is now open to all, says an IDRA official.

Non-life insurance companies have been offering health insurance policies of not more than one-year tenor, to clients since 2014. Life insurers, on the other hand, had previously been allowed to offer health coverage to their clients only as a rider to life insurance policies. The IDRA official adds that life insurers sold around BDT11bn (\$102.6m) worth of health insurance riders in 2022.

He also says that non-life health insurance business is concentrated mainly on corporate groups. With the IDRA's latest move, he expects individual insurance health policies will become popular soon. However, insurance executives say that there may not be quick results from the policy reform because of a weak distribution network.

TOP

Malaysia: Insurance market's prospects seen as favourable this year - Asia Insurance Review

The earnings of Malaysia's local insurance and takaful sector are expected to stage some recovery this year amid volatility in the global financial markets, according to RAM Rating Services (RAM Ratings). "We project a year-on-year (y-o-y) expansion of 8% for the life and family takaful sector's new business (NB) premiums and contributions for 2023 against 3% in 2022 and 18% in 2021," Ms Sophia Lee, a co-head of financial institution ratings at RAM Ratings, told the newspaper The Star.

"Growth would be supported by sustained property market activity which underpins demand for mortgage insurance and takaful protection as well as an increased awareness of the need for life and health protection," Ms Lee added. Mortgage term takaful has been a primary source of growth for the family takaful segment in particular.

RAM Ratings has retained its 'Stable' outlook on the Malaysian insurance and takaful sector, which is expected to stay resilient in the face of a changing landscape, market volatilities and normalisation of claims towards pre-COVID-19 pandemic levels.

Looking ahead

Following the lifting of the sales tax exemption, car sales and by extension, motor premiums and contributions are expected to be lower this year, Ms Lee said, adding that this underpins RAM's projection that growth in the non-life sector would be flat at best in 2023.

RAM Ratings said the evolving operating landscape towards a greater digital push, added with ongoing structural reforms, complex MFRS 17 implementation, and increased mergers and acquisitions (M&As) mean that insurance and takaful companies will need to up their game to stay competitive, even whilst navigating these challenges.

"The revival of M&A activity could also bring about some shifts in market dynamics, particularly in the non-life industry where there has been some degree of market consolidation after AmGeneral-Liberty's and Generali's respective corporate exercises.

TOP

Bangladesh: Govt and insurers' initiatives promote growth of insurance market - Asia Insurance Review

The insurance sector in Bangladesh has the potential for rapid expansion and growth because of a number of favourable factors, including government support, according to the CEO of Zenith Islami Life Insurance Mr SM Nuruzzaman. In an exclusive interview with Bangladesh Post, he pointed out that the government of Bangladesh had introduced taken several initiatives to promote the growth of the insurance sector, including issuing new policies and regulations that encourage foreign investment and competition.

He added that insurance companies in Bangladesh are diversifying their products to cater to the specific needs of different segments of the population. For instance, microinsurance products are gaining popularity among low-income individuals who were previously excluded from insurance coverage.

The use of technology is also driving the growth of the insurance sector in Bangladesh. Insurance companies are using digital channels to reach out to potential customers and provide them with easy access to insurance products, he said.

Insurers can also develop innovative products that are relevant to the needs of the market, such as customised insurance packages that cater to specific industries, new products that cover emerging risks, and more flexible coverage options.

Mr Zaman said that the negative impression of the insurance sector among some segments of the public in Bangladesh can be attributed to a lack of awareness about the benefits of insurance. As people become more educated and informed about insurance, they are more likely to see its importance and acquire coverage.

He also said, "Insurance companies can enhance transparency by providing clear information about their products, coverage, and pricing. This will enable customers to make informed decisions, which will ultimately lead to a more positive reputation for the industry.

Mr Zaman suggested that the government could reduce corporate tax for insurance companies to encourage growth in the sector. This can help to increase investment in the sector and improve the profitability of insurance companies. The government can increase tax benefits for life insurance policyholders to encourage more people to take out life insurance policies. This can help to increase the penetration rate of life insurance in the country and promote long-term savings.

He said the government could also consider providing incentives for insurance penetration in rural areas to promote the growth and development of the insurance sector in Bangladesh.

TOP

Vietnam: Insurers work to promote bancassurance - Asia Insurance Review

Insurance companies are looking at ways to reassure and retain customers, following several complaints about insurance sales at banks. The Insurance Association of Vietnam (IAV) together with insurance companies have organised information-sharing programmes to explain insurance more clearly as well as warn policyholders of the consequences of stopping premium payments and cancelling their policies. Insurers have also been handing out shopping vouchers or carrying out lucky draws to get policyholders to renew their policies or refrain from surrendering them, according to local media reports.

According to statistics of the Ministry of Finance, in the first four months of this year, the total insurance premium revenue of the overall insurance market was estimated at VND75,338bn, up by only 1.12% over the corresponding period in 2022. Life insurance premium income stood at VND52,049bn, which indicates that growth was flat compared to the corresponding period in 2022.

Data from the Ministry of Finance indicate that bancassurance has developed rapidly in recent years. The channel accounts for about 20% of the total premium revenue of the life insurance market and about 14% of non-life insurance premiums.

However, the rapid development has led to complaints from customers about bank staff forcing them to buy insurance when taking out loans. Other complaints include inadequate advice at banks, causing some customers to confuse insurance products with banking products resulting in their buying insurance when they were making a bank deposit. The Insurance Supervision and Administration Department has also conducted several inspection rounds since the start of this year, focussing on bancassurance sales.

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COI PROGRAM CALENDAR

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COLLEGE OF INSURANCE CALENDAR PROGRAMME FOR THE YEAR 2023- 2024 (MUMBAI)							
Sr. No.	Title of the Training Program	Program Start Date	Program End Date	Type of Program	Fes for Online	Fees for Residents	Fees for Non-Residents
9	Workshop on Soft Skills for team managers and team leaders	12-Jun-23	14-Jun-23	Classroom Session		Rs. 15000/- + G.S.T.	Rs. 10800/- + G.S.T.
10	International Reinsurance Program	12-Jun-23	17-Jun-23	Classroom Session		\$ 600 USD	
11	Creating High performers in Banca Channel	14-Jun-23	14-Jun-23	Virtual Session	Rs. 1500/- + G.S.T.		
12	Ind-AS and Accounting Standards for Life Insurance	15-Jun-23	16-Jun-23	Virtual Session	Rs. 3000/- + G.S.T.		
13	Liability Insurance: Focus - Casualty Lines	15-Jun-23	16-Jun-23	Classroom Session		Rs. 10000/- + G.S.T.	Rs. 7200/- + G.S.T.
14	Customer Service and Claims Management	19-Jun-23	20-Jun-23	Classroom Session		Rs. 10000/- + G.S.T.	Rs. 7200/- + G.S.T.

15	Sales Cycle Management-Power Selling	19-Jun-23	20-Jun-23	Classroom Session		Rs. 10000/- + G.S.T.	Rs. 7200/- + G.S.T.
16	Programme on Anti-Money Laundering (AML), KYC and Counter-Financing of Terrorism(CFT)	20-Jun-23	20-Jun-23	Virtual Session	Rs. 1500/- + G.S.T.		
17	Insurtech and Agriculture	21-Jun-23	21-Jun-23	Virtual Session	Rs. 1500/- + G.S.T.		
18	Principles of Valuation - Life	21-Jun-23	21-Jun-23	Virtual Session	Rs. 1500/- + G.S.T.		
19	Personal Financial Planning and Life Insurance	22-Jun-23	23-Jun-23	Classroom Session		Rs. 10000/- + G.S.T.	Rs. 7200/- + G.S.T.
20	Motor OD Insurance - Underwriting and Claims	22-Jun-23	23-Jun-23	Classroom Session		Rs. 10000/- + G.S.T.	Rs. 7200/- + G.S.T.
21	Basics of Life Insurance for New Entrants in Life Insurance Companies	26-Jun-23	27-Jun-23	Classroom Session		Rs. 10000/- + G.S.T.	Rs. 7200/- + G.S.T.
22	Management of Fire Insurance (Material Damage and LOP)	26-Jun-23	27-Jun-23	Classroom Session		Rs. 10000/- + G.S.T.	Rs. 7200/- + G.S.T.
23	Liability Insurance Focus - Cyber & Crime	03-Jul-23	04-Jul-23	Classroom Session		Rs. 10000/- + G.S.T.	Rs. 7200/- + G.S.T.
24	Analysis of Life Insurance Financials and use of Z-Score Analysis as a Financial Health Indicator	03-Jul-23	04-Jul-23	Classroom Session		Rs. 10000/- + G.S.T.	Rs. 7200/- + G.S.T.
25	Engineering Insurance - Machinery Breakdown Insurance	05-Jul-23	06-Jul-23	Classroom Session		Rs. 10000/- + G.S.T.	Rs. 7200/- + G.S.T.
26	Importance of Product Mix and Channel Mix in Life Insurance	05-Jul-23	06-Jul-23	Classroom Session		Rs. 10000/- + G.S.T.	Rs. 7200/- + G.S.T.
27	Workshop on Communication & Presentation Skills	06-Jul-23	07-Jul-23	Classroom Session		Rs. 10000/- + G.S.T.	Rs. 7200/- + G.S.T.
28	Productivity Enhancement in Life	07-Jul-23	07-Jul-23	Classroom Session		Rs. 5000/- + G.S.T.	Rs. 3600/- + G.S.T.

	Insurance Distribution						
29	Marine Cargo Insurance	07-Jul-23	07-Jul-23	Virtual Session	Rs. 3000/- + G.S.T.		
30	Wealth Accumulation through ULIPS and Guaranteed Return Products	10-Jul-23	11-Jul-23	Classroom Session		Rs. 10000/- + G.S.T.	Rs. 7200/- + G.S.T.
31	International Program -Excellence in Insurance Technical - Non Life	10-Jul-23	21-Jul-23	Classroom Session		\$ 1200 USD	
32	Cattle and other forms of Rural Insurance	12-Jul-23	13-Jul-23	Classroom Session		Rs. 10000/- + G.S.T.	Rs. 7200/- + G.S.T.
33	Developing Managerial Skills in Insurance	13-Jul-23	14-Jul-23	Classroom Session		Rs. 10000/- + G.S.T.	Rs. 7200/- + G.S.T.
34	Digital Edge/Age in Life Insurance Marketing and Operations	13-Jul-23	14-Jul-23	Classroom Session		Rs. 10000/- + G.S.T.	Rs. 7200/- + G.S.T.
35	Basics of Health Insurance and Preventive Care	17-Jul-23	18-Jul-23	Classroom Session		Rs. 10000/- + G.S.T.	Rs. 7200/- + G.S.T.
36	Compliance Management of Life Insurance Companies	17-Jul-23	18-Jul-23	Classroom Session		Rs. 10000/- + G.S.T.	Rs. 7200/- + G.S.T.
37	Familiarisation Programme for Board Members of Life insurance Companies	19-Jul-23	19-Jul-23	Virtual Session	Rs. 3000/- + G.S.T.		
38	Workshop on Team Dynamics and Interpersonal Relationships	19-Jul-23	20-Jul-23	Classroom Session		Rs. 10000/- + G.S.T.	Rs. 7200/- + G.S.T.
39	Reinsurance Management Intermediate Level	20-Jul-23	21-Jul-23	Classroom Session		Rs. 10000/- + G.S.T.	Rs. 7200/- + G.S.T.
40	Use of Technology in Insurance	21-Jul-23	21-Jul-23	Virtual Session	Rs. 1500/- + G.S.T.		
41	Enterprise Risk Management (ERM) and the role of the Chief Risk Officer(CRO)	24-Jul-23	25-Jul-23	Classroom Session		Rs. 10000/- + G.S.T.	Rs. 7200/- + G.S.T.

42	Financial and Investment Management in Life Insurance Companies	25-Jul-23	25-Jul-23	Virtual Session	Rs. 1500/- + G.S.T.		
43	Corporate Governance in Life Insurance Companies	26-Jul-23	26-Jul-23	Classroom Session		Rs. 5000/- + G.S.T.	Rs. 3600/- + G.S.T.
44	Challenges in Fighting Fraud – Motor Third Party Insurance	26-Jul-23	27-Jul-23	Classroom Session		Rs. 10000/- + G.S.T.	Rs. 7200/- + G.S.T.

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

Sr. No.	Title of the Training Program	Program Start Date	Program End Date	Type of Program	Fes for Online	Fees for Residents	Fees for Non-Residents
2	Managing Liability Insurance: Marketing, Underwriting and Claims (Otherthan Motor TP and Cyber Liabilities)	16.06.2023	17.06.2023	Virtual and Classroom Session	Rs.6000/- +18% GST	Rs. 10000/- + 18% GST	Rs. 7200/- + 18% GST
3	Ind-AS and Accounting Standards for Insurance	19.06.2023	20.06.2023	Classroom Session		Rs. 10000/- + 18% GST	Rs. 7200/- + 18% GST
4	Industrial Risk Inspections: Methods and Reporting	22.06.2023	22.06.2023	Virtual Session	Rs. 1500/- + G.S.T.		
5	Management of Renewable Energy Insurance	27.06.2023	28.06.2023	Virtual and Classroom Session	Rs.6000/- +18% GST	Rs. 10000/- + 18% GST	Rs. 7200/- + 18% GST
6	Life Insurance Marketing in a Digital Era	06.07.2023	07.07.2023	Virtual and Classroom Session	Rs.6000/- +18% GST	Rs. 10000/- + 18% GST	Rs. 7200/- + 18% GST
7	Handling Frauds & Lapses in Motor TP Claims Management	10.07.2023	11.07.2023	Virtual and Classroom Session	Rs.6000/- +18% GST	Rs. 10000/- + 18% GST	Rs. 7200/- + 18% GST
8	Financial Planning and Life Insurance Solutions CVT- Kolkata	19.07.2023	19.07.2023	Virtual Session	Rs. 1500/- + 18% GST		
9	Marine Cargo Insurance Management:	26.07.2023	28.07.2023	Classroom Session		Rs. 15000/- + 18% GST	Rs. 10800/- + 18% GST

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