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INSUNEWS – WEEKLY E-NEWSLETTER

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QUOTE OF THE WEEK

"All our knowledge begins with the senses, proceeds then to the understanding, and ends with reason. There is nothing higher than reason."

IMMANUEL KANT

Insurance Term for the Week

Vehicles Laid Up

Refers to a comprehensively insured motor vehicle being laid up in garage and not in use. Subject to a notice from the insured in advance of the period during which the vehicle will be laid up, insurer will restrict the cover during the laid up period to fire, burglary and theft risks only.

The insured consequently will get either of the following benefits -

1. A portion of the premium already collected by the insurer will be given to the credit of the insured at the time of renewal of the policy or

2. The existing policy will be extended by a period equivalent to the laid up period by charging an extra premium which will represent the premium for the restricted cover during the laid up period.

INSIDE THE ISSUE

INSURANCE INDUSTRY

GST Council likely to meet in November after state elections, set to accept GoM report on insurance premium – Moneycontrol - 5th November 2024

The GST Council is likely to meet at the end of the month, after Maharashtra and Jharkhand elections, and is set to accept the final report by the Group of Ministers on lower interest rates for life and health insurance premiums. CNBC-TV18 reported citing sources that the GoM is likely to propose a GST exemption on premium paid for term insurance for individual as well as for families. This exemption on life insurance premia is likely to have a revenue implication of Rs 213 crore, the source told the channel. On October 19, Moneycontrol too had reported that the likely revenue loss from the exemption of term life insurance from GST is estimated to be around Rs 200 crore annually.

GST exemption is likely to be proposed for all health insurance policies for senior citizens, it is learnt, as well as on health insurance of up to Rs 5 lakh for non-senior citizens. The revenue implication from rationalisation of GST on health insurance premia is seen at Rs 2,100 crore. Last month, Moneycontrol had reported citing sources the GoM has agreed to propose a GST exemption for health insurance offering coverage up to Rs 5 lakh. A Fitment Committee, comprising state and central government revenue officials, had been assigned to weigh on potential benefits of exemption against the revenue loss to the exchequer, and make recommendations to the Council.

The Group of Ministers had met in October to discuss GST rates on insurance premium, and have reached a consensus to exempt term life insurance premiums and health insurance for senior citizens from the GST net. On August 30, Moneycontrol had reported that a proposal from the Group of Ministers (GoM) could recommend exempting term life insurance policies from GST. However, insurance products with investment components may still be taxed. This move aims to increase demand for pure protection policies by making them more affordable for consumers.

TOP

Bill to raise insurance FDI, launch composite licence in winter session – Financial Express – 4th November 2024

The Centre may introduce a Bill to push big-ticket reforms in insurance laws in the upcoming winter session of Parliament, to further liberalise the sector. The plan is to increase the foreign direct investment (FDI) limit to 100% from 74% at present, and introduce composite licensing of life and non-life insurance, sources told FE.

Among other changes that will lead to the growth of insurance penetration in the country, capital requirements may be lowered for micro-insurance players. For composite licence, however, the the minimum capital threshold may be higher than for separate licences for life and non-life.

“The insurance amendment Bill is in the works. It may be placed before the Parliament as early as in the next session,” an official said. Insurance penetration was just 4.2% in India in 2021 while the global average was 7%. Moreover, the Indian insurance sector is heavily tilted towards the life insurance segment which has a share of 76%. Globally, the share of the life insurance business in total premiums was 43.7% and the share of non-life insurance premiums was 56.3% in 2021.

Given that a vibrant insurance sector fosters market stability, absorbs financial shocks, provides long-term patient capital, attracts FDI and generates employment, the government is contemplating increasing the FDI limit in the sector to 100% from 74%, the official said.

In 2021, the Insurance (Amendment) Act raised the FDI limit in the insurance sector from 49% to 74%. The FDI cap was 26% when the sector was opened up for the private sector in 2000. Since the sector was opened up to the private sector, insurance players increased from 53 to 70 as of January 2024. However, not many Indian insurance companies have 74% foreign ownership as Indian promoters have preferred to maintain management control. In September 2022, Ageas Federal Life Insurance became the first Indian life insurance company to hold a 74% stake by a foreign partner.

Recently, Insurance Regulatory and Development Authority of India (IRDAI) Chairman Debasish Panda said there was a need for more insurance companies in the country, as the existing players are not enough to cater to the 1.4 billion population. Insurance is a capital-intensive business.

The Insurance Act and the regulations of the Insurance Regulatory Development Authority of India do not allow composite licensing for an insurer to undertake life, general, or health insurance under one entity. Allowing composite licensing could provide further impetus to the insurance sector owing to its various benefits. It could cut costs and compliance hassles for insurers, as they could run different insurance businesses under one roof. It could also offer customers more choice and value, such as a single policy that covers life, health, and savings. Under composite licensing, insurers have to address issues such as different risks and returns from different types of insurance; the accounting and reporting standards as they have to keep separate funds and records for different types of insurance; etc.

To promote microinsurance that plays an important role in financial inclusion and poverty alleviation, a parliamentary panel had recommended that new microinsurance products need to be developed and provided as affordably as possible for targeted groups for risks such as health, crop, life, etc. It had also recommended a lower capital requirement than the mandated requirement of a minimum Rs 100 crore, for such players.

(The writer is Prasanta Sahu.)

TOP

INSURANCE REGULATION

Irdai to amend regulatory sandbox norms after committee recommendation – Business Standard – 7th November 2024

Regulator Irdai has proposed to amend the norms related to 'regulatory sandbox' by incorporating principle-based approach and further facilitate adoption of innovative ideas and new concepts across the insurance value chain. Regulatory sandbox usually refers to live testing of new products or services in a controlled/test regulatory environment for which regulators may or may not permit certain relaxations.

Insurance Regulatory and Development Authority of India (Irdai) had constituted an internal committee to review the Irdai (Regulatory Sandbox) Regulations. Based on the recommendations of the committee, it has proposed amendments to the regulatory sandbox regulations and seeks comments from the public at large on the proposed amendments. Issuing an exposure draft on regulatory sandbox regulations, Irdai said the amendment seeks adoption of principle based approach over rule based approach. The changes to the norms are also aimed to facilitate introduction of innovative ideas/new concepts across the insurance value chain, Irdai said. Irdai has invited comments from the stakeholders on 'Exposure draft Irdai (Regulatory Sandbox) (Amendment) Regulations, 2024' by November 25.

TOP

Irdai proposes changes to IAC meeting frequency, notice period, structure – Business Standard – 6th November 2024

The Insurance Regulatory and Development Authority of India (Irdai) has recommended changes in how the Insurance Advisory Committee (IAC) advises it on regulatory matters. As per the proposed norms, the IAC will have flexibility in the number of meetings it conducts, rather than a fixed schedule, and will use the financial year instead of the calendar year to determine the number of meetings. The IAC comprises members representing various sectors, including commerce, industry, agriculture, and consumers, along with the chairperson and members of Irdai as ex officio members.

The regulator has also proposed that the IAC allow circulation of meeting notices and agendas to its members in less than seven days, subject to chairperson approval. Other proposed changes include renaming the "Designated Officer" as the "Secretary to the Authority," enabling the chairperson to decide the mode, place, and time of meetings, reducing the notice period to 24 hours for convening an emergency meeting, and adding provisions for the resignation and removal of IAC members.

(The writer is Aathira Varier.)

TOP

LIFE INSURANCE

A Shield against Life's Uncertainties for Families in Northeast India – Northeast Now – 7th November 2024

The Northeast region of India is a hidden gem known for its breathtaking landscapes, vibrant cultures, and rich biodiversity. From the rolling hills of Meghalaya to the serene valleys of Arunachal Pradesh, the region's natural beauty captivates visitors and residents alike. However, alongside its charm, the Northeast faces numerous challenges that can create financial uncertainties for families. The region faces challenges like natural disasters, limited job opportunities, and rising living costs, making financial security essential for families. Therefore, term insurance plans provide crucial support, ensuring they can recover and maintain stability during difficult times. Let's understand in detail the role of term insurance in building financial resilience in the Northeast Indian region.

Why is Term Insurance Important in Northeast?

<u>Protection against Uncertainties</u>
The Northeast often faces natural calamities like floods and landslides, leading to sudden financial burdens. In Assam, where life expectancy is the lowest in the country at just 63.9 years, families are particularly vulnerable. Term insurance acts as a safety net, ensuring that loved ones receive financial support in the event of an untimely death, especially in a region grappling with such high health challenges, including 34,076 cancer cases recorded in Assam in 2022—the highest among all northeastern states.

<u>Affordable Premiums</u>
Term insurance generally offers lower premiums than other life insurance types, making it accessible for many families in the Northeast. This affordability is essential, especially when considering that Assam recorded around 3,000 road accident fatalities in 2022. Affordable term insurance allows families to secure comprehensive coverage without straining their tight budgets.

Support during Health Crises

Health challenges, such as critical and terminal illnesses, are pressing concerns in the region. With Arunachal Pradesh's death rate at 5.7 deaths per 1,000 people in 2020 and the distressing trend of 3,302 suicidal deaths recorded by Assam police in 2021, financial planning becomes vital. Term insurance ensures families can manage medical expenses and maintain living standards amidst uncertainties in the unfortunate event of a policyholder's death.

Encourages Financial Planning

Buying a life insurance policy encourages individuals to consider their financial future. It fosters conversations about savings, investments, and securing one's family. Given the precarious health landscape, where Mizoram has the highest cancer rate in India despite being the second least populated state, such proactive financial planning can make a significant difference in the lives of families facing these challenges.

Building a Culture of Financial Protection against Uncertainty

Building a culture of financial resilience in Northeast India involves fostering a proactive approach to financial education and future protection. By promoting financial literacy through modern approaches, like social media, individuals can gain essential skills in budgeting, saving, and investing. As awareness about insurance grows, more families can take proactive steps toward ensuring their financial stability. But is it possible to understand the insurance fundamentals without having a biased opinion on just one product?

How can one person compare all the plans to make an informed decision?

This is where the Policybazaar term insurance comparison engine can be of value to customers, allowing them to compare plans from a list of top insurers and choose the right one. This transparency helps families make informed decisions about their financial security. Term life insurance is a crucial safety net, ensuring that loved ones are protected regardless of life's challenges, such as sudden disease or demise.

Choosing the right term insurance plan is not just a choice; it's a crucial responsibility that helps secure families against uncertainties, providing them peace of mind and stability for the future. However, the entire process of choosing the right plan involves a number of steps, including assessing your needs and understanding the premium rates. And how is that possible? Easily, with the help of an online tool called a term insurance calculator. Calculations like these needn't be a mathematical challenge and can easily be done in less than 10 seconds with the help of this online calculator.

Promise of Protection in Northeast Region

Term insurance is crucial in building financial resilience for families in Northeast India. By offering essential protection against life's uncertainties, it serves as a cornerstone for secure financial planning in the region. Many families are encouraged to view term insurance as an integral part of their financial strategy, helping safeguard their loved ones and assets. This proactive approach ensures they can face the future with confidence and stability, ultimately fostering a community's financial security culture. Embracing term insurance can empower families to navigate challenges and enhance their well-being.

TOP

Should you bundle health and life cover plans: Key points to consider – Business Standard – 4th November 2024

In an era of escalating medical expenses and growing health consciousness, more Indian families are turning to bundled health and life insurance plans as a cost-effective solution to secure their financial future. "Bundling health and life insurance not only simplifies the process for consumers by reducing paperwork and streamlining premium payments but can also lead to real cost savings," says Dhirendra Mahyavanshi, co-founder & CEO of Turtlemint.

"Bundled plans offer seamless experience that aligns with the growing demand for convenience and efficiency in today's insurance landscape," Dhirendra said. Shilpa Arora, co-founder and chief operating officer (COO) of Insurance Samadhan said "Bundled health and life plan packages have the unique advantage of combining essential coverage into a single package. It allows individuals to avail tailored financial protection at reduced rates."

Factors driving bundling insurance trend

Cost savings through bundling: One of the main benefits of bundled insurance plans is the potential for lower premiums compared to buying individual policies separately. Insurers often offer discounted rates for combo plans, making them more cost-effective.

Simplified documentation: Customers need to submit documents only once for both covers, streamlining the application process.

Integrated claim process: Many insurers now provide a single point of contact for both health and life insurance claims.

Key points to consider before bundling health and life insurance plans

Individual coverage requirements

Health insurance needs

- Evaluate family medical history.
- Consider age-specific healthcare requirements.
- Account for existing medical conditions.
- Assess typical healthcare expenses and frequency of medical visits.
- Review coverage for maternity, critical illness, and specific treatments.
- Life insurance requirements
- Calculate dependent family members' financial needs.
- Factor in outstanding loans and liabilities.
- Consider children's education and future expenses.
- Evaluate income replacement requirements.
- Account for inflation and future cost of living.
- Cost-benefit analysis
- Compare individual policy premiums with bundled plan costs.
- Calculate total savings on premiums.
- Review additional benefits and their monetary value.
- Consider long-term premium escalation patterns.
- Evaluate claim settlement ratios for both types of coverage.
- Policy features and flexibility
- Customisation options
- Ability to modify coverage amounts independently.
- Options to add or remove family members.
- Flexibility to upgrade coverage.
- Availability of riders and add-ons.

Policy terms

- Lock-in periods and renewal terms.
- Waiting periods for specific conditions.
- Sub-limits and co-payment clauses.
- Room rent restrictions.
- Network hospital coverage.
- Insurance provider assessment

- Financial stability of the insurance company.
- Claim settlement history and process.
- Customer service track record.
- Digital capabilities and ease of policy management.
- Presence of branch network and hospital tie-ups.
- Future considerations
- Policy portability
- Options to transfer health coverage to another insurer.
- Implications on accumulated benefits.
- Impact on no-claim bonus.
- Coverage enhancement
- Scope for increasing sum insured.
- Options for adding new coverage features.
- Availability of wellness benefits.

(The writer is Ayush Mishra.)

TOP

GENERAL INSURANCE

Parametric insurance: The quick and transparent alternative to traditional cover – Live Mint – 7th November 2024

Parametric insurance, also known as index-based insurance, is a type of cover in which the insurance company and customer agree on a sum that will be paid out if a specific event occurs. The event must be measurable, and for the payout to be made, its intensity must meet or exceed a pre-agreed parameter or index, such as wind speed, rainfall, or earthquake magnitude. Unlike traditional insurance, parametric insurance does not involve risk assessment or loss evaluation. Instead, it relies on trigger points. The insurance company and the insured agree on a parametric index, assuming that when an event is of a certain magnitude, there is a high likelihood of financial loss for the insured. If such an event occurs, the insurer makes the payout as outlined in the contract. This approach enhances transparency, accelerates claim payments, and provides immediate financial relief to the insured.

Let's understand this with the example of the Indian government's Weather Based Crop Insurance Scheme (WBCIS), which harnesses parametric insurance. The scheme aims to protect farmers from financial losses caused by extreme weather conditions related to rainfall, temperature, wind, humidity and so on. Suppose the index for heavy rainfall is set at 12 mm per hour. When rainfall in the insured area exceeds this threshold, the payout is triggered. Another example is extreme heat income insurance, which aims to protect underserved communities from income loss due to harsh weather conditions such as heat waves. When heat waves intensify to the level of the parametric trigger, workers are paid their daily wage without having to work on that day. This not only protects them from income loss but from harsh working conditions as well. This insurance solution has taken shape in Gujarat to support women workers in the unorganised sector.

Although parametric insurance is predominantly used in weather-related and natural calamity scenarios, it is not limited to these. It can also cover financial stress due to non-asset loss business interruptions, yield disruptions, excess or lack of solar and wind for green energy, cyber disruptions, and other measurable events. The renewable energy sector, which is expected to grow significantly in the coming years, often relies on sunlight and wind as primary energy sources. Expected solar irradiance for a given period can be assessed using historical data. Occasionally, unexpected shortfalls in solar energy production may occur, because of anything from cloud movements to atmospheric attenuation. The economic value for this shortfall can be compensated for when it exceeds a parametric threshold. Such coverage helps instil confidence in private investors, encouraging further investment in renewable energy and supporting environmentally friendly initiatives.

It can also be used to cover a reduction in customer footfall for traders due to curfews imposed by authorities. When the footfall drops below average, pre-agreed payouts are triggered. Parametric insurance offers a unique and innovative approach to risk management. By eliminating the need for traditional loss adjustment, it provides a more efficient and transparent solution for businesses that face a variety of risks. The predetermined payout structure and reliance on objective trigger points ensure swift financial relief, enabling policyholders to recover quickly from adverse events. As technology continues to advance, we can expect parametric insurance to expand into new areas of risk, offering businesses greater flexibility and protection. With its potential to mitigate financial losses and foster resilience, parametric insurance is poised to become an increasingly valuable tool in the modern business landscape.

(The writer is T A Ramalingam.)

TOP

HEALTH INSURANCE

Air pollution driving up health costs? Choose comprehensive insurance now – Business Standard – 7th November 2024

Every winter, cities across northern India, particularly Delhi-NCR, Punjab, and Haryana, grapple with alarmingly high levels of air pollution, creating widespread health concerns. But what options do Indians have to protect themselves financially against pollution-induced health issues?

"As India progresses towards becoming a global economic powerhouse, we must recognise the environmental challenges that accompany rapid urbanisation and industrial expansion," said Amit Bhandari, chief technical officer at Magma HDI General Insurance. He pointed out that pollutants like PM2.5 have become an unavoidable part of city life, cutting life expectancy by up to 10 years in some of the most affected regions.

No pollution-specific policies available in India

Currently, health insurance in India does not feature policies exclusively focused on pollution-related health issues. However, some insurers have developed add-ons for pollution-specific needs. "Standard plans cover medical expenses for conditions like asthma and COPD, which can be worsened by pollution, though they do not focus specifically on pollution as a cause," explained Suman Pal, chief claims officer at Onsurity.

He added that "some insurers are developing riders for pollution-specific needs, such as regular health check-ups for early detection of respiratory issues."

While health insurance in India does not yet widely cover pollution-specific health issues, many standard plans do include treatment for respiratory and cardiovascular ailments that can be exacerbated by pollution. "Emergency hospitalisation and ICU care for severe respiratory issues exacerbated by pollution, like asthma or COPD attacks, are included," Siddharth Singhal, head of health insurance at Policybazaar added.

In cases where pollution worsens pre-existing conditions, insurance plans can be particularly valuable. Rakesh Jain, CEO of Reliance General Insurance, said that for individuals with pre-existing heart conditions, "a critical illness policy can provide much-needed financial support by covering the medical costs associated with severe heart-related conditions." Pollutants, he explained, can accelerate conditions like atherosclerosis, causing shortness of breath, fatigue, and other symptoms when pollution levels rise.

Health insurance plans

Comprehensive health insurance plans cover a range of pollution-related health risks, though specifics vary by insurer. "Health indemnity insurance policies usually offer broad coverage for any hospitalisation linked to medical conditions, except for listed exclusions like cosmetic treatments or unlawful activities," explained Priya Deshmukh, head of health products at ICICI Lombard. Policies such as ICICI Lombard's Elevate include coverage for hospitalisation, outpatient care, and day-care treatments, as well as post-hospitalisation follow-ups.

Insurance premiums are based on factors such as age, health profile, and location. "Plans are customisable with riders to increase protection for pollution-related health risks," said Amitabh Jain, chief operating officer at Star Health and Allied Insurance. He recommended that policyholders consult with agents to compare options and select the best-suited plan based on their needs and budgets.

Take a look at some insurance plans and their premiums for a 30-year-old individual based in Delhi with a base cover of Rs 1 crore, provided by PolicyBazaar:

Care Health
Plan Name: Care Advantage
Premium (inc. GST): Rs 13,159

Star Health
Plan Name: Smart Health Pro
Premium (inc. GST): Rs 15,515

Manipal Cigna
Plan Name: Lifetime Health
Premium (inc. GST): Rs 13,297

Aditya Birla Health Insurance
Plan Name:Activ Fit Plus
Premium (inc. GST): Rs 17,058

Niva Bupa Health Insurance
Plan Name: Reassure 2.0 Platinum
Premium (inc. GST): Rs 24,605

HDFC Ergo
Plan Name: Optima Secure
Premium (inc. GST): Rs 25,781

What's included—and what's excluded—in these policies?

Pollution-related health insurance typically covers hospitalisation, ICU charges, diagnostic tests, medications, and consultations for respiratory and cardiovascular conditions resulting from exposure to pollution.

Key inclusions often cover:

Inpatient treatment – hospitalisation costs
Pre- and post-hospitalisation expenses – consultations and follow-ups
Day-care treatments – procedures that don't require a full day of hospitalisation
OPD costs – outpatient care for non-hospitalised treatment
Domiciliary expenses – home-based hospitalisation if needed
Ambulance charges – emergency transport fees

AYUSH hospitalisation – coverage for treatments like Ayurveda, Yoga, Naturopathy, Unani, Siddha, and Homeopathy in recognised centres

However, certain limitations are in place. Amitabh Jain pointed out, "Pre-existing respiratory conditions may not be covered until a waiting period is met. Long-term oxygen therapy and preventive treatments may not be included unless additional riders are purchased."

"Thoroughly review policy details to understand exclusions," he said.

Health risks from pollution and climate change
In response to India's high pollution levels, insurers advise preventive health measures to help individuals manage exposure. Simple steps like staying hydrated, using face masks, and practising regular indoor exercises can aid in reducing pollution-related health impacts. "With pollution-related health risks rising, preventive measures are essential. Individuals can use masks and protective eyewear in high-traffic areas and invest in air purifiers to improve indoor air quality," said Rakesh Jain.

Onsurity, a healthcare provider, has introduced wellness plans offering regular preventive health check-ups, digital wellness resources, and access to specialists for pollution-related conditions. "These measures are essential as India faces a projected 7-9% rise in respiratory ailments due to climate change over the next decade," said Pal.

How insurers support long-term health in high-risk areas
A few insurance providers, such as Magma HDI, offer plans that extend coverage to alternative treatments through AYUSH methods, including Ayurveda and Naturopathy. "Comprehensive plans ensure policyholders have access to diverse treatments, making health insurance an essential tool for managing pollution's long-term health effects," said Bhandari. Magma HDI's OneHealth plan, for example, provides coverage for respiratory disorders and critical illnesses. This allows policyholders to monitor and protect their health against pollution.

"By securing insurance early, policyholders gain financial protection and access to proactive healthcare, helping them manage their health in an increasingly challenging environment," said Bhandari.

(The writer is Surbhi Gloria Singh.)

TOP

Health insurance premiums expected to grow to US$23.7bn by FY2028 – Asia Insurance Review – 7th November 2024

Total health GDPI is expected to reach up to INR2.0tn ($23.7bn) by the financial year ending 31 March 2028 (FY2028), according to Bupa Niva Health Insurance in its draft red herring prospectus as the insurer launches an initial public offer.

The forecast is based on Redseer estimates that indicate that retail business is expected to grow at a CAGR of 18-21% over the next four years to INR0.8-0.9tn in terms of GDPI by FY2028. Group health insurance GDPI is expected to grow at a rate of 13-16% over the next four years, driven by an increase in the number of enterprises, and expanding adoption among small and medium-sized enterprises (SMEs).

India's health insurance sector witnessed rapid growth, with gross direct insurance premiums (GDPI) more than doubling to INR1.08tn ($12.8bn) in FY2024 from INR0.37tn in FY2018, growing at a CAGR of 19.5%. The group and retail health insurance businesses represented approximately 90% of the overall health insurance GDPI. Retail health insurance accounted for 39% of overall health insurance GDPI in FY2024.

The prospectus says that the major drivers of the growth of India's health insurance industry include:
Regulatory and government support – IRDAI is enhancing health insurance growth through supportive initiatives like "Insurance for all by 2047", Bima Sugam, and the government-backed AB-PMJAY scheme, a health insurance scheme for low-income households. Additionally, employer-provided insurance to employees further contributes to healthcare coverage.

New and specialised insurers – IRDAI is encouraging supply-side offerings through approvals of new license and product offerings. This is expected to expand the market by targeting new customer segments.

Evolving healthcare landscape – The fast-developing healthcare landscape in India serves as a significant catalyst for the growth of health insurance. As specialized and high-quality healthcare infrastructure expands, healthcare costs will also grow. In this context, health insurance will play a crucial role in safeguarding household wealth. Demand-side: increasing awareness for health – The COVID-19 pandemic has brought about a significant shift in awareness about health, well-being, and the importance of financial protection against unexpected medical expenses, driving the demand for health insurance.

Development of digital-first ecosystem – Digital enablement across the insurance value chain has streamlined the insurance process. Technology has improved customer experience across the value chain through online purchase channels, AI/ML (Artificial Intelligence/Machine Learning) models for specialised underwriting, identifying fraudulent claims, and expediting processing times.

Threats and challenges facing the health insurance industry
Health insurance companies navigate a complex landscape that is filled with many challenges, including:

Rising healthcare costs
Fraudulent claims
Regulatory compliance
Standardisation issues
Cyber security risks

TOP

Keep health cover comprehensive and contemporary by adding riders – Business Standard – 6th November 2024

COSTS VARY: DO COST-BENEFIT ANALYSIS BEFORE BUYING RIDER

Premiums* (₹)

Insurer	Plan	Base policy	OPD rider	Consumable rider
Care Health	Care Supreme	11,546	681	502
Niva Bupa	Reassure Bronze	11,090	5,161	1,386
Star Health	Super Star	8,928	4,802	670
Aditya Birla Health	Active One	8,869	1,064	512
ICICI Lombard	Elevate	8,641	1,384	401

*Premiums are for a 35-year-old living in Delhi for base policy sum insured of ₹10 lakh
Source: PolicyBazaar

Tata AIG General Insurance recently introduced five new riders that can be purchased with its health insurance policies that provide more than 60 benefits to customers. Health and general insurers alike are increasingly expanding their suite of riders. "By purchasing a rider, a customer can get additional features and benefits that are not part of the main policy. Riders complement the base policy and make the entire health insurance proposition more comprehensive," says Parthanil Ghosh, director & chief business officer, HDFC Ergo General Insurance. As medical technologies and customer needs evolve, riders can help a base policy remain relevant. "A customer's base policy purchased a few years ago may lack coverage for treatments that have since become important (like robotic surgery). These gaps can be addressed by adding a rider," says Santosh Puri, senior vice-president, health product & process, Tata AIG General Insurance.

Some base policies have restrictions, such as co-payment or room rent sub-limit. A rider can overcome these restrictions.

Certain customer needs vary by age and gender. Including these, like maternity cover, in a base policy is impractical. Individuals can meet their specific needs by buying those riders.

Popular riders to consider

Critical illness rider: It provides a lump sum if the policyholder is diagnosed with a critical illness.

Personal accident rider: It covers expenses arising due to accidental injuries and offers compensation for permanent disability and accidental death.

OPD cover: This rider covers outpatient treatments, including doctor consultations, diagnostic tests, pharmacy, and physiotherapy. Families often spend Rs 12,000-15,000 annually on OPD expenses, which this rider can cover. “The OPD benefit is especially useful for families with young children that have to visit the doctor frequently,” says Siddharth Singhal, head–health insurance, Policybazaar.com.

Woman care: It supports women through various life stages, covering issues like early puberty, infertility, pre- and post-menopausal challenges, etc.

Mental well-being: It covers consultations with a psychiatrist, screenings, and diagnostic tests for mental health issues.

Some riders enable customers to cope with medical inflation.

Restore benefit: It replenishes the sum insured an unlimited number of times once it is exhausted.

Cumulative bonus: It keeps the no-claim bonus intact. “Now there are riders where if the claim is below a threshold level, the bonus is not taken away,” says Puri.

Points to pay attention

Assess your needs and choose riders that align with your health, lifestyle, and finances. “Make sure you do not buy riders that duplicate the coverage available in the base policy,” says Ghosh. Compare rider costs and potential benefits across insurers. Also, remember that like base policies, riders may have waiting periods and exclusions. “Understand all the terms and conditions to avoid an unpleasant surprise at the time of claim,” says Ghosh.

Reassess the relevance of the riders you hold periodically. Maternity cover, for instance, may no longer be needed once the family is complete. Also be aware of changes in features and premiums of riders, and note that some riders may be discontinued. Avoid riders that come with a discount but lead to restrictions in coverage, such as sub-limits on treatment or room category, or which lead to co-payment,” says Puri. Singhal emphasises the importance of buying a few essential riders. “Buy riders that reduce the waiting period for pre-existing diseases, increase the sum insured at a fast pace, and reduce out-of-pocket expenses (like consumables rider),” he says.

(The writers are Sanjay Kumar Singh & Karthik Jerome.)

TOP

‘Health insurance industry has the potential to add 35 crore Indians in future’: Niva Bupa's Krishnan Ramachandran – Money Today – 6th November 2024

The health insurance industry has the potential to add 35 crore Indians in the future. Health insurance currently holds a 40% market share, making it the largest in the non-life category. It is also the fastest-growing sector among non-life insurance segments post-COVID, according to Krishnan Ramachandran, MD and CEO of Niva Bupa. In the fiscal year 2023, over 550 million people across India were covered under health insurance schemes. Ahead of the company’s IPO launch on November 7, Ramachandran said: “Growth potential of the health insurance industry is enormous. If you look at the number of lives covered, how much is the country spend on health care and the level of insurance, it is clearly inadequate, and so the opportunity is big." In order to reach more people, the company has expanded its product offerings in all categories. The company has also invested in its distribution channel and has increased its number of offices from 55 to over 210. Additionally, the company has grown its number of agents from 25,000 in FY 2020 to 150,000 in FY 2024.

Talking about what led to the gradual increase in penetration of health insurance, Ramachandran said: "Covid has been the game changer for the industry, and digital transactions have become more common in the health insurance industry and this has led more people going for it. Apart from this, the state insurance programs, and industry initiatives have been instrumental in building awareness among people." Overall, Ramachandran remains positive about the industry's growth outlook. He predicts that the industry will continue to grow at a rate of 17-18% CAGR over the next 5 years. Regarding the impact of rising medical costs, he believes that inflation is unavoidable. Instead of waiting 2-3 years to revise rates and shock consumers, they now pass on single-digit inflation-linked premiums each year. Ramachandran also points out global trends in the health insurance industry, noting that healthcare spending globally is around 7-8%, while in India it is only 3-4%. This number is expected to increase in the next 5 years. Established in 2008, Niva Bupa Health Insurance Company is a joint venture between the Bupa Group and Fettle Tone LLP, providing insurance in the health sector. The IPO of Niva Bupa Health Insurance Company consists of a fresh share sale of Rs 800 crore and an offer for sale (OFS) of up to 1,400 crore by its promoter entities, totaling Rs 1,400 crore. The company aims to raise Rs 2,200 crore through its IPO. The net proceeds from the issue will be used to strengthen the company's capital base, enhance solvency levels, and for general corporate purposes. The proceeds from the OFS will be received by the selling shareholders of the company - Bupa Singapore Holdings and Fettle Tone LLP. The book-running lead managers for the IPO are ICICI Securities, Morgan Stanley India Company, Kotak Mahindra Capital Company, Axis Capital, HDFC Bank, and Motilal Oswal Investment Advisors, with Kfin Technologies serving as the registrar for the issue.

(The writer is Riddhima Bhatnagar.)

TOP

Multi-year health insurance can save you from rising premiums: Explained – Business Standard – 6th November 2024

In the past year, 52 percent of health insurance policyholders saw their premiums rise by more than 25 percent, according to a survey by LocalCircles. With 31 percent reporting hikes between 25-50 percent, many are feeling the pressure of increasing medical costs. As healthcare inflation escalates, policyholders face tough choices. But are there options to counter rising premiums? There are various ways to help offset rising premium costs. One approach gaining traction is opting for a multi-year health insurance policy. "When you buy a three-year or five-year policy, you secure the premium rate for the entire period, preventing annual hikes due to age or inflation," said Siddharth Singhal, business head at Policybazaar.com. "This can save money, offering up to a 15 percent discount upfront, as the rate remains locked in until the end of the tenure."

Multi-year health policies have now expanded to offer coverage up to five years, giving policyholders a longer period of stability.

"These multi-year plans not only simplify coverage but offer savings, with discounts reaching 17-18%," Singhal added. However, before opting for a multi-year policy, be mindful that it requires an upfront payment, which can feel steep. Once the policy term ends, you'll have the option to renew, though the premiums may rise, reflecting factors such as your age, medical inflation, and any updates to the insurer's pricing structure.

Key benefits of multi-year policies

Locked-in premiums: Policyholders can fix their premium for five years, shielding them from rising healthcare costs.

Attractive discounts: Insurers offer up to 18% savings on multi-year plans, making extended coverage more affordable.

Less frequent renewals: Fewer renewals are ideal for non-resident Indians (NRIs) and frequent travellers who prefer hassle-free insurance.

Take a look at the health insurance plans for a 30-year-old in Delhi (1A, Rs 5 lakh sum insured):

Care Health - Care Supreme
Annual Premium: Rs 11,546
3-Year Multi-Year Premium: Rs 29,924

Niva Bupa - Reassure
Annual premium: Rs 13,489
3-year multi-year premium: Rs 37,432

Aditya Birla - Active One
Annual premium: Rs 8,528
3-year multi-year premium: Rs 23,028

ICICI - Elevate
Annual premium: Rs 8,052
3-year multi-year premium: Rs 23,171

Star Health - Super Star
Annual premium:Rs 8,667
3-year multi-year premium:Rs 24,051

Star Health's "Super Star" plan for a 30-year-old:

Plan name: Super Star
Insurer: Star Health
Premium: Rs 38,785 (for a 5-year policy term)
Coverage amount: Rs 10 lakh
Policy term: 5 years

What does a multi-year plan cover?

A multi-year plan stabilises costs and provides continuous health coverage without the need for yearly renewals. "It's a way to avoid annual premium hikes and stay covered without interruption," explained Amitabh Jain, chief operating officer at Star Health and Allied Insurance. Many plans offer additional benefits, such as No Claim Bonuses, which can enhance the insured sum over time.

Additional perks often include wellness rewards, discounts at partner hospitals, and restoration of the insured sum after each hospitalisation, making multi-year policies a solid option for consistent health protection.

How does it work for claims?

In terms of claims, multi-year policies operate similarly to annual ones. "For each policy year, expenses up to the insured amount are covered," said Santosh Puri, senior vice-president at Tata AIG General Insurance. Terms, conditions, and waiting periods remain consistent with annual policies, though certain products offer flexibility in using benefits over any year within the policy term.

For example, Tata AIG's MediCare Premier multi-year policy allows policyholders to use available restorations any time within the policy period for sums insured above Rs 50 lakh. In another example, Star Health Insurance's "Star Super Star" 5-year policy resets the Rs 10 lakh cover each year for five years, with premiums locked in from January 2025 until January 2029, unaffected by inflation or rate adjustments.

"Our standout feature is the automatic restoration of the sum insured for both related and unrelated illnesses within the same policy year," Jain said, noting that the 5-year policy maintains coverage despite large claims.

Star's "Smart network discount" offers a 15% discount for treatments at preferred network hospitals. The policy also allows midterm inclusion of family members, such as new spouses, children, or adopted children, without needing a new policy. Policy renewals

The renewal process for both one-year and multi-year policies works the same way.

According to Puri, "Insurers give customers the option of auto-renewal. If you don't select auto-renewal, they send reminders for renewal. If you choose auto-renewal, the policy is automatically renewed."

No change in tax benefits

Multi-year policyholders can claim tax benefits under Section 80D of the Income Tax Act, as in the case of a one-year policy. If premiums are paid as a lump sum for multiple years, the cost can be divided across the policy period for deductions. "For instance, if you've paid Rs 45,000 as a premium for a three-year policy, you can split this amount across the three years, claiming Rs 15,000 annually as a deduction under Section 80D of the Income Tax Act. This approach helps maximise tax benefits, even for lump-sum premium payments," said Singhal.

That's how it works in the case of one-year policy too.

What about senior citizens?

While multi-year health insurance is open to all age groups, it offers advantages for seniors. Fixed premiums prevent the sharp price increases often seen with annual renewals. Additionally, seniors can benefit from tax deductions of up to Rs 50,000 annually on multi-year premiums, as in the case of a one-year policy.

"These plans provide seniors with stable premiums, ensuring affordability and consistent coverage," Singhal said.

Downsides of multi-year health insurance policy

Multi-year policies require upfront payment, which can be costly. This factor should be considered by potential buyers.

Another factor that policy buyers must keep in mind is that when a multi-year health insurance policy term concludes, they have the option to renew it. Premiums may then increase based on factors such as age, medical inflation, and any updates to the insurer's pricing model.

"For instance, if someone purchased a three-year policy at age 30 with an annual premium of Rs 15,000, the renewal at age 33 might come with a higher premium, potentially reaching Rs 20,000 due to the age bracket shift and inflation adjustments," Singhal explained.

Medical inflation = Higher premiums

The primary driver of premium increases is medical inflation. According to ACKO's India Health Report 2024, hospitalisation expenses in India rose by 11.35% over the last year, based on 60,000 health policy claims filed in FY 2023-24. The report notes a 14% rate of medical inflation, leading insurers to transfer higher costs to customers through increased premiums.

(The writer is Surbhi Gloria Singh.)

TOP

SAHIs share in retail health insurance segment rises to 57% in FY24 - Business Standard - 5th November2024

The share of standalone health insurers (SAHIs) in the retail health insurance segment rose to 57 per cent of the Gross Direct Premium Income (GDPI) worth nearly Rs 18,000 crore in the April-August period of FY25.

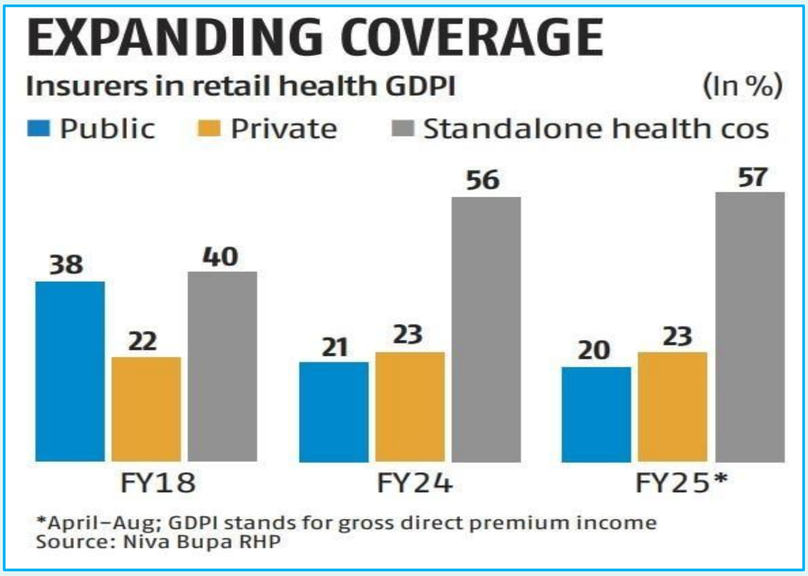
The share was around 40 per cent in the whole of FY18 and 56 per cent in FY24.

According to the RHP filed by Niva Bupa, the growth in SAHI market share is attributed to a rising number of individual agents, a faster-growing hospital network, and a higher number of product launches.

Standalone health insurance companies include Star Allied Health Insurance, Care Health Insurance, Niva Bupa Health Insurance, Aditya Birla Health Insurance, and Manipal Cigna Health Insurance. In 2024, the Insurance Regulatory and Development Authority approved Narayana Health and Galaxy Health Insurance.

Retail health insurance is primarily driven by individual agents, who contributed 55 per cent of retail health GDPI in FY23, according to the report. From FY18 to FY24, the number of individual agents for SAHIs grew by 21.5 per cent to 1.3 million. In comparison, agents for general insurers grew by 10.7 per cent to 330,000, while public-sector agents increased 4.2 per cent to 319,000. The retail health GDPI grew at a compound annual growth rate of 17.7 per cent, from Rs 16,000 crore in FY18 to Rs 42,200 crore in FY24.

"Retail health has grown significantly post-Covid-19, which has spurred demand for higher-value policies and some premium increases. Also, SAHIs tend to have a better hospital network than other industry players, driving the increase in SAHI market share in the retail health insurance segment," said Saurabh Bhalerao, head of BFSI Research, CareEdge Ratings.



According to the report, SAHIs witnessed the highest increase in their hospital network through direct contracts and third-party administrators (TPAs) during the FY21-FY23 period. The number of hospitals in partnership with SAHIs increased by 71 per cent from FY21 to FY23, reaching 152,000, while the private sector saw a 63 per cent increase to 484,000. In contrast, public sector insurers experienced a 43 per cent decrease in their hospital network, falling to 37,190.

"While other general insurers have been working to improve their presence in the retail health segment, the initial high costs involved in customer acquisition have led to slower growth compared to SAHI players," said Neha Parikh, vice-president & sector head (financial sector ratings) at ICRA.

Parikh said SAHIs benefit from their larger scale and are better positioned to attract retail customers with additional benefits such as free health check-ups, premium discounts for healthier lifestyles, and customised insurance plans.

(The writer is Aathira Varier.)

TOP

Centre aims to achieve universal coverage by 2047 by expanding health insurance coverage - The Week - 5th November2024

Under the recently launched health cover of Rs 5 lakh for those over 70 years of age under the Ayushman Bharat Pradhan Mantri Jan Arogya Yojana, all senior citizens aged 70 and above will receive health coverage, regardless of their income. This expansion, as per government claims, is set to benefit around 4.5 crore families, including 6 crore senior citizens, by providing them with free health insurance coverage of up to Rs 5 lakh per family. Experts say that this move will give a significant boost to the Indian healthcare infrastructure, and will take the nation closer to the goal of healthcare for all. "The announcement of this health cover will empower one of the most sensitive demographics and will provide them security against major health concerns. The launch of this health cover under PM-JAY will help them avail quality treatment facilities which otherwise used to be a financial burden for them or their families," said Dr Manisha Karmarkar, CEO, DPU Super Specialty Hospital, Pimpri, Pune.

Interestingly, this development comes in the backdrop of some good news in the Indian health insurance market, with national insurer Life Insurance Corporation (LIC) announcing its plans to foray into the country's health insurance sector. The insurance industry, as per reports, had been anticipating government amendments to the Insurance Act that would allow life insurers to offer lucrative health policies. The big picture here is the government's goal of achieving universal coverage by 2047 by way of expanding health insurance coverage. LIC's entry into the health insurance market, with its strong brand presence and a sales force of over 1.3 million, is expected to boost these efforts. A recent research paper titled 'Public Health Insurance Status and Utilization of Healthcare Services Across India: A Narrative Review' by Vaibhavi Shende and Vasant Wagh, says that, in India, improving public health insurance literacy is crucial for enabling people to make knowledgeable healthcare decisions and maximise the benefits provided by public insurance programmes.

In a published paper that aims to understand the workings of the health insurance sector in India, author Madan Mohan Dutta from the department of Management, JD Birla Institute, Kolkata, explains how health insurance is "one of the major contributors of growth of general insurance industry in India, as it alone accounts for around 29 per cent of total general insurance premium income earned in India. "The growth of this sector is important from the perspective of overall growth of general insurance industry," says Dutta. He also highlights the problems in this sector which are affecting its performance. "There is a significant relationship between earned premium and underwriting loss. There has been an increase of premium earnings which instead of increasing profit for the sector in fact has increased underwriting loss over the years. The earnings of the sector is growing at a compounded annual growth rate of 27 per cent still it is unable to earn underwriting profit."

(The writer is Pooja Biraia Jaiswal.)

TOP

Retail market is the most promising segment in the health insurance sector - Asia Insurance Review- 6th November2024

Retail health insurance currently accounts for around 39% of the overall health insurance, having grown at a CAGR of 17.7% between FY2018 and FY2024 (fiscal year ended 31 March 2024), according to Bupa Niva Health Insurance in its draft red herring prospectus as the insurer launches an initial public offer. Going forward, the retail health insurance business is expected to grow at a CAGR of 18-21% over the next four years to reach approximately INR800bn ($9.5bn) to INR900bn by FY2028. The retail health insurance business was the most promising segment in the health insurance industry in India as of 31 March 2024, due to higher average premium per life, higher renewal rates, and lower combined ratios as compared to group health insurance.

The number of lives insured under retail health insurance increased from 33.3m to 52.9m between FY2018 to FY2023. The number is expected to grow at a CAGR of 10-12% from FY2023 to FY2028 to reach 85-95m.

Average premium for retail health insurance
Retail health insurance saw an increase in average premium paid per life from INR4, 758 in FY2018 to INR6, 700 in FY2023 and has consistently remained higher than group business (including government) whose average premium per life has increased from INR472 in FY2018 to INR1, 091 in FY2023. The higher average premium per life in Retail health insurance premiums can be attributed to the expansion of coverage options and the introduction of innovative and additional features in product offerings such as wellness programmes, telemedicine services, and coverage for specific critical illnesses. These added features enhance the overall value proposition of retail health insurance and justify the higher premiums, as policyholders recognise the comprehensive protection and additional perks that come with the plans.

Profitability
Retail health insurance is relatively more profitable than group health insurance because of better underwriting due to deep customer segmentation and innovative product bundling. This results in greater risk and price control in retail business, unlike group business, which is traditionally more inflexible. Consequently, claims are more favourable for retail business compared to group business. This is evidenced by a lower claims ratio for retail business at 76% compared to 97% for group business in FY23. Although in FY2022, both retail and group businesses observed a spike in claims ratio on account of COVID-induced health claims, the claims ratio for retail remained under 100%.

Renewal rate
Furthermore, retail business has higher renewal rates in comparison to group (including government) health insurance businesses. Based on Redseer estimates, renewal rates for retail business stands around 83-88%, while the same for group business is about 70-75%. Retail health insurance is largely driven by the agency (Individual Agents) channel as they provide superior customer service and enhanced customer experience. Customers tend to approach agents for claims application and processing due to their perceived reliability and personalized rapport, resulting in high satisfaction claims events leading to the highest renewals.

TOP

Need to build trust; ensure hospitals and insurance companies play by rule: Niti Aayog member - The Telegraph – 5th November2024

Concerned over unethical practices in the healthcare sector to fleece patients, NITI Aayog member (health) VK Paul on Tuesday said there is a need to build 'trust' and ensure that hospitals and insurance companies play by the rule. Paul said there is a need to build trust between insurance companies and hospitals, and insurance companies and insured patients. "We were deeply disturbed to know that some hospitals are resorting to something which breaks the trust, surge prices. When there is more demand, some hospitals are raising their prices," he said. Paul also pointed out that some hospitals are adopting unbundled charges, with prices varying according to demand, plus surcharges for certain procedures like disinfection or priority use of operating rooms.

"Some hospitals are charging extra for some particular timings for OTs...these are not things they have agreed to with insurance companies. This tendency, it may be minimal, is really disturbing us," he said. Emphasising that India's healthcare sector needs to move in a direction where players play by the rule, Paul said, "I hope hospitals disassociate with such tendencies like Uber --peak charges, OTs priority access". Paul said he hopes that unethical practices in the healthcare sector are not widely prevalent.

TOP

Why more NRIs are buying health insurance in India – The Hindu Business Line – 3rd November2024

India's healthcare system has scaled new heights in recent years, with advancing medical infrastructure and technology vastly improving the end-experience — from outpatient care to complex treatments. This is a boon not just to Indians, but also people from foreign destinations — medical tourists. In fact, the growing traction among non-resident Indians (NRIs) to buy health insurance from India is unmissable, as data shows. Our recent study on the financial behaviour of NRIs indicates an impressive growth in the buying of health insurance from India over three years. To be precise, a 70 percent increase in FY 23; 140 percent in FY 24; and 100 percent in FY 25. The reasons are clear. Many NRIs travel frequently to India and a lot of them have family with elderly parents here. Some even plan to move back in a few years. In all these cases, healthcare remains a constant requirement. India's improved and affordable healthcare, low cost of health insurance premiums, and the exponential rise in global healthcare costs motivate NRIs to opt for health insurance here.

The research shows 71 percent of policyholders are in the 28-35 age group, while the insured belong to the 50-plus category. This indicates that healthcare for the elderly is top priority among NRI customers, especially after the pandemic. It's also heartening to see a slight but steady growth in the number of women buying health insurance for themselves and family members. When it comes to geographical distribution, the Gulf countries lead with 60 percent of the NRI customer base. The UAE accounts for 31 percent of customers followed by Saudi Arabia, Qatar, Oman and Kuwait. The other countries include the US/Canada (11 percent), the UK (9 percent), Australia (5 percent) and Singapore (4 percent). Coverage of outpatient care is up from 5 percent in FY22 to 25 percent in FY24. With greater awareness on preventive healthcare, NRIs plan visits to manage their healthcare needs in India. They can access quality outpatient treatment at an affordable price, as compared to the higher costs in the US or UAE.

Nearly 25 percent of the NRIs buying insurance for family members in India opt for global coverage plans for comprehensive care, irrespective of location. Another attractive feature is the Day 1 coverage, with 40 percent of NRI customers with pre-existing conditions choosing this for immediate access to healthcare. The number of claims seems to surge between October and December, when many NRIs return to India for planned medical procedures. Most policies (34 percent) offer coverage between ₹25 lakh and ₹1 crore, while 27 percent exceed ₹1 crore. Financial savviness among NRI customers is also on the rise as 40-45 percent now utilise GST (Goods and Services Tax) refunds on health insurance premiums. The rising number of NRIs seeking health insurance in India shows the growing acknowledgement of the country's healthcare system as a trustworthy, cost-effective alternative to global healthcare. As the NRI health insurance market grows, India will remain a key player in meeting NRIs' healthcare needs, offering peace of mind and financial protection.

(The writer is Amit Chhabra.)

TOP

Only 18% of India's over-70s have health insurance. Ayushman Bharat expansion could change that – The Print – 2nd November 2024

Prime Minister Narendra Modi this week formally launched the expansion of the Ayushman Bharat-Pradhan Mantri Jan Arogya Yojana (AB-PMJAY), paving the way for all citizens above 70 years of age to join the government's flagship health insurance scheme.

Now, people in the said age group, who are more prone to hospitalisation than others, can register for the scheme on the Ayushman Bharat portal or its mobile app with their Aadhaar details, irrespective of their income. Officials in the Union Ministry of Health and Family Welfare told ThePrint that it is mandatory for all eligible senior citizens to provide Aadhaar details during eKYC to enrol into the scheme.

Once registered, they will be issued a new card called Ayushman Vaya Vandana.

Under the AB-PMJAY, first launched in 2018, beneficiaries are entitled to cashless hospitalisation coverage of up to Rs 5 lakh for secondary- and tertiary-level healthcare in empanelled hospitals. Around 12.3 crore families of poor socio-economic status have been covered under the programme so far.

According to government data, India has a total of nearly six crore people who are aged 70 or above. But since many of them are already covered on account of being part of low-income groups or as beneficiaries of government health schemes such as the Central Government Health Scheme (CGHS), an additional 2.72 crore people from 1.96 crore families will now be added to the beneficiary pool.

Government officials ThePrint spoke to said there is a plan on the anvil to launch a mega awareness campaign on all social media platforms and through field-level workers and community participation. "Also, there is no waiting period or cooling off period to join the scheme. Once eKYC is done, the card will immediately be operational," a senior government official said.

New Delhi-based NatHealth, a major association of private healthcare providers, welcomed the move, saying the initiative marks a pivotal step in elderly care. This is because it extends support to a segment with high disease burden, presses the need for enhanced healthcare access and reinforces the nation's position as "a leader in inclusive healthcare".

Abhay Soi, president, NatHealth, and chairman and managing director, Max Healthcare told ThePrint they are happy that the government has tailored the scheme to address the specific needs of senior citizens, "ensuring a comprehensive continuum of care". A position paper on senior care released in February by apex public policy think tank NITI Aayog—Senior Care Reforms in India: Reimagining the Senior Care Paradigm—said 75 per cent of the elderly have one or more chronic diseases. In terms of social protection, only 18 per cent reported being covered by any health insurance, the paper said.

Choice between AB-PMJAY & other govt schemes

According to government officials, citizens aged 70 and above belonging to families already covered under AB PM-JAY will get an additional top-up amount of up to Rs 5 lakh per year for themselves.

People in the above age group already availing benefits of other public health insurance schemes such as CGHS, ex-servicemen contributory health scheme (ECHS), Ayushman Central Armed Police Forces (CAPF) initiative may either choose their existing scheme or opt for AB PM-JAY. In addition, those under private health insurance policies or Employees' State Insurance Scheme (ESIC) will be eligible to avail benefits under AB-PMJAY.

As of now, the scheme offers 1,947 health benefit packages across 27 specialities, of which 25 are geriatric care packages. Officials maintain that a panel of senior doctors has been formed to suggest more packages specially designed to cater to the new beneficiaries. Currently, the annual premium for AB-PMJAY stands at Rs 1,102 per beneficiary, but the amount may rise now. This will be based on the recommendations of a high-level committee, which was formed earlier this year to suggest reforms in AB-PMJAY's operation.

Government statistics show that more than six crore people have already availed the scheme so far, which has reduced their out-of-pocket expenditure on healthcare by nearly Rs 1 lakh crore.

(The writer is Sumi Sukanya Dutta.)

TOP

Hospitalisation costs need to come down amid 'vengeance' hikes, insurers tell NITI Aayog – Moneycontrol – 31st October 2024

Non-life insurers and hospital sector executives met NITI Aayog officials, including member Vinod Paul, on October 28 to brainstorm over ways to make healthcare more affordable for Indians across cities and age-groups.

Health insurance companies raised concerns over "opaque pricing structures and inadequate disclosures by high-end hospitals and doctors," official's privy to the discussions told Moneycontrol.

Concerns over rising healthcare costs

Insurance executives flagged steep rise in treatment costs, especially after the Covid-19 pandemic. "It is becoming increasingly unaffordable. This has been a long-standing issue, but the rates shot up during Covid-19 and have continued to rise since then. Now, corporate hospitals seem to be hiking rates with a vengeance," said an insurance industry official, who did not wish to be named. According to industry estimates, healthcare inflation in India is currently hovering between 12 and 14 per cent.

On their part, hospitals denied adopting unethical practices, including 'surge or peak pricing', where additional fees are allegedly levied for granting patients priority access to operation theatres, according to insurance industry officials.

"All that we are asking for is transparency and standardisation of some basic cost components and services. For example, within the same hospital, the costs of simple blood tests such as post prandial [blood sugar check post meals] vary as per the room category chosen. Why should this be the case? After all, hospitals incur the same expenses for such straightforward blood tests, irrespective of the room type," said an industry executive, who spoke on the condition of anonymity.

Insurers-hospitals at loggerheads

Industry association General Insurance Council's officials are also holding one-on-one dialogues with hospitals to bring the spiraling costs under control. "We will intensify our efforts to discuss these issues, including transparency and upfront cost disclosures with hospitals across the country. Hospitals are levying charges such as electricity, bedsheet-change, on-duty medical officers charges etc separately when these are ought to be part of the room rent," said an insurance company official.

The other issue that the industry is looking for a solution to pertains to delays in discharge. "This is becoming a major issue. Even insurers have to introspect on this front. The Insurance Regulatory and Development Authority of India [IRDAI] rules say that discharge authorisation has to be given within three hours. However, either hospitals delay sending the bills or insurers take time to process the requests, causing inconvenience to patients," said an insurance official.

In an interview with Moneycontrol earlier this year, Association of Healthcare Providers of India's (AHPI) Director-General Dr Girdhar Gyani had said that both hospitals and insurers have to be blamed for such situations. “Hospitals have to ensure that the pre-authorisation [insurers’ in-principle, initial approval for the estimated cost of treatment] is obtained carefully—there should not be a big difference between this estimate and the final bill. If the difference is substantial, then the insurer's TPA [third-party administrator] will take a longer time to approve the final claim,” he had said.

On their part, insurers should approve the settlement in case of minor differences. “In any case, at discharge, we obtain an undertaking from the patient, which makes it clear that they will be liable to make good the shortfall, if any, even after going home,” he had pointed out. The insurance industry is also pushing for the establishment of a body to regulate hospitals and other healthcare providers, as IRDAI can only regulate insurance companies.

(The writers are Preeti Kulkarni & Meghna Mittal.)

TOP

All seniors above 70 can avail health coverage except those in Delhi, West Bengal – The Hindu – 29th October 2024

In a major expansion of the Union government’s flagship scheme, the Ayushman Bharat Pradhan Mantri Jan Arogya Yojana (PM-JAY), Prime Minister Narendra Modi on Tuesday (October 29, 2024) announced that health coverage under the scheme will now be available to all senior citizens aged 70 years and above, regardless of their income. The PM slammed the governments of Delhi and West Bengal for not implementing the scheme, expressing his concern that senior citizens in these States cannot avail free treatment under the expanded programme. “I apologise to all the elderly aged 70 and above in Delhi and West Bengal that I cannot serve them. I know about your pains and sufferings, but I won’t be able to help you,” PM said. “The reason is that the governments in Delhi and West Bengal are not joining the scheme due to their political interests,” he added.

Reducing health costs
The scheme was introduced to “overcome the despair of the poor when illness strikes, the PM said, noting that the government bears the cost of hospitalisation for scheme beneficiaries up to ₹5 lakh. “With the expansion now every elderly person above 70 years of age in the country will get free treatment in the hospital with the Ayushman Vaya Vandana Card. With an Ayushman Vaya Vandana card for the elderly in the house, the out-of-pocket expenditure will be reduced to a great extent,’’ said the PM.

Ayurveda growth
The PM also launched other health sector projects worth around ₹12,850 crore on the occasion of Dhanvantari Jayanti and the ninth Ayurveda Day, at the All India Institute of Ayurveda (AIIA) in New Delhi. Ayurveda Diwas is being celebrated in more than 150 countries today, Mr. Modi said, offering this as proof of the growing attraction of Ayurveda.

Stating that the progress of a nation is directly proportional to the health of its citizens, Mr. Modi listed the five pillars of his government’s policy: preventive healthcare, early detection of ailments, free and low-cost treatment and medicines, availability of doctors in small towns, and the expansion of technology in health services.

The Prime Minister inaugurated and laid the foundation stones for projects worth more than ₹13,000 crore, incuding the creation of four centres of excellence under the Ayush Health scheme, expansion of health services with the use of drones, helicopter services at AIIMS, Rishikesh, new infrastructure at AIIMS, New Delhi and AIIMS, Bilaspur, expansion of services in five other AIIMS in the country, establishment of medical colleges, the launch of nursing colleges, and other projects related to the health sector.

Mr. Modi said that the government is leveraging technology to enhance healthcare and save citizens' money under the e-Sanjeevani scheme, through which over 30 crore people have consulted doctors online.

Validating traditional herbs

There are 7.5 lakh registered AYUSH practitioners already contributing to the nation's healthcare, the PM said. Speaking about the importance of validating traditional herbs like Ashwagandha, turmeric, and black pepper through high-impact scientific studies, he said that lab validation of our traditional healthcare systems will not only increase the value of these herbs but also create a significant market for them.

Mr. Modi inaugurated the second phase of India's first All India Institute of Ayurveda, and three medical colleges at Mandsaur, Neemuch and Seoni in Madhya Pradesh, and laid the foundation stones for five nursing colleges, and 21 Critical Care Blocks.

In a major boost to make in India initiatives in the healthcare sector, the Prime Minister inaugurated five projects under the Production Linked Incentive (PLI) scheme for medical devices and bulk drugs at Vapi in Gujarat, Hyderabad in Telangana, Bengaluru in Karnataka, and Kakinada in Andhra Pradesh and Nalagarh in Himachal Pradesh. These units will manufacture high-end medical devices, such as body implants and critical care equipment, along with important bulk drugs.

(The writer is Bindu Shajan Perappadan.)

TOP

MOTOR INSURANCE

LMV driving licence holders can drive vehicles with 7,500 kg weight: SC – Business Standard – 6th November 2024

In a significant ruling benefiting commercial drivers, the Supreme Court on Wednesday held that individuals holding a Light Motor Vehicle (LMV) driving licence are eligible to drive transport vehicles with a weight not exceeding 7,500 kg.

The judgement from a five-judge Constitution bench, led by Chief Justice D Y Chandrachud, offers clarity on licensing regulations and is expected to prevent insurance companies from rejecting claims based on the licence type of drivers involved in accidents.

A driver holding a licence for light motor vehicle for vehicles with gross vehicle weight under 7,500 kg is permitted to operate a transport vehicle without needing additional authorisation of the Motor Vehicle Act.

"LMVs and the transport vehicles are not entirely separate classes, and overlap exists between the two, the bench held, adding the statute should remain practical and workable.

Pronouncing the unanimous verdict for the bench, Justice Hrishikesh Roy, however, said the special eligibility requirement will continue to apply to vehicles carrying hazardous goods.

Besides the CJI and Justice Roy, the bench also comprised Justices P S Narasimha, Pankaj Mithal and Manoj Misra.

Road safety is a serious public issue globally. It is crucial to mention that in India, over 1.7 lakh persons were killed in road accidents and the assumption that they stem from drivers operating light transport vehicles driven by LMV licence holders are unsubstantiated, the bench said.

The bench said factors contributing to road accidents include rash driving, speeding, road design and the failure to adhere to traffic laws. Other significant contributors are the use of mobile phones while driving and non-compliance with regulations like seat belts and wearing helmets, it added.

We are able to reach such a conclusion as none of the parties in this case has produced any empirical data to demonstrate that LMV driving licence holders driving a transport vehicle is a significant cause for road accidents in India, it said. An authoritative pronouncement by this court would prevent insurance company from taking a technical plea to defeat a legitimate claim for compensation involving an insured vehicle going below 7,500 kg, driven by a person holding a driving licence for LMVs in an era where autonomous or driverless vehicles are no longer tales of science fiction and app-based passenger platforms are a modern reality, the licensing regime cannot remain static, it said.

The amendments that have been carried out by the Indian legislature may not have dealt with all the possible concerns, it said. As we are informed by the attorney general that the legislative exercise is underway, we hope that a comprehensive amendment to address the statutory lacunas will be made with necessary corrective measures, it said.

"Our present interpretation on how the licensing regime is to operate for drivers under the statutory scheme is unlikely to compromise the road safety concerns," the court said. The bench said this will also effectively address the livelihood issues for drivers operating transport vehicles who clock maximum hours behind the wheels in legally operating transport vehicles below 7,500 kg with their LMV driving licence.

The bench upheld the 2017 judgement of the apex court in the Mukund Dewangan case which had held that the LMV license holders can drive transport vehicles weighing upto 7,500 kg. The bench had reserved its verdict on August 21 on the vexatious legal issue after Attorney General R Venkataramani, appearing for the Centre, had submitted that the consultations to amend the Motor Vehicles (MV) Act, 1988 are "almost complete".

The legal question, which was answered by the bench, was whether a person holding a driving licence for a light motor vehicle (LMV) is also entitled to drive a transport vehicle with an unladen weight not exceeding 7,500 kg. The issue has given rise to various disputes over payment of claims by insurance companies in accident cases involving transport vehicles being driven by those possessing licences to drive LMVs.

The insurance firms had been alleging that the motor accident claim tribunals (MACTs) and the courts have been passing orders asking them to pay insurance claims, disregarding their objections with regard to the LMV driving licence. The courts have been adopting a pro-insured approach while deciding insurance claim disputes, the insurance firms had said.

The question was referred to the larger bench on March 8, 2022, by a three-judge bench headed by Justice U U Lalit (since retired).

The question arose from the apex court's 2017 verdict in the case of Mukund Dewangan versus Oriental Insurance Company Limited.

In the Mukund Dewangan case, a three-judge bench of the court had held that transport vehicles, the gross weight of which does not exceed 7,500 kg, are not excluded from the definition of an LMV. The judgement was accepted by the Centre and the rules were amended to align those with the verdict. On July 18 last year, the Constitution bench commenced a hearing on 76 petitions to deal with the legal question. The lead petition was filed by M/s Bajaj Allianz General Insurance Company Limited.

While referring the matter to the larger bench, it was said that certain provisions of the law were not noticed by the apex court in the Mukund Dewangan judgement and "the controversy in question needs to be revisited". The MV Act provides for different regimes for the granting of driving licences for different categories of vehicles.

TOP

SURVEY AND REPORTS

Survey shows extent of increase in insurance coverage in rural sector – Asia Insurance Review – 8th November 2024

Rural households in India have shown an increase in the take-up of insurance coverage, with the proportion of households with at least one-member insured surging from 25.5% 2016-17 to 80.3% in 2021-22. Comparing agricultural and non-agricultural households in the rural sector, 86% of agricultural households reported having some form of insurance in 2021-22, a significant increase from 26% in 2016-17.

The data are shown in the "All India Rural Financial Inclusion Survey" report for 2021-22, published last month by the National Bank for Agriculture and Rural Development (Nabard), a development financial institution that promotes agriculture and the rural sector. The survey covered 100,000 rural households in all 28 states and the Union Territories of Jammu & Kashmir and Ladakh. This latest survey is the second to be carried out after a study carried out in 2016-17.

The survey findings also show that among different branches of insurance, vehicle insurance was the most prevalent, with 55% of households covered. Life insurance coverage extended to 24% of households. In addition, the percentage of households with at least one member receiving any form of pension (such as old age, family, retirement, or disability) increased from 18.9% in 2016-17 to 23.5% in 2021-22. Overall, 54% of households with at least one member over 60 years old reported receiving it.

For agricultural households, vehicle insurance grew the most from 5% in 2016-17 to 60% in 2021-22. Health insurance rose from 5% to 21%, accident insurance from 2% to 13%, and life insurance from 17% to 26% in the same period.

TOP

India's healthcare delivery sector to reach $250b by 2029 – Healthcare Asia Magazine – 7th November 2024

India's healthcare delivery sector is forecasted to grow to $250b by 2029 with a compound annual growth rate of 18%, according to Praxis.

The growth will be driven by rising health awareness, government policies, medical tourism, and expanding insurance coverage. Private hospitals dominate the market accounting for 78%, whilst public hospitals hold the remaining 22%. Significant disparities exist in rural areas where only 24% of hospital beds and 48% of healthcare facilities are available, despite housing 64% of India's population.

Rising non-communicable diseases will also contribute to market growth as respiratory diseases are projected to reach 74% by 2030, underscoring the need for preventive healthcare.

Moreover, emerging technologies such as AI, genetic testing, robotic surgery, digital OPD, and 3D printing are optimising hospital operations. However, challenges including high costs and data privacy concerns remain significant.

The report also noted a large segment of the population lacks health insurance. Whilst the government offer low-income individuals coverage, innovative insurance models are needed to bridge the gap for India's middle-income population.

"The healthcare sector in India is at an inflexion point where technology can play a pivotal role in addressing existing disparities and improving outcomes," Aryaman Tandon, managing partner for healthcare at Praxis Global Alliance, said.

TOP

Foreigners in India buying insurance climbs 50 percent - Insurance Asia – 2nd November 2024

Insurance purchases by non-resident Indians (NRIs) increased by 50 percent in customer base across term, health, and investment-linked insurance products, according to PolicyBazaar. The United Arab Emirates (UAE), United States, and Saudi Arabia are amongst the leading markets for NRI insurance buyers. In term insurance, NRIs make up 12 percent of the total customer base, maintaining a compound annual growth rate of over 50 percent in the last two years.

The age group 31 to 40 constitutes the majority (61%) of term insurance buyers, as individuals in this demographic often seek financial protection for dependents. Female policyholders have also increased from 4% to 11% over two fiscal years, indicating a trend of growing financial independence amongst NRI women. In terms of sum assured, NRIs in the United States opt for the highest, averaging ₹2.5 crore, reflecting their greater financial needs. NRI health insurance has also seen strong growth, with annual increases of 70%, 140%, and 100% over the last three fiscal years. Gulf countries lead in health insurance buyers, accounting for 60% of this segment, whilst the US, UK, and Australia follow. Notably, 25% of NRI policyholders now seek global coverage plans, and interest in outpatient coverage rose from 5% to 25% over two years, catering to the need for preventive care.

Health insurance claims amongst NRIs peak from October to December, aligning with their visits to India for medical purposes. Investment in insurance-linked products, especially Unit-Linked Insurance Plans (ULIPs), has become popular amongst NRIs, with a 50% growth from 2021 to 2024, now comprising 12.5% of total customers. The UAE leads in NRI investments with 32%, followed by the US/Canada at 14%. The majority of NRI investors (76%) are between 28-45 years old, with female participation rising from 6% to 11% in the latest fiscal year.

The appeal of high returns in Indian equity markets continues to drive NRI investment in ULIPs.

TOP

India sees surge in insurance adoption – The Hindu Business Line – 4th November 2024

Awareness about the benefits of insurance cover appears to be growing in rural India. A recently released survey by the National Bank for Agriculture and Rural Development (Nabard) on financial inclusion shows that number of rural households taking insurance cover has improved sharply. While vehicle insurance is popular, crop insurance also finds many takers. In 2021-22, 86 percent of agricultural households reported having some form of insurance, a significant increase from 26 percent in the 2016-17 Nabard survey. Among the types of insurance, vehicle insurance grew the most from 5 percent in 2016-17 to 60 percent in 2021-22. Health insurance rose from 5 percent to 21 percent, accident insurance from 2 percent to 13 percent, and life insurance from 17 percent to 26 percent in the same period. Maya Kant Awasthi, who teaches Food and Agribusiness Management at IIM Lucknow, said the rise in various types of insurance such as vehicle, health and accident insurance in the rural area, can be attributed to the increased aspirations of rural people, market homogenisation, and the narrowing gap between urban and rural consumers due to greater interaction.

The PM Fasal Bima Yojana, which provides crop insurance across various stages of the crop cycle is the largest insurance scheme targeting farmers. This scheme has been expanding its footprint though the implementation is a little faulty. The number of farmers covered under the PMFBY has tripled in the past five years. In 2018, 5.3 crore farmer’s applications were insured under PMFBY, which grew to 8.4 crore in

2020 and increased further to 14.2 crore in 2023. Data show that from 2016 to 2024, around 56.8 crore farmer applications were received under PMFBY. But only 41 percent of farmer applicants received the amount claimed. The scheme covers 30 percent of the gross cropped area across the country. The overall claims made under PMFBY have also been decreasing. In 2018, claims totalled ₹25,507 crore, decreasing to ₹18,393 crore in 2021 and further declining to ₹12,380 crore in 2023.

Awasthi pointed out, "The promotion of groundwater expansion through tube wells, along with subsidies for tube wells and multiple irrigation sources, has reduced the impact of crop loss on the final tract of land. With these alternative sources, the chances of crop failure are lower, which in turn contributes to a decrease in insurance claims." The Nabard data also indicatethat wealthier farmers are more likely to have crop insurance. Among farmers with more than 2.0 hectares of land (large farms), the proportion of respondents with crop insurance rose from 8 percent in 2016-17 to 23.8 percent in 2021-22. For farmers with 1.01-2.0 hectares (medium farms), the proportion increased from 10.8 percent to 21.5 percent, while for those with 0.41-1.0 hectares (small farms), it grew from 5.1 percent to 8.8 percent over the survey period.

Elsevier's Journal, Progress in Disaster Science, explains that wealthier farmers are more likely to adopt crop insurance due to greater liquidity and easier access to credit, which helps them manage insurance premiums. In contrast, less wealthy farmers often face limited cash flow, which can hinder insurance adoption unless they have access to formal credit options, such as bank loans. The Standing Committee's 2022-23 report highlighted issues with the PMFBY scheme, noting delays in claim settlements due to the late release of yield data and premium subsidies by States. Yield-related disputes between insurance companies and State governments remain a significant challenge. The report suggests that insurance companies should establish offices in every tehsil, as farmers currently face difficulties with insurance-related issues due to the lack of local representatives to assist them.

The writer is Jayant Pankaj.

TOP

INSURANCE CASES

United India Insurance Asked To Provide Photograph of a Vehicle Involved in an Accident, 12 Years Ago and Is without Corrosion! – Money Life – 7th November 2024

Information commissioner (IC) Vinod Tiwari recently directed the central public information officer (CPIO) of United India Insurance Company Ltd (UIC) to provide a photograph of a vehicle over 12 years old, which is claimed to have been involved in an accident and without corrosion, as this was the basis of rejection of an RTI applicant's request for such information.

While UIC was trying to argue that this case should go to the in-house consumer grievance cell, IC Tiwari rejected this and additionally instructed that any 12-year-old vehicle must be shown without any corrosion, but given without the vehicle's registration number being visible and any other details exempted from disclosure under the RTI Act. RTI applicant Umesh MV, the registered owner of a two-wheeler insured with coverage from UIC, had submitted a claim, following an accident on 2 October 2022, in which the vehicle sustained significant damage. However, UIC declined the claim in December 2022 stating that the damages were assessed and were due to wear and tear as well as corrosion.

The RTI applicant sought the following information from UIC under the RTI Act:
Corrosion is commonly found in vehicles over 10 years old. If my insurance claim was denied based solely on the surveyor's report and their findings are considered final, please provide me with a copy of the original survey report for my vehicle. Please provide a photograph of any vehicle over 12 years old that was involved in an accident and had a valid insurance claim, demonstrating no corrosion. Kindly provide a copy of the insurance company's terms and conditions that qualify or disqualify a vehicle for an insurance claim.

The CPIO of UIC replied that the requested information does not fall under Section 2(f) of the RTI Act. He also replied that the information, being a part of a fiduciary relationship and personal information related to a third party, had no larger public interest and fell under the exemption clause of Sections 8(1)(e) and 8(1)(j) of the RTI Act, 2005.

Besides, the CPIO of UIC, Yashwant Rasikar, also treated it as a grievance which he said should rightly go to the grievance cell of the company. He gave a written statement to CIC Tiwari stating that "It should be noted that the queries raised by Umesh MV appear to be of a grievance nature, as evident from the application. As a customer of United India Insurance Company Ltd since 2015, he is advised to use the Customer Grievance Redressal System for such matters before seeking recourse through the RTI Act, 2005. The Central Information Commission (CIC) has consistently remarked in its judgments that the RTI Act is not intended as a grievance redressal tool, and using it as such can impede the justice system."

Quoting some orders of the CIC and the Supreme Court and high courts, he built up his argument to dismiss it as an invalid RTI and advised the RTI applicant to contact the senior divisional manager and customer care officer at the UIIC divisional office in Kasaragod. RTI applicant MV, who filed a second appeal with the CIC which was heard on 29 October 2024, argued that all claims and complaints are usually settled only after mutual negotiations or with direct interaction with the complainant. However, no such procedure was followed.

He further stated that "If the surveyor's findings are final, why was an estimate for repair costs requested? Believing I would receive the claim, I spent a significant amount on repairs and am now facing severe financial strain. Who is accountable for this situation? I hold the company responsible and believe it should compensate me for these losses." UIC has been given four weeks to provide the photograph. This would decide the insurance claim for the RTI applicant.

(The writer is Vinita Deshmukh.)

TOP

IRDAI CIRCULAR

Circular	***Reference***
Exposure Draft IRDAI (Regulatory Sandbox) (Amendment) Regulations	https://irdai.gov.in/web/guest/document-detail?documentId=6094821

TOP

GLOBAL NEWS

Australia: Regulator seeks way to increase non-life reinsurance solutions – Asia Insurance Review

The Australian Prudential Regulation Authority (APRA) is studying ways to promote general insurers' access to reinsurance, including alternative reinsurance arrangements. In a letter yesterday to general insurers and reinsurers, APRA member Suzanne Smith said that to date, general insurers have largely utilised traditional reinsurance solutions. To continue to access appropriate, cost-effective reinsurance, industry has expressed an appetite for alternative reinsurance arrangements.

She said, "In our August 2023 letter, APRA reminded insurers that APRA's prudential standards permit the use of alternative reinsurance arrangements, such as catastrophe bonds and other types of Insurance Linked Securities (ILS), and invited insurers to engage with APRA should they wish to use alternative reinsurance arrangements. Industry feedback has indicated that aspects of APRA's prudential framework present challenges to accessing the full suite of available reinsurance solutions."

Consultation exercise
Ms Smith added that APRA is consulting on targeted adjustments to its GI reinsurance framework. APRA seeks:
general feedback on adjustments to APRA's GI reinsurance settings and processes that would assist insurers in accessing reinsurance; and
specific feedback on adjustments in relation to APRA's GI reinsurance eligibility criteria

Any adjustment to the prudential framework will be assessed in line with the following objectives:
promoting access to all forms of reinsurance solutions whilst ensuring insurers' financial resilience is maintained in alignment with the object of the current insurance capital framework;
reducing regulatory burden and improving transparency for industry; and
ensuring consistency with international standards and practice.

APRA is also proposing to make technical updates to the GI reinsurance framework. These updates will in aggregate reduce regulatory burden by streamlining existing processes, improving transparency, clarifying APRA's expectations, and improving consistency across industry.
APRA says it is particularly interested in views on the following questions:
1. How could APRA adjust its reinsurance settings, or its process for approving the capital benefit of reinsurance arrangements, to improve access to all forms of reinsurance for general insurers?
2. What are the likely impacts (including costs and benefits) of APRA adjusting requirements regarding all perils, reinstatement and capital requirements for reinstatement premiums as outlined in Attachment B?
3. Are there any further technical refinements to the GI reinsurance framework that APRA should consider?

Written submissions should be sent to PolicyDevelopment@apra.gov.au by 17 February 2025.

TOP

COI TRAINING PROGRAMS

Mumbai – November 2024 – January 2025

Sr. No	Program Name	Program Start Date	Program End Date	Details	Registration Link
1	Industrial Risk Inspections - Methods and Reporting	**21-Nov-24**	**21-Nov-24**	ClickHere	Register
2	Managing Motor TP Claims and Controlling Frauds	03-Dec-24	04-Dec-24	ClickHere	Register
3	Equity investment & Valuation of Life Companies	08-Dec-24	08-Dec-24	ClickHere	Register
4	Enterprise Risk Management (ERM) and Role of Risk Owners and CRO	17-Dec-24	18-Dec-24	ClickHere	Register
5	Handling Customer Grievance, Ombudsman, Consumer Cases, Mediation and Arbitration	19-Dec-24	19-Dec-24	ClickHere	Register
6	Comprehensive Port Package Policies and Oil and Energy Insurance	02-Dec-24	03-Dec-24	ClickHere	Register
7	Reinsurance Management Program: International	02-Dec-24	14-Dec-24	ClickHere	
8	Life Insurance Financial Reporting and Analysis	06-Dec-24	06-Dec-24	ClickHere	Register
9	Management of Fire Insurance	09-Dec-24	10-Dec-24	ClickHere	Register
10	Workshop on Communication & Presentation Skills (Life)	11-Dec-24	12-Dec-24	ClickHere	Register
11	Challenges in Travel Insurance	12-Dec-24	12-Dec-24	ClickHere	Register
12	Engineering Operational Policies: Underwriting and Claims	12-Dec-24	13-Dec-24	ClickHere	Register
13	Liability Insurance: Focus Cyber & Crime	16-Dec-24	17-Dec-24	ClickHere	Register
14	Marine Cargo Insurance	19-Dec-24	19-Dec-24	ClickHere	Register

15	Compliance Management for Principal Officers of Corporate Agents-Banks	16-Dec-24	16-Dec-24	ClickHere	Register
16	Comparative analysis and performance of mutual funds Vrs. ULIPS	17-Dec-24	18-Dec-24	ClickHere	Register
17	Compliance Governance and Risk Management (IRCC)	18-Dec-24	20-Dec-24	Click Here	
18	Role of Group Insurance Schemes in realising Vision 2047	18-Dec-24	19-Dec-24	ClickHere	Register
19	Claims in Life Insurance-Legal and Regulatory Compliance	20-Dec-24	20-Dec-24	ClickHere	Register
20	Technical Audit of General Insurance Companies	02-Jan-25	02-Jan-25	ClickHere	Register
21	Health Insurance: Medical Management and Fraud Control	09-Jan-25	09-Jan-25	ClickHere	Register
22	Customer Grievance, Insurance Arbitration, Ombudsman and Consumer Cases	13-Jan-25	13-Jan-25	ClickHere	Register
23	Miscellaneous Insurance Management	20-Jan-25	21-Jan-25	ClickHere	Register
24	Trade and Credit Insurance	24-Jan-25	24-Jan-25	ClickHere	Register
25	Creating High performers in BancaChannel	06-Jan-25	06-Jan-25	ClickHere	Register
26	Enterprise Risk Management (ERM)	15-Jan-25	16-Jan-25	ClickHere	Register
27	Understanding Bond Markets for Insurance Investments	22-Jan-25	23-Jan-25	ClickHere	Register
28	New Vistas in Life Insurance Underwriting	03-Jan-25	03-Jan-25	ClickHere	Register
29	Comprehensive Financial Planning Series-Part 4 :Financial Planning : Focus on Estate Planning	10-Jan-25	10-Jan-25	ClickHere	Register
30	Fraud Control and Claim Investigation in Life Insurance	16-Jan-25	17-Jan-25	ClickHere	Register
31	Consumer Grievances and Effective Resolution	24-Jan-25	24-Jan-25	ClickHere	Register

Kolkata – November – December 2024

Sr. No	Program Name	Program Start Date	Program End Date	Details	Registration Link
1	Industrial Risk Inspections - Methods and Reporting	21-Nov-24	21-Nov-24	ClickHere	Register
2	Managing Motor TP Claims and Controlling Frauds	03-Dec-24	04-Dec-24	ClickHere	Register
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5	Handling Customer Grievance, Ombudsman, Consumer Cases, Mediation and Arbitration	19-Dec-24	19-Dec-24	ClickHere	Register

COURSES OFFERED BY COI

CC1 - Certificate Course in Life Insurance Marketing

Course Structure –

Particulars	Details
Date	11 January 2025
Duration of the course	4 months
Mode of Teaching	Self-study + 3 days Online Contact Classes
Total hours of Teaching	18 hours for Online Contact Classes (to solve queries)
Exam pattern	MCQ pattern + Assignments
Target Group	Graduate / Post Graduate, Freshers as well as employees working in Insurance Companies
Fees for the course	Rs. 5900/- (Rs. 5000/- + 18% GST)

CC2 - Advanced Certificate course in Health Insurance

Course Structure –

Particulars	Details
Date	11 January 2025
Duration of the course	4 months (3 hours on weekends)
Mode of Teaching	Virtual Training – COI, Mumbai
Total hours of Teaching	90 hours
Exam pattern	MCQ pattern
Target Group	Graduate / Post Graduate, Freshers as well as employees working in Insurance Companies
Fees for the course	Rs. 11,800/- (Rs. 10,000/- + 18% GST)

CC3 - Certificate Course in General Insurance

Course Structure -

Particulars	Details
Date	11 January 2025
Duration of the course	3 months (on weekends)
Mode of Teaching	Virtual Training - COI, Kolkata
Total hours of Teaching	100 hours
Exam pattern	MCQ pattern
Target Group	Fresh graduates/Post Graduates, Broking Companies, Insurance Companies, Freelancers
Fees for the course	Rs. 14,160 /- (Rs. 12,000/- + 18% GST)

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

Course Structure -

Particulars	Details
Date	10th – 12th December 2024
Duration of the course	3 Days
Mode of Teaching	Virtual Training sessions
Total hours of Teaching	15 hours for online classes
Exam pattern	MCQ pattern
Target Group	Employees working in Fraud cells/ Claims Department/ Audit functions of the company
Fees for the course	Rs. 10620/- (Rs. 9,000/- + 18 % GST)

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