



# INSUNEWS – WEEKLY E-NEWSLETTER

4<sup>TH</sup> – 10<sup>TH</sup> JANUARY 2025

## QUOTE OF THE WEEK

“A strong, positive self-image is the best possible preparation for success.”

JOYCE BROTHERS

## Insurance Term for the Week Continuous Coverage

Continuous coverage is essential for several reasons. In the case of auto insurance, most states mandate a minimum level of coverage so that a lapse can lead to legal complications. Additionally, if an individual is involved in an accident while uninsured, they will be responsible for covering repair costs out of pocket. Furthermore, a lapse in coverage often results in significantly higher premium rates when obtaining a new policy. Thus, maintaining continuous coverage is more cost-effective in the long term.

For health insurance, the Health Insurance Portability and Accountability Act (HIPAA) allows individuals to receive credit against pre-existing condition exclusions for maintaining continuous coverage. This ensures that individuals with uninterrupted coverage can switch health insurance plans without being deemed ineligible due to pre-existing conditions.

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## INSURANCE INDUSTRY

### *Life and Health Insurance Claim Trends: FY 2023-24 - The Economic Times - 9th January 2025*

The life insurance sector saw an astounding number of claim settlements for the fiscal year FY 2023-24. IRDAI's latest annual report details claim settlements across life and health insurance sectors, highlighting claims processed, amounts disbursed, and rejections or repudiations, providing insights into the performance of insurers in individual, group, and health policies.

#### **Individual Policies for Death claims**

As per the latest annual report published by the IRDAI, out of 10 lakh life insurance policies that the insurance companies sold, they processed 9.82 lakh claims, which is 98.26 percent of the total claims. The total amount paid was over Rs 30 thousand crore and over 6000 claims were rejected while over 10, 00 claims were repudiated. As per the latest annual report published by the IRDAI, out of over 14.86 lakh life insurance policies that the insurance companies sold, they processed over 14.80 lakh, which is 99.54 percent of the total claims. The total amount paid was over Rs 20 thousand crore and over 253 claims were rejected while over 4,206 claims were repudiated.

#### **Health Insurance by Life insurers**

There were 36 lakh thousand claims for health insurance provided by life insurance providers out of which 30 thousand lakh claims were processed, with insurers paying Rs 314 crore and 6291 lakh claims rejected/repudiated.

#### **Health insurance by General insurers**

There were 307.87 lakhs claims for health insurance provided by general insurance providers out of which 268.59 lakh claims were processed, with insurers paying Rs 83 thousand crore and 36.4 lakhs.

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### *Insurers seek GST cut, Section 80D hike, more - Business Standard - 8th January 2025*



Budget 2025 expectations: With less than a month before Finance Minister Nirmala Sitharaman presents the Union Budget 2025, the insurance sector has outlined its key expectations, seeking reforms to improve health insurance accessibility and affordability. Key demands include reducing GST on premiums, revising tax exemptions under Section 80D, and introducing a health regulator to counter rising medical inflation.

#### **Call for separate tax exemption for term insurance**

Industry leaders emphasise the importance of tax incentives in driving insurance adoption. "Tax incentives have played a vital role in increasing insurance coverage.

Introducing a separate tax exemption for term insurance would encourage more Indians to secure their families with sufficient life coverage and narrow the protection gap," said Rajiv Gupta, President, and PB Fintech. Gupta also suggested that the current Section 80C deduction limit of Rs 1, 50,000, which includes multiple investment categories, is insufficient. "A separate category for term insurance can simplify financial planning and promote insurance adoption."

#### **GST reduction on premiums**

The affordability of insurance products remains a major challenge, particularly for low-income groups. "The 18% GST on premiums acts as a deterrent. Lowering the rate will make insurance products more affordable, directly benefiting policyholders," Gupta explained.

#### **Increased deductions under Section 80D**

The demand for higher deduction limits under Section 80D has also gained traction. "We recommend increasing the health insurance deduction to Rs 50,000 for individuals and Rs 1, 00,000 for senior citizens.

Including tax exemptions for contributions to Health Savings Accounts can help people manage rising healthcare costs," Gupta added. G Srinivasan, MD & CEO of Galaxy Health Insurance, echoed this view. "The Section 80D limits need to be increased to Rs 50,000 for all and Rs 1,00,000 for senior citizens. Moreover, this should be extended to the new tax regime to enhance insurance penetration." Srinivasan also urged changes to Rule 6E, which currently allows only 50 percent unexpired premium reserve calculations. "Switching to the 1/365 method, as permitted by Irdai, would align with modern financial practices." Rule 6E determines how insurance companies calculate the money they must set aside (reserve) for policies that are still active but haven't reached their full term. Currently, this rule allows companies to set aside only 50% of the total premium for the period that hasn't yet expired, regardless of the actual duration left.

#### **Current method (50% rule):**

Imagine a policyholder pays Rs 12,000 for a one-year health insurance policy (Rs 1,000 per month). If the policy has six months remaining, Rule 6E allows the insurer to reserve 50% of the premium as an unexpired premium reserve.

50% of Rs 12,000 = Rs 6,000.

This method doesn't accurately reflect the actual time left on the policy.

#### **Proposed method (1/365 method):**

The 1/365 method, already approved by Irdai, calculates reserves more precisely based on the actual days left in the policy.

Using the same example, if six months (182 days) remain, the insurer would reserve money for exactly those days.

$182/365 \times \text{Rs } 12,000 = \text{Rs } 5,985.$

This approach aligns better with global accounting practices and ensures that reserves are based on the actual duration left in the policy, making it fairer and more transparent. With this, insurers can also manage their finances more effectively and provide a clearer picture of their liabilities.

#### **Reforming taxation of annuities**

Another key demand is revisiting the taxation structure for pension and annuity products.

"Taxing annuity income along with the principal discourages retirement planning. Exempting this income could promote wider adoption of retirement-focused products," Gupta noted.

#### **Health Regulator**

Another expectation is the creation of a health regulator. Tapan Singhel, MD & CEO of Bajaj Allianz General Insurance that the rising medical inflation, fueled by escalating hospitalisation costs, presents a challenge for insurers, who can only adjust their product prices every three years. "Medical inflation can increase substantially during this period—sometimes by nearly 15%. To combat this, it's crucial to establish pricing consistency at the hospital level," said Singhel.

#### **Optimism for sector growth**

Shilpa Arora, Co-Founder and COO of Insurance Samadhan, outlined her hopes for Budget 2025.

"India's insurance sector grew steadily in 2024, driven by increased awareness and innovative products. However, challenges like medical inflation and GDP underperformance persist," Arora said. She pointed out that with 57 insurers operating in the country and \$6.5 billion in investments attracted over the past nine years, the sector is poised for further expansion. "The government's 100% FDI allowance could spur competition and innovation, but rationalising GST rates and introducing tax incentives are essential to maintaining this momentum." Citing Irdai's "Insurance for All" vision for 2047, Arora said, "I expect measures to improve affordability, particularly for the middle class, and to make insurance more rural-focused."

**(The writer is Surbhi Gloria Singh.)**

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## **Insurance Industry Seeks Key Tax Reliefs and GST Reduction in Upcoming Budget - CA Club India - 8th January 2025**



The insurance industry has put forth significant demands ahead of the Union Budget, focusing on easing tax burdens and improving insurance accessibility for the public. Industry leaders have proposed measures like lowering GST rates on insurance, revising tax exemptions for health insurance premiums, and introducing tax-saving retirement security bonds.

### **Decline in Insurance Penetration and Rising Medical Inflation**

The industry's demands are backed by alarming data trends:

- **Insurance Penetration:** India's insurance penetration has marginally dropped to 3.7% in 2023-24, down from 4% in 2022-23.
- **Medical Inflation:** Estimated at a staggering 14%, making healthcare unaffordable for many.
- **Out-of-Pocket Expenditure:** National Health Accounts estimates show that households bear 44.1% of health expenses.
- **Retirement Savings Gap:** The World Economic Forum estimates that India's retirement savings gap could reach \$85.4 trillion by 2050.

### **GST Reduction and Tax Relief Proposals**

The Insurance Regulatory and Development Authority of India (IRDAI) has initiated talks on reducing GST rates. The industry strongly advocates for reducing the current 18% GST on insurance premiums to 12%.

Additionally, there is a push for revising tax exemptions under Section 80D of the Income Tax Act. Notably:

- The current deduction limit for health insurance premiums has remained stagnant at ₹25,000 since the 2015 Union Budget, despite escalating medical costs.
- FICCI's Proposal: Double the deduction limit to ₹50,000 and raise the preventive health check-up allowance from ₹5,000 to ₹20,000.

### **Boosting Retirement and Health Security**

Key recommendations from the industry include:

1. **Tax Relief for Annuities:** Extend the ₹50,000 NPS deduction to annuities and simplify taxation on pension products to encourage retirement planning.
2. **Zero Rating for Select Schemes:** Exempt schemes like PMJJBY and smaller insurance policies (up to ₹2 lakh sum assured) from GST.
3. **Retirement Security Bonds:** Introduce long-term bonds with guaranteed returns and tax-free maturity benefits to incentivize retirement savings.
4. **Health Check-up Benefits:** Allow employers a separate annual deduction of ₹10,000 per employee for health check-ups.

### **Industry Leaders Emphasize Affordability and Accessibility**

"Lowering GST or offering full tax deductions under Section 80D could make insurance more accessible, especially for the 'missing middle.' It will also strengthen financial resilience," said the MD & CEO of Bajaj Allianz General Insurance.

The CEO of Ageas Federal Life Insurance stressed the urgency for retirement-focused reforms, noting, "Simplifying taxes on annuities and pension products is critical to bridging India's retirement savings gap."

### **A Call for Holistic Reforms**

The insurance industry's proposals align with broader goals of promoting financial security, reducing healthcare costs, and enhancing retirement savings. Whether these measures will find a place in the Union

Budget remains to be seen, but the demands underline the pressing need for reforms in India's insurance sector.

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### ***Life Insurance Cos Paid-Up Capital Spikes by 6%, General Insurance by 4.63% - The Economic Times - 7th January 2025***

As of March 31, 2024, the total paid-up capital in the life insurance sector reached Rs 37,073 crore, marking a 6.05% increase from the previous year. This growth was mainly driven by Rs 980 crore in additional capital from Tata AIA Life Insurance and Rs 429 crore invested by three new life insurers – Acko Life Insurance, Credit Access Life Insurance, and Go Digit Life Insurance. Additionally, eight other life insurers contributed Rs 707 crore. In total, the paid-up capital rose by Rs 2,116 crore in 2023-24.

During the year, two private life insurers raised Rs 299.50 crore through other forms of capital. By March 31, 2024, the total capital in this category stood at Rs 5,231.50 crore.

#### **Non-Life insurers**

For non-life insurers, the combined paid-up capital was Rs 42,245 crore as of March 31, 2024, up from Rs 40,375 crore the previous year, an increase of 4.63%. General and health insurers added Rs 1,870 crore during 2023-24. Of this, private general insurers contributed Rs 1,065 crore, while standalone health insurers infused Rs 805 crore.

#### **Paid-up Capital**

Paid-up capital refers to the funds a company receives from shareholders in exchange for issued shares. It represents fully paid shares sold in the primary market and is significant as it constitutes no borrowed capital. A company with fully paid-up capital has sold all its shares and cannot raise additional capital unless it incurs debt.

*(The writer is Samridhi Singh Mahar.)*

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## **INSURANCE REGULATION**

### ***Q3 results preview: IRDAI's revised norms to weigh on life insurers' margin - Business Standard - 8th January 2025***



Implementation of new surrender value norms, higher acquisition costs, and pricing pressure in group term insurance are expected to weigh on the margins of listed life insurers in the December quarter of the current financial year (Q3FY25).

According to analysts, the revision in goods and services tax (GST) rates mainly for retail term and health insurance, potential changes in bancassurance regulations, amendments to the Insurance Act, and changes in personal and corporate income tax will be the key factors to watch out for the insurers. Insurance companies now have to pay higher special surrender value to policyholders after the completion of the first

year as per the revised surrender value, which was implemented from October 1, 2024. The insurers had to file the products as per the new norms. This has brought a host of changes, including discontinuation of certain products. The industry is also likely to witness a slowdown in sales through the bancassurance channel, which is likely to affect the margins of the insurers. The value of new business (VNB) is the measure of profitability in life insurance, analysts said. "On the VNB margin front, the implementation of new surrender regulations is likely to put some additional pressure, amid already moderating year-on-

year (Y-o-Y) margins, due to product mix changes, higher acquisition cost, and pricing pressure in (group term insurance) GTI," analysts at Emkay Global Services said.

Analysts expect SBI Life — the largest private sector life insurer — to report a drop in VNB margin to 25.8 percent in Q3FY25 from 27.4 percent in the year-ago period. In Q2FY25, SBI Life's margin stood at 26.9 percent. Similarly, HDFC Life Insurance's margin is likely to see a drop to 24.2 percent in Q3FY25 compared to 26.8 percent in the year-ago period. In Q2FY25, the VNB margin stood at 26.3 percent. Max Life's margin is expected to decline to 24.1 percent in Q3FY25 from 27.2 percent a year ago. In Q2, its VNB margin stood at 23 percent. On the other hand, ICICI Prudential Life Insurance's margin is expected to increase to 23.4 percent from 22.9 percent last year as it is better positioned compared to its peers in terms of dependence on the parent bank for sales via banca channel, and new surrender regulations among others. In Q2FY25, its margin stood at 23 percent.

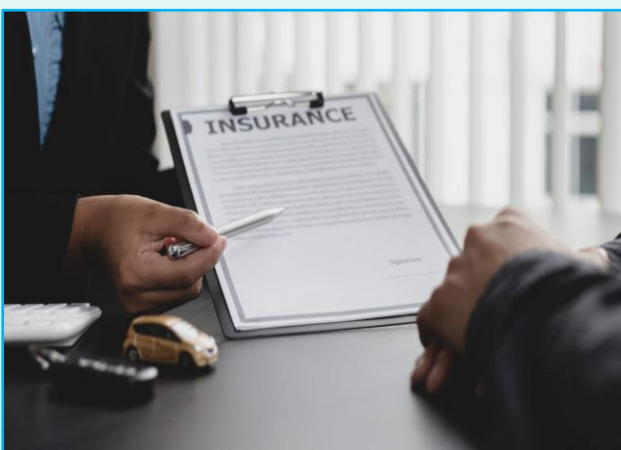
Meanwhile, state-owned Life Insurance Corporation (LIC) of India's VNB margin is expected to drop to 13.6 percent due to fire sale in September and discontinuation of smaller-ticket products after the revised surrender value norms, causing a decline in retail annualised premium equivalent (APE). In Q2FY25, its margin stood at 17.9 percent. Separately, the non-life insurers are likely to see an impact on their profitability, measured by combined ratio, due to higher claims and operating expenses for multi-line insurers and higher claims ratio for standalone health insurers. "While there is no change in operational efficiency of insurers, the change in accounting for long-term health policies will result in elevated operating expenses (opex) ratios. Loss ratios are anticipated to remain elevated, especially in the health segment," analysts at Motilal Oswal said in their report. Also, due to muted new vehicle sales in the country and no revisions in motor third-party premiums, premium income of general insurers is likely to get impacted.

According to Emkay's estimates, in Q3FY25, the combined ratio of ICICI Lombard is likely to be at 103.6 percent compared to 103.9 percent last year. Its combined ratio in Q2FY25 stood at 104.5 percent. Star Allied & Health Insurance is expected to report a flat combined ratio at 100.5 percent in Q3FY25 from 97.8 percent in Q3FY24. Further, the recently listed GO Digit is expected to see its combined ratio at 111.1 percent from 110.3 percent last year. Its combined ratio was 105.4 percent in Q2FY25.

**(The writer is Aathira Varier.)**

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## ***IRDAI to launch centralised digital repository for better oversight - Moneycontrol - 7th January 2025***



The Insurance Regulatory and Development Authority of India (IRDAI) is working on a new initiative, the Regulatory Action Repository System (RARS), to modernise its supervisory processes and strengthen regulatory oversight. RARS will function as a centralised digital platform to consolidate regulatory actions such as orders, penalties, warnings, directions, advisories and closures issued by IRDAI. According to IRDAI's 2023-24 annual report, the system is designed to enhance access to data on regulatory actions while ensuring consistency across various categories of entities.

"Apart from the rationalisation of regulations, RARS, a centralised data repository of actions taken by IRDAI on violations of regulated entities is also under active consideration. The RARS is expected to bring transparency and accessibility to historical records," IRDAI said in the report. The initiative aims to eliminate inconsistencies by providing comprehensive insights into regulatory actions. While it promotes non-discrimination, authorities would still consider "the gravity of violation, circumstances, and proportionality" when determining regulatory measures, the insurance

regulator said. "As a centralised data repository, RARS proposes to streamline access to historical actions and empowers the authority to swiftly and decisively address violations Committed by regulated entities," the report said. The system would provide departments with timely insights and pertinent information, enabling them to identify and prioritise regulatory focus areas.

Key features of RARS include robust search functionalities for retrieving specific regulatory actions based on various parameters and automated report generation to reduce manual processes. These capabilities are expected to enhance efficiency, minimise administrative burden and improve IRDAI's response to regulatory matters. The platform will also facilitate detailed analysis of violations, enabling the regulator to identify trends, patterns and common regulatory gaps that require attention, it said. Calling it a "significant step forward in modernising regulatory operations," the report said, stressing on RARS's potential to foster transparency and collaboration across IRDAI's departments, improving regulatory focus and decision-making.

**(The writer is Naina Sood.)**

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### ***Sea change in regulatory top deck this year - The Economic Times - 8th January 2025***

India's regulatory landscape could be set for further changes in key personnel, with the crucial role of central bank governor having just been filled. The tenures of the heads of the capital market and insurance watchdogs are scheduled to end soon. It's not clear whether extensions or replacements are around the corner, amid a likely churn in the global economic landscape as Donald Trump assumes the US presidency with a pledge to upend business as usual. Sanjay Malhotra took over as Reserve Bank of India (RBI) governor last month. In addition, three of four RBI deputy governors (DGs) are retiring this year.

They include Michael Patra, who will leave later this month after his second one-year extension ends, completing a five-year term in charge of the crucial monetary policy department. Patra has been part of the six-member Monetary Policy Committee (MPC) since it was established in 2016, first as executive director and later as DG. Insurance Regulatory and Development Authority (Irda) chairman Debasish Panda's three-year term also ends on March 10. However, people with knowledge of the matter said the former bureaucrat may be given more time to complete the government's agenda of increasing insurance penetration. Further, the Pension Fund Regulatory and Development Authority may get a new chairman as Deepak Mohanty's term ends in May, after he turns 65.

**(The writer is Joel Rebello.)**

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### ***Insurers in breach of guidelines on management expenses face curbs - The Economic Times - 7th January 2025***

The Insurance Regulatory and Development Authority of India (Irdai) recently directed insurers found to be in breach of its expenses of management (EoM) guidelines to submit a glide path for compliance while facing curbs, which include mandatory capital infusion and curtailed incentives for top bosses. The regulatory crackdown follows a sharp rise in commission expenses after the removal of product-specific commission caps in April 2023. Life insurers reported a 22 percent increase in commission payouts, while general insurers saw their expenses double in FY24, according to the Irdai annual report. Total management expenses in the life insurance sector reached ₹1.4 lakh crore in FY24, accounting for 16.94 percent of total premiums. In April 2023, the regulator had imposed limits on such expenses to curb competition for market share and improve financial discipline. While the new guidelines allow insurers flexibility in managing expenses, over 20 insurers have breached the limit.

Of the 26 life insurers, eight breached the expenses of management (EoM) limits in FY24, prompting regulatory intervention. In the general insurance sector, 15 out of 31 insurers also sought forbearance after exceeding the limits. While one private insurer was under exemption from EoM norms as it had not completed its first five years of operations out of the remaining insurers, 16 were compliant. Also 15 were

non-compliant, with their requests for forbearance under examination. "Irdai has allowed limited forbearance for some insurers but mandated stringent conditions, including capital infusion equivalent to the breach amount and curbs on key management personnel (KMP) incentives," said a top industry source. "The regulator has also warned of consequences if insurers fail to adhere to the prescribed glide path for compliance within three years." The regulator prescribed an overall cap of 30 percent on management expenses. "In cases where forbearance was granted, it came with increased monitoring. For others, the onus lies with the insurers to resolve breaches independently," said the source cited above.

**(The writer is Shilpy Sinha.)**

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### ***Unclaimed insurance amount over Rs 20,000 crore, says IRDAI - The Indian Express - 6th January 2025***

The life insurance sector has reported unclaimed amounts totalling Rs 20,062 crore as of March 2024, according to the Insurance Regulatory and Development Authority of India (IRDAI). IRDAI said unclaimed amounts of life insurers at the beginning of the FY2023-24 was Rs 22,237 crore. "In order to reduce the unclaimed amounts, expedite refunds to consumers and to contain the further accumulation of unclaimed amounts with the insurers, a special drive was initiated by IRDAI for a period of 6 months during June 2023 to November 2023 and the progress of clearance of unclaimed amounts lying with the life insurers during this period was monitored on a monthly basis," the regulator said in its annual report.

A net reduction of Rs 1,018.23 crore was witnessed in respect of life insurers during this special drive period, it said. "For the benefit of consumers, modification to 'Master circular on Unclaimed Amount's was issued on February 16, 2024 for proper identification and efficient disbursement of the unclaimed amounts, modifying few definitions including that of 'unclaimed amount' and suggested measures for adoption by insurers towards reduction of existing unclaimed amounts and to contain further accumulation of the unclaimed amounts," IRDAI said.

The life insurance industry paid total benefits of Rs 5.77 lakh crore in 2023-24 which constitutes 70.22 per cent of the net premium. The benefits paid on account of surrenders/ withdrawals increased by 15.29 per cent to Rs 2.29 lakh crore in 2023-24 of which public sector life insurer accounted for 58.36 per cent, it said. Meanwhile, death claims paid by life insurance companies were at Rs 48,512 crore during the year ended March 2024 as against Rs 46,380 crore in the previous year. This included Rs 28,868 crore under the individual business and Rs 19,644 crore in the group business, IRDAI Annual Report said.

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### ***IRDAI Seeks Clear Road Map on Listing - The Economic Times - 6th January 2025***

The Insurance Regulatory and Development Authority of India (Irdai) met with promoters of large insurance companies, including Sanjiv Bajaj, Uday Kotak, and Keki Mistry, and urged them to present a clear road map for listing their insurance companies within the next two to three years, sources aware of the development said. "Prominent industry leaders, including Sanjiv Bajaj, Uday Kotak, and Keki Mistry, along with senior representatives from the SBI and other banks, attended meetings with Irdai," said an industry executive, who declined to be named. "The regulator insisted on meeting promoters and not just managing directors and CEOs, as they take responsibility for charting out a timeline and strategy." The individual promoters did not respond to request for their comments until the publication of this report. To be sure, there is no extant law that specifies a time limit for an insurer to list. Bajaj Allianz Life and Bajaj Allianz General, HDFC Ergo General Insurance, SBI General Insurance, and Kotak Life are large unlisted insurance companies. "The regulator has asked for a detailed road map and insisted on meeting promoters as the buck stops with the promoters and they hold the ultimate responsibility for setting the course for their companies," an insurance industry source said. "The regulator will wait for companies to volunteer a plan; if not they will engage further."

**(The writer is Shilpy Sinha.)**

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## LIFE INSURANCE

***Suspect a loved one had bought a policy? Search life insurers' websites – Business Standard – 3<sup>rd</sup> January 2025***



Unclaimed amounts with life insurers declined by Rs 1,018 crore but still stood at a staggering Rs 20,062 crore at the end of 2023–24, according to the Insurance Regulatory and Development Authority of India's (Irdai) annual report. If a breadwinner passes away without informing their family about existing life insurance policies, it can have dire consequences, including loss of home if a mortgage remains unpaid.

### **Why money remains unclaimed**

Unclaimed amounts often result from outdated customer details, making it difficult for insurers to trace policyholders or their nominees. "Many customers shift addresses, even move abroad, without updating their new address with the insurance company," says Lalitha Bhatia, chief operating officer, Ageas Federal Life. Outdated phone numbers and email addresses add to the problem. Sometimes, families of policyholders are in the dark. "Family members are unaware that a policy was purchased and hence are unable to make the claim," says Amish Banker, chief operations officer, ICICI Prudential Life Insurance.

People at times even forget about policies. "In many policies, premiums are payable for 10 years, with the policy maturing after another 10 years. People often forget about such policies once they stop paying the premium," says Harsh Roongta, head, Fee Only Investment Advisors, a Securities and Exchange Board of India (Sebi)-registered investment advisor. He adds that lapsed policies with surrender or paid-up value also tend to be overlooked.

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### **How to prevent this?**

Update your bank account, address, email, and mobile number whenever they change. "If you close a salary account (shared with the insurer) on changing jobs, or move house, update the insurance company," says Bhatia. Inform close family members and nominees about the policies you hold. If you buy a policy on another person's life, the latter must be informed. Keep all policy documents at the same place where you keep share certificates, bank statements, and other financial documents.

Opening an e-insurance account can help. "When the relatives or nominees open the CDSL or NSDL statements of their loved one, they will get information about the insurance policy," says Bhatia. Currently, e-insurance is mandatory only for new policies. "It should also apply to existing policies," says Roongta.

### **If you suspect there's a policy**

If you suspect a loved one bought a policy but lack the details, search online. "Every life insurer is mandated to disclose any unclaimed amount of Rs 1,000 and above on their website. A nominee or beneficiary can search for the policy by providing a few details, such as the policyholder's date of birth, along with their Aadhaar number or registered mobile number," says Banker. Currently, nominees must search each insurer's website. "The regulator should create a universal searchable database that will make searching easy," says Roongta. Checking the policyholder's bank account statements for premium payments can offer clues.

### **Making the claim**

To claim a deceased relative's policy that is found, nominees must submit a claim form, policy document, death certificate, and bank details. For accidental deaths, a police report may be required. For death due to illness, hospital records might be needed. Roongta says claimants must also prove their entitlement to the money.

### **Open an e-insurance account**

E-insurance, an electronic insurance account, is a digital repository that allows policyholders to store and manage all their insurance policies (life, health, motor, etc.) in a secure electronic format (akin to a demat account for securities) via a single account.

E-insurance account can be opened with one of the approved insurance repositories: NSDL, CDSL, Karvy, or CAMS. All policies are stored in one place, making it easier for policyholders and their nominees to locate them. Family members or nominees can access policy details through the e-insurance account in case of the policy-holder's demise, provided they have the required credentials or identifiers

*(The writer is Karthik Jerome.)*

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## **GENERAL INSURANCE**

### ***Non-Life Insurers Report Dip in Dec Premiums under IRDAI's Revised Norms - Business Standard - 8th January 2025***

Non-life insurers reported a marginal decline in premia in December, owing to a revision in premium accounting norms by the Insurance Regulatory and Development Authority of India (Irdai). Premia of non-life insurers in December slipped 0.33 percent year-on-year (Y-o-Y) to Rs 25,018 crore, showed data released by the General Insurance Council. General insurers clocked 1.6 percent Y-o-Y drop in premia to Rs 20,677.79 crore. Among private insurers, ICICI Lombard General Insurance's premium slipped 0.89 percent Y-o-Y while Bajaj Allianz General Insurance reported a 6.6 percent Y-o-Y drop. HDFC Ergo General Insurance's premia dropped 43.3 percent during this period.

Meanwhile, state-owned New India Assurance reported a 6.52 percent Y-o-Y increase in premia. United India Insurance posted an 8.46 percent drop than the same month in 2023, while National Insurance reported a 16.2 percent Y-o-Y growth, and Oriental Insurance's premia rose 12.4 percent during the month. Overall growth in premiums for state-owned general insurers came in at 6 percent Y-o-Y in December. However, private sector insurers reported a 6.6 percent decline in premiums during the period. Premiums of the standalone health insurance companies (SAHIs) rose by 5.19 percent YoY in December.

For the month under review, some companies have reported original figures as before, while others have adopted the new Irdai format for premium reporting. As a result, the numbers are not directly comparable. "For multi-line insurers, change in premium accounting norms has led to a YoY drop in premiums. This combined with the weak growth in motor sales during the 3-month period has led to a drop in growth of premiums in the quarter," said Saurabh Bhalerao, Associate Director, BFSI Research, CareEdge Ratings. Further, Nuvama in a report, said, industry growth seems subdued due to the impact of a change in accounting policy of long-term health premiums as well as strong motor sales in the base period. Irdai has revised the format of reporting premium figures. The regulator has asked long-term premiums to be reported on the basis of 1/N where N is the number of days of the policy. The norms came into effect from October 1, 2024. In October - December (Q3FY25), the non-life insurance companies rose by a meagre 1 per cent YoY to Rs 76,236.7 crore, supported by growth in standalone health and multi-line insurers. However, changes in premium accounting norms effective from October 1, 2024 have affected the growth from the year ago period.

*(The writer is Aathira Varier.)*

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### ***HMPV cases surge: Does travel insurance cover viral infection-linked medical emergencies abroad? - Live Mint - 8th January 2025***

A seasonal rise in human metapneumovirus (HMPV) cases in China, Malaysia, Hong Kong, and other Asian countries has raised alarms worldwide. The detection of multiple HMPV cases in India has put government authorities on their toes. While experts term the HMPV surge seasonal, rising viral infections can dampen sentiment around international travel during the holiday season. Amid rising HMPV infections in several

countries, it is crucial to understand how travel insurance can help people navigate medical emergencies during their foreign trips.

### **HMPV virus: Does travel insurance cover HMPV, other viral infection treatment?**

Travel insurance policies generally cover medical emergencies and treatments for sudden injuries and illnesses. People can get financial assistance even when they contract HMPV and other viral infections during their trip. "Our travel insurance policy covers medical emergencies and treatments related to unexpected illnesses or injuries, including flu and viruses like HMPV, while travelling abroad. This includes hospitalisation, surgical procedures, and emergency medical evacuations," said Rakesh Jain, CEO of Reliance General Insurance.

Jain noted that insurers must declare Pre-existing illnesses (if any) at the time of policy issuance to maximize travel insurance benefits. However, travel insurance policies and their coverage might vary and hence, travellers must carefully assess their policy before finalisation. Verifying whether they cover common illnesses and potential emergencies is important, said Meet Kapadia, Head of Travel Insurance at Policybazaar.

### **HMPV virus: What to do in case of medical emergency during foreign trip?**

Several insurance companies provide 24/7 assistance for customers. They can contact their insurance providers for help with hospital identification, treatment expenses in case of medical emergencies, and other services during their holiday trips. "Our policyholders can contact our 24/7 emergency assistance team for guidance and support. We will help facilitate medical treatment, including arranging hospital admissions, guaranteeing payments, and coordinating evacuations if necessary. It's crucial to keep all medical records and receipts, as these will be required to process claims more effectively per policy terms and conditions," said Rakesh Jain.

Purchasing a travel insurance policy through an aggregator might help people at the time of claim or availing its benefits. "Travelers can access cashless services at network hospitals by informing their insurer or Policybazaar. In emergencies where cashless options aren't available, reimbursement claims can be processed with the required medical documentation," said Meet Kapadia.

### **What are the other benefits of travel insurance?**

"In addition to medical emergencies, comprehensive travel insurance plans also cover trip delays, baggage loss, medical evacuation, and other disruptions, ensuring that travellers are prepared for a wide range of contingencies," Kapadia added.

### **HMPV virus symptoms, causes, prevention and treatment**

The infection due to this virus may lead to common flu-like symptoms, including cough, cold, sneezing, fever, etc. Touching contaminated surfaces, inhaling respiratory droplets, and direct contact with infected persons may cause HMPV infection. For HMPV prevention, people must maintain social distancing, wash their hands regularly, and try to wear masks in public. If contracted with the virus, it may take 5-6 days for the person to recover. Doctors usually recommend OTC medicines, such as inhalers.

*(The writer is Sharmila Bhadoria.)*

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## ***Take the bank merger cue for insurance - The Economic Times - 8th January 2025***

Feb 1 is around the bend. Approaching the Union budget, GoI is reportedly set to review the operational and financial performance of state-owned general insurers. Unlike other reviews that could give hope of revenues for the government, this one would, in all probability, demand capital from it. Performance of three of the four government-owned general insurers - Oriental Insurance, National Insurance and United India Insurance - hasn't been satisfactory for a long time. The factors behind this are many, including poor underwriting practices, and stiff competition that is eroding profitability. Underwriting losses for the state-run companies was at ₹18,862 cr last year. It's unsustainable in the long run.

PSU general insurers have also been surviving on income from historical investments, especially equities, some of which have provided unbelievable returns because of the timing and rally in the stock market. It can't last long. GoI proposing 100% FDI in insurance is set to draw stronger companies, which could very well start on a clean slate. That's trouble for the existing ones, especially those that are faltering. The government has invested ₹17,450 cr in the past four years, and that's not enough. So, how does one fix things?

This administration has created a playbook in the banking sector: merger. It combined many of the banks in a massive merger that brought in efficiencies and helped them raise capital from public markets. It need not be different for general insurers. The four could be halved through amalgamation and can be listed, as GoI did with Life Insurance Corp. That should help them find their feet in a competitive market. And relieve the state of funding inefficient businesses for eternity.

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### ***Health and general insurers paid 82 percent claims - Business Standard - 7th January 2025***

Health and general insurers paid 82 percent of claims by volume and 71.3 percent by value (Rs 1.17 crore), according to the Insurance Regulatory and Development Authority of India's (Irdai's) annual report for 2023-24. Of the remaining 28.7 percent by value, nearly 13 percent were rejected and over 9 percent repudiated. Understanding the distinction between rejection and repudiation is crucial. "Rejection occurs before a review or assessment, often due to incomplete information or errors. It is not permanent and can be reversed. Repudiation, on the other hand, happens when an insurer reviews a claim, and decides it is not covered under a policy's clauses. It is permanent," says Shilpa Arora, co-founder and chief operating officer, Insurance Samadhan.

#### **Why do claims get denied?**

Health insurance claims are often denied due to exclusions in policy terms. Buyers frequently overlook the fine print or misinterpret clauses. "Permanent exclusions, hospitalisation during waiting periods, non-disclosure of pre-existing conditions, treatment at excluded hospitals, and premium payment lapses are the main reasons for rejections," says Abhijeet Ghosh, joint executive president, Star Health and Allied Insurance.

#### **Initial steps**

Policyholders should first understand the reason for claim denial. "Review the reasons cited by the insurer and verify if they align with policy terms. If denial is due to missing or inadequate documents, submit them promptly. Insurers typically provide an escalation matrix in their rejection letters to guide policyholders," says Ghosh. Start by contacting the insurer's customer support cell through email or helpline numbers. Share basic details like the claim reference number, explain the issue, seek clarification, and then register a complaint. If unsatisfied, escalate the issue to the insurer's grievance cell. "Justify why the claim should be paid. According to Irdai guidelines, the cell must respond within 14 days. If still unsatisfied, escalate the matter to the Grievance Redressal Officer (GRO)," says Arora.

If the GRO does not resolve the issue, approach Bima Bharosa, Irdai's grievance cell. If a resolution is still not reached, the next step is the Office of Insurance Ombudsman or Bima Lokpal.

#### **Ombudsman for mediation**

India has 17 ombudsman offices. A complainant can locate the relevant office on Irdai's website. Complaints can be submitted online, via email with supporting documents, through the Council for Insurance Ombudsmen's Portal, or by post.

"An ombudsman acts as a mediator between insurer and insured for disputes involving amounts up to Rs 50 lakh. Complaints must be filed within a year of the insurer's final response," says Arora.

#### **Escalate to consumer court**

If the ombudsman's decision is unsatisfactory, policyholders can file a complaint in a consumer court. While individuals can represent themselves, Arora advises hiring a lawyer for complex cases or disputes involving large amounts. Choose the appropriate forum based on claim amounts. "The District Consumer

Disputes Redressal Forum handles claims up to Rs 50 lakh. State Redressal Commissions address claims between Rs 50 lakh and Rs 2 crore, while the National Commission handles claims exceeding Rs 2 crore," says Nishant Datta, advocate, Delhi HC.

Case papers should include supporting evidence such as receipts, medical reports, and invoices, along with detailed explanations of why the rejection was unjustified. "File complaints within two years of the dispute. Specify the relief sought, such as settlement or compensation. Present a professional, evidence-based case to enhance the chances of success," says Datta.

*(The writer is Himali Patel.)*

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### **70% subsidy on livestock insurance for cattle rearers - The Tribune - 5<sup>th</sup> January 2025**

Livestock owners can avail of up to 70 per cent subsidy on livestock insurance under the National Livestock Mission. Kashmir Singh, Joint Director of Dairy Development, while attending a training session of farmers, said that cattle growers should periodically vaccinate animals to prevent diseases.

The official said that due to ailments such as foot-and-mouth disease, lumpy skin disease and goitre, the cattle often die. These deaths result in economic losses for small and medium dairy farmers. Although the government periodically vaccinates animals to prevent these diseases, it also provides insurance to help reduce the financial losses for farmers associated with livestock. The Dairy Development Department of Punjab is offering a 70 per cent subsidy for Scheduled Caste (SC) beneficiaries and a 50 per cent subsidy for beneficiaries in the General category on the insurance amount for buffaloes and cows under the National Livestock Mission Scheme.

Providing further details, Deputy Director, Dairy, Waryam Singh, stated that under the scheme, farmers can insure one to five animals. The price per cow has been set at Rs 70,000. Under the scheme, SC and ST farmers can obtain one-year insurance for Rs 672, two-year insurance for Rs 1,260, and three-year insurance for Rs 1,680 per animal. Farmers in the General category can avail of one-year insurance for Rs 1,120, two-year insurance for Rs 2,100, and three-year insurance for Rs 2,800 per animal. The benefit of this scheme can be taken by any milk producer, whether or not they have taken a dairy loan from a bank or part of the Kisan Credit Card Scheme. One who is directly engaged in dairy activities, can avail themselves of the scheme.

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### **Review of PSU General Insurers on cards to gauge capital needs - The Economic Times - 5<sup>th</sup> January 2025**

The government is set to review the financial and operational performance of state-run general insurers, a senior official said, adding the exercise is aimed at helping North Block determine the need for capital infusion to strengthen the solvency ratios of these companies. "The financial performance of these companies has significantly improved. But their solvency ratios are still below the regulatory requirements. A decision will be made based on projections, and some amount may be allocated in the budget," he said. The three general insurers, Oriental Insurance, National Insurance, and United India Insurance, have solvency ratios below the stipulated 1.50. "The companies will also need to redraw their plans once the Insurance Amendment Bill goes through, which will further open up the sector and increase competition in various segments," the official said. The bill seeks to increase foreign direct investment (FDI) in insurance to 100% by removing the current limit of 74%, reducing the minimum paid-up capital that companies in the sector must have, and allowing insurers to carry out one or more classes of businesses and activities related to insurance. "The bill is also slated for the budget session. All comments have been received on the draft," the above-quoted official said.

So far the government has put in ₹17,450 crore during 2019-20 to 2021-22 in Oriental Insurance, National Insurance and United India Insurance to focus on their growth. The underwriting losses for public sector general insurance companies were at ₹18,862 crore in 2023-24, and the profit stood at ₹157 crore. Earlier,

minister of state for finance Pankaj Chaudhary, in a statement in Lok Sabha, had said that companies have undertaken various steps for improving their profitability, which included adopting key performance indicators (KPIs) for companies and employees, enhancing their IT capabilities, launching new products, and setting up centralised hubs for underwriting and claims. According to the latest report by the Insurance Regulatory and Development Authority of India, or IRDAI, in 2023-24, India's insurance penetration declined to 3.7% as compared to 4% in 2022-23. The insurance penetration for the life insurance industry marginally declined from 3% in the previous year to 2.8% during 2023-24. The penetration with respect to the non-life insurance industry remained the same at 1% during 2023-24 as in 2022-23, the report noted.

*(The writer is Dheeraj Tiwari.)*

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## HEALTH INSURANCE

### ***Pre-policy medical tests: Key to transparent coverage & avoiding rejections - Business Standard - 8th January 2025***

Imagine being denied health insurance coverage because of a medical condition you never knew existed, or worse, paying hefty premiums for years only to have your claim rejected due to a pre-existing condition. These scenarios, unfortunately common in India, highlight the complex debate surrounding pre-policy medical tests in health insurance. While most health insurance providers do not mandate medical tests for policyholders before purchasing a policy, some may require one. Many individuals view these medical tests as inconvenient and prefer to avoid scheduling and undergoing multiple check-ups. As a result, many simply disclose any known pre-existing conditions to the insurer and obtain the policy. If there are no known medical issues, some individuals opt to get the policy without declaring any pre-existing diseases. "While it may seem counterintuitive, undergoing medical tests before buying a health insurance policy can be a double-edged sword. On one hand, it promotes transparency and helps insurers tailor policies to your specific needs. This proactive approach can mitigate the risk of claim rejections and ensure a smoother claims process," said Rakesh Jain, CEO, Reliance General Insurance.

"Medical tests promote transparency between insurers and policyholders, which is critical for smooth claim settlements. Taking this step not only secures appropriate coverage, but also enhances your confidence in the policy you choose, ensuring peace of mind during unforeseen medical situations," said Gaurav Dubey, founder and CEO of Livlong 365.

#### **Benefits of undergoing medical tests**

**Accurate health assessment:** Many individuals may be unaware of underlying health issues. A thorough medical examination can reveal conditions that require attention, allowing policyholders to address them proactively.

**Potential premium discounts:** Insurers often offer reduced premiums for applicants who pass their medical tests without any significant health concerns. This can lead to substantial savings over time.

**Avoiding claim rejections:** One of the most significant advantages of having a pre-policy medical check-up is the reduction in the likelihood of claim rejections due to undisclosed pre-existing conditions. If an illness arises that was not reported at the time of application, insurers may deny claims based on the argument that the condition existed prior to coverage.

**Informed coverage decisions:** Understanding one's health status allows individuals to choose insurance plans that best suit their needs, ensuring adequate coverage for potential health issues down the line.

#### **Who bears the cost of pre-policy medical checkups?**

Typically, if the insurance company agrees to issue a policy, they cover the full cost of any pre-policy medical test. However, there are no universal guidelines regarding who is responsible for the cost if the individual is denied coverage after the medical examination.

In certain situations, the insurer and the individual may share the cost. In other cases, the insurer might charge the entire amount back to the policyholder or deduct it from any refundable amount.

“Health insurance safeguards against unforeseen medical expenses, not pre-existing conditions you’re already aware of. That said, it’s important to prioritise regular health check-ups or screenings every year. These proactive measures help you stay on top of your health, detect potential issues early, and make informed lifestyle choices— all of which align with maintaining long-term well-being. It’s always better to prioritise buying insurance early, ensuring you’re covered for unexpected health needs in the future,” Sushant Roy, co-founder, COO & CBO at Alyve health.

*(The writer is Ayush Mishra.)*

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### ***Why does cancer get diagnosed late in India? And does having a government health insurance card help with faster treatment? - The Hindu - 8th January 2025***

Cancer is a word that is hard to get away from now – most people’s lives in India have been touched, directly or indirectly by it, and, as cases continue to climb uphill, prevention and treatment programmes are struggling to keep up. India recorded 14.6 lakh cancer cases in 2022, and this number is projected to go up to 15.7 lakh in 2025, according to the Indian Council of Medical Research-National Cancer Registry Programme (ICMR-NCRP), the government informed Parliament last year.

One major problem that has worried doctors in India has been late diagnosis and therefore, late initiation into treatment – cancer continues to be a scary word, lack of access to quality care impacts large parts of the country, and crucially, where available, treatment can be expensive and long. A new study, ‘Access to timely cancer treatment initiation in India: extent, determinants and trends’ by Pritam Halder et al, published recently in The Lancet Regional Health Southeast Asia, attempts to find out the reasons behind delayed time to treatment initiation (TTI) and the trends of delayed TTI. The paper points out that late diagnosis and delays in the initiation of treatment is one reason for high mortality rates in countries like India. Delays lead to upstaging of the disease, which is then associated with increased complications and also increased expenditure and poorer health outcomes. In 2022, India registered over 9 lakh cancer deaths.

The study, which analysed data collected from 6,695 cancer patients seeking outpatient/daycare treatment, at seven healthcare facilities across six states, also looked at TTI amongst those who had the Central government’s Pradhan Mantri Jan Arogya Yojana (PM-JAY) health insurance cards, and those who didn’t (pre and post 2018, when the scheme was launched). What the research found was that the median overall time taken to treatment initiation was 20 days (between 7 and 39 days). Those with head and neck cancer, in particular, had a higher TTI of 29 days.

Younger patients, those educated up to graduation level and males had significantly lower odds of delayed TTI. In the study population, 61 percent were female. The skewed urban distribution of cancer centres could also lead to challenges with travel, language, food, stay and support required from a caregiver, for patients in rural areas, the paper states. In essence, being a woman, being poor, less educated and from a rural area were all significantly associated with delays in treatment initiation, says Nikita Mehra, medical oncologist at Cancer Institute, Adyar, WIA, Chennai and one of the co-authors of the paper.

Barriers persist at the personal level and at the levels of family, society and the health system, says Anita Gadgil, general surgeon and breast cancer (early detection and screening) researcher with The George Institute for Global Health. “At the personal level it can be fear. At the family level, in most families, the woman’s health is the last priority. At the community level, there may be concerns about stigma that patients could face for instance, after a breast removal surgery. And at the health system level, doctors may not be available, or the diagnostic test may be available in a city that is some distance away. All of these can lead to delays in seeking care, reaching care and receiving care,” she says.

Close to 40 percent of participants in the study were not covered through any financial protection scheme. Among those who were covered, 48.6 percent were covered under government-funded health insurance schemes, while the remaining were supported through philanthropists (7.7 percent) and voluntary private health insurance (1.9 percent).

As compared to patients who were diagnosed between 1995 and 2017, which is prior to the launch of the PM-JAY scheme, those diagnosed after 2018 had 36 percent higher odds of timely initiation of treatment within 30 days. "Upon stratifying by enrolment under PM-JAY, we found that the access for timely treatment initiation increased by 33 percent for those who were not enrolled, vs. 90 percent among those enrolled under PM-JAY. Overall, this shows significant improvement in timely initiation of cancer treatment as a result of introduction of PM-JAY," the paper notes. Having access to a health insurance card, says Dr Mehra, was a game-changer for patients. It gave them a significant advantage when it came to seeking timely treatment, and also made for better health-seeking behaviour among patients, she points out.

Dr. Gadgil says that her own 2012 study of breast cancer treatment at a hospital in Mumbai revealed that equitable access to standardised free healthcare led to better diagnosis and outcomes among breast cancer patients. "However, over the years, awareness about cancer has also increased, leading to more people coming forward during the early part of the disease. This may also be contributing to better outcomes now," she says. "There is some evidence that access to insurance helps improve equity in cancer care outcomes by particularly benefiting the disadvantaged sections, and in light of India's increasing cancer burden, the findings of the paper are promising," says public health specialist and independent researcher Soham Bhaduri.

However, he pointed out, more important are the actual outcomes of cancer care under schemes like PMJAY, since irregularities in public health insurance schemes are no rarity, and also given that operative tertiary care interventions are attractive to the private sector. "Even more crucial is how well we do at preventing cancer at the primary care level, which leaves a lot to be desired. The transition of our health and wellness centres from a parochial 'maternal and child care' focus to a comprehensive healthcare orientation is hardly complete, and major gaps in cancer screening remain at the primary care level, as acknowledged in a NITI Aayog report from last year," he says.

*(The writer is Zubeda Hamid.)*

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***Every person will have a life and health policy, there will be no problem in paying the hospital bill - Moneycontrol - 8th January 2025***

Section 80C not only helps in reducing the tax burden of taxpayers but also encourages people to make long-term savings and investments. There are many such investment and savings options under Section 80C, in which a large fund is created in the long term by investing regularly. Every person will have a life insurance policy and a health policy. The government has made a concrete plan for this. It can be announced in the Union Budget 2025. Actually, the government has set the target of universal insurance coverage by 2047. This means that the government's effort is to provide health policy and life insurance policy to every person. The government has set a target of 2047 for this. Insurance industry experts say that major reforms will have to be done to achieve this target.

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***HMPV Outbreak in India: Symptoms, Treatment, Health Insurance Coverage Explained - The Hans India - 7th January 2025***

India is seeing more cases of respiratory illnesses caused by Human Metapneumovirus (HMPV), with seven confirmed cases reported in states like Gujarat, Karnataka, and Tamil Nadu. This increase follows an outbreak in China and has raised concerns, especially for vulnerable people such as children, the elderly, and those with weak immune systems, who are more at risk of severe illness.

## **What is HMPV?**

Human Metapneumovirus (HMPV) is a respiratory virus that was discovered in 2001. It belongs to a group of viruses called the Pneumoviridae family. HMPV causes symptoms similar to the common cold, such as fever, cough, sore throat, and blocked nose. While most people recover without issues, some, particularly infants and people with existing health problems, may develop more serious complications like pneumonia. Virologists note that HMPV has been present in India for over 20 years, contributing to around 3% of respiratory infections, with 10-12% of those affecting children. While severe outcomes are rare, early medical intervention remains critical. Health Insurance Coverage for HMPV Many health insurance policies cover HMPV-related medical costs under standard respiratory illness provisions. As noted by Suman Pal, Chief Claims Officer at Onsurety, comprehensive plans typically include:

- ❖ Hospitalization expenses
- ❖ Diagnostic tests (e.g., PCR or antigen testing)
- ❖ Outpatient consultations
- ❖ ICU admissions and oxygen therapy for severe cases
- ❖ Post-hospitalization recovery costs

It's advisable for policyholders to verify the details of their coverage with their insurance providers.

## **Government's Response**

In response to the outbreak in China, India's central government has urged states to heighten surveillance of influenza-like illnesses (ILI) and severe acute respiratory infections (SARI). Union Health Secretary Punya Salila Srivastava emphasized public awareness initiatives that encourage preventive measures, such as:

- ❖ Regular handwashing with soap
- ❖ Avoiding touching the face with unwashed hands
- ❖ Maintaining distance from symptomatic individuals
- ❖ Covering the mouth and nose while coughing or sneezing

## **Symptoms and Vulnerable Groups**

- ❖ HMPV generally causes mild, cold-like symptoms, such as:
- ❖ Sore throat
- ❖ Nasal congestion
- ❖ Cough
- ❖ Low-grade fever

However, more severe symptoms like wheezing, shortness of breath, and pneumonia can develop, particularly in:

- ❖ Older adults
- ❖ Infants
- ❖ People with compromised immune systems

In infants, symptoms may escalate, leading to rapid breathing, chest retractions, or cyanosis, which requires urgent medical attention.

## **Treatment for HMPV**

At present, there is no specific antiviral treatment for HMPV. Mild cases are typically managed at home with rest and hydration, while severe cases may necessitate hospitalization. Treatment options include:

- ❖ Oxygen therapy to assist with breathing difficulties
- ❖ Intravenous fluids for hydration
- ❖ Corticosteroids to reduce inflammation

*(The writer is Varun Keval.)*

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## ***Will GST on Health Premiums Be Reduced - 5 Key Demands from the Insurance Sector - India Hood - 7th January 2025***

As the Union Budget 2025 approaches, the Indian insurance sector is advocating for significant reforms aimed at improving health insurance penetration and affordability. With rising medical costs and a low number of insured individuals in the country, industry leaders are calling for measures that could stimulate growth and make insurance more accessible to the general population.

### **Key Demands from the Insurance Sector**

#### **1. Reduction of GST on Health Insurance Premiums**

Currently, health insurance premiums are subject to an 18% GST, which many experts believe makes insurance unaffordable for a large segment of the population. Reducing this tax rate could encourage more individuals to purchase health insurance policies, thus increasing overall coverage.

#### **2. Revisions to Section 80D Tax Exemptions**

Under Section 80D of the Income Tax Act, individuals can claim tax deductions on health insurance premiums. The insurance sector is urging the government to raise the deduction limit from ₹25,000 to ₹50,000 for all taxpayers and ₹1,00,000 for senior citizens. This change would incentivize more people to invest in health insurance.

#### **3. Establishment of a Dedicated Health Regulator**

With medical inflation on the rise, there is a pressing need for a regulatory body that can oversee hospital pricing and services. Experts suggest that a dedicated health regulator would enhance transparency and help insurance companies set competitive prices for their products.

#### **4. Separate Tax Rebates for Life Insurance Premiums**

The industry is also advocating for distinct tax rebates for life insurance premiums outside of Section 80C. This separation could encourage more individuals to purchase life insurance policies, thereby providing greater financial security.

#### **5. Review of Income Tax Slabs and Exemptions**

Adjusting income tax slabs and increasing exemption limits would provide individuals with more disposable income, encouraging them to invest in insurance products. This could significantly boost the market and provide enhanced security for policyholders.

### **Mixed Performance in the Insurance Sector**

The performance of Indian insurance companies in 2024 has been varied. While some companies like General Insurance Corporation of India (GIC) reported a remarkable 44% return, others like Life Insurance Corporation (LIC) saw modest growth at just 7%. Companies such as SBI Life and HDFC Life faced losses, highlighting the diverse challenges within the sector.

*(The writer is Partha Sarathi.)*

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## ***India's life insurance industry at an "inflexion point", poised to grow strong: Centrum report - The Tribune - 7th January 2025***

The life insurance sector in India is at an "inflexion point" and is poised to grow due to a variety of good reasons. Financial services company Centrum Broking in a report asserted that it remains constructive on the life insurance industry owing to favourable macro factors. The life insurance industry is set to grow due to an increase in the share of financial savings in household savings, per capita income increase, an increase in the working-age population, and an underpenetrated industry, Centrum said. India aims to achieve 'Insurance for All' by 2047, and regulator Insurance Regulatory and Development Authority (IRDAI) is committed to it.

According to the Centrum report dated January 6, private players have been able to gain a higher market share with their share in the individual APE (Annual Premium Equivalent) increasing from 56 per cent at

the end of 2017-18 to 68 per cent at the end of Q2 2024-25. State-owned major LIC has maintained a 32 per cent market share over the last few quarters. Bigger players like SBI Life and HDFC Life have increased their market share over the last few years, Centrum said.

"The listed players command a combined market share of 60 per cent in the private space," as per Centrum report. Due to various policy measures, financial inclusion in India has significantly improved over the years. Currently, over 80 per cent of Indian adults have a formal financial account, compared to approximately 50 per cent in the early 2010s. This increased financial inclusion also helped the insurance sector. Also, bancassurance arrangements are playing an important role in the growth of the insurance sector. "Bancassurance plays an important distribution part especially for the private players though LIC is also now focusing on bank partnerships," said the report.

Bancassurance refers to the agreement between a bank and an insurance company through which the bank sells the insurance product of the concerned insurance company to its customers. Separately, in November 2024, the central government floated a few proposals for the insurance sector, including raising the FDI limit in Indian insurance companies from 74 per cent to 100 per cent, and enabling an insurer to carry on one or more classes of insurance business and activities. Further, the government had proposed amending certain provisions of insurance laws to ensure the accessibility and affordability of insurance to citizens. A significant portion of India's citizens and insurable assets remain uninsured, increasing the risks of high out-of-pocket expenses, and placing a considerable burden on public finances. (ANI)

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***Lower GST rates, revise tax exemption on health premium: Insurance sector airs demands in budget - The Telegraph - 6th January 2025***

The insurance industry has sought some reliefs in the budget such as the lowering of GST rates on insurance and the revision of tax exemption on health insurance premium. They also want tax relief for annuities and the introduction of tax savings retirement security bonds. The industry pointed out to four data points — India's insurance penetration has marginally declined to 3.7 per cent in 2023-24 from 4 per cent in 2022-23 and country's medical inflation is estimated at around 14 per cent. Besides, National Health Accounts estimates out-of-pocket expenditure at around 44.1 per cent of household health expenditure and the World Economic Forum estimates retirement savings gap of India at \$85.4 trillion by 2050.

Insurance regulator IRDAI has initiated discussions with the companies on the optimal GST rates and the majority of the industry is in favour of a reduction from 18 per cent to 12 per cent. There is also a call for a revision of tax exemption on health insurance premium, available under the old tax regime, under section 80D of the Income Tax Act. It has been 10 years after the limit was raised from ₹15,000 to ₹25,000 in the union budget of 2015. Industry body Ficci has proposed doubling the deduction of health insurance premium under section 80D to ₹50,000 along with an increase in the preventive health check-up to ₹20,000 from ₹5,000. It has also proposed allowing employers a separate annual deduction of ₹10,000 per employee for sponsoring health checkups over and above current medical reimbursement limits.

"Lowering GST or allowing full tax deductions under section 80D could make insurance more accessible, particularly for the 'missing middle', while encouraging financial resilience. Exploring a regulatory framework for hospitals could help address rising medical inflation and promote consistent pricing and service standards, ensuring fair access to healthcare," said Tapan Singhel, MD and CEO, Bajaj Allianz General Insurance. The life insurance industry is hopeful that the additional deduction of ₹50,000 available on NPS (New Pension Scheme) investments would be extended to annuities. "With the retirement savings gap projected to reach \$85 trillion by 2050, simplifying or removing taxes on annuities and pension products will encourage greater participation in retirement planning," said Jude Gomes, MD and CEO, Ageas Federal Life Insurance. "A zero rating for schemes such as PMJJBY and smaller policies of (upto ₹2 lakh sum assured) and annuity products for NPS subscribers will expand access to insurance. Introduction of long term retirement security bonds that combine insurance and guaranteed returns will encourage long term savings with tax-free maturity benefits," he said.

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## **Health insurance claims: Standalone insurers pay Rs 3.07 per Rs 5 claim, general insurers offer Rs 4.17 - The South First - 5<sup>th</sup> January 2025**



If you filed a health insurance claim in 2023-24, chances are you didn't receive the full amount you had hoped for. According to the latest Insurance Regulatory and Development Authority of India (IRDAI) report for 2023-24, health insurers paid out less than expected in many cases, raising questions about the level of protection policyholders actually have. Standalone health insurers, which focus exclusively on providing health insurance policies, paid an average of ₹3.18 for every ₹5 claimed in 2023-24, with key players including Star Health and Allied Insurance, Care Health Insurance, and ManipalCigna Health Insurance.

This translates to an Incurred Claims Ratio (ICR) of 63.63 percent, meaning 36 percent of claims were not paid. In the previous year, standalone health insurers paid ₹3.07 for every ₹5, with an ICR of 61.44 percent. Private sector insurers, offering a mix of health and other general insurance policies, paid an average of ₹4.17 for every ₹5 claimed in 2023-24. Notable companies in this category include Go Digit General Insurance, ICICI Lombard General Insurance, and Bajaj Allianz General Insurance. This was an improvement from ₹4 out of ₹5 in 2022-23 (ICR: 80.09 percent). Interestingly, public sector insurers like United India Insurance paid more in claims than they collected in premiums. For every ₹5 received in premiums, they paid ₹5.15 in claims, with an ICR of 103.16 percent in 2023-24. This was a slight improvement from the previous year's ₹5.28 per ₹5 premium (ICR: 105.77 percent).

### **The best and the worst**

If you filed a health insurance claim last year, you may have been surprised by how much – or how little – your insurer paid. The IRDAI Annual Report 2023-24 provides valuable insights into how insurers handled health claims across different sectors. Standalone insurers have shown varied performance. Star Health and Allied Insurance Co Ltd., emerged as the highest payer, with an Incurred Claims Ratio (ICR) of 66.47 percent. On the other hand, Care Health Insurance Ltd., settled only 57.69 percent of claims, paying ₹2.88 for every ₹5 claimed. Private sector insurers demonstrated better overall payouts, with an average ICR of 83.49 percent. Among them, Go Digit General Insurance Ltd., stood out as the highest payer, with an ICR of 93.87 percent, paying ₹4.69 for every ₹5 claimed. However, insurers like Kotak Mahindra General Insurance Co. Ltd., fell short, with an ICR of 59.06 percent, paying only ₹2.95 per ₹5 claimed.

Public sector insurers have been generous with claims settlements, often exceeding the premiums collected. United India Insurance Co Ltd., was the highest payer among public sector insurers, with an ICR of 109.23 percent, paying ₹5.46 for every ₹5 collected. In contrast, National Insurance Co. Ltd., paid ₹4.54 per ₹5, with an ICR of 90.83 percent. The data highlights the varying performances across different types of insurers. Standalone health insurers generally pay the least, though companies like Star Health are more reliable. Private sector insurers provide better payouts overall, with standout performers like Go Digit. Public sector insurers tend to pay generously, but this often comes with sustainability challenges.

### **The insurance year**

In the fiscal year 2023-24, health insurance companies in India disallowed claims amounting to ₹15,100 crore, or 12.9 percent of the total claims filed. According to IRDAI, out of the total ₹1.17 trillion claims under health insurance, only ₹83,493.17 crore, or 71.29 percent, were paid during the year ending March 2024. Additionally, insurers repudiated claims amounting to ₹10,937.18 crore (9.34 percent) while outstanding claims totaled ₹7,584.57 crore (6.48 percent).

There were approximately 3.26 crore health insurance claims during 2023-24, of which 2.69 crore (82.46 percent) were settled. The average amount paid per claim was ₹31,086. In terms of mode of settlement, 66.16 percent of claims were settled through cashless services, and 39 percent through reimbursement. During 2023-24, health insurance companies collected ₹1,07,681 crore as health insurance premiums (excluding personal accident and travel insurance), registering a growth of approximately 20.32 percent compared to the previous year. These companies covered 57 crore lives under 2.68 crore health insurance policies. Standalone health insurers saw an increase in underwriting losses to ₹723 crore in 2023-24, compared to a loss of ₹529 crore in 2022-23. The profit after tax for standalone health insurers was ₹915 crore.

### **The policy aspect**

The report suggests that government schemes like Ayushman Bharat have played a crucial role in increasing health coverage, particularly for economically vulnerable families. These initiatives aim to improve access to healthcare services and enhance financial protection against medical expenses. A significant portion of the insured population is covered under government schemes like Ayushman Bharat, which alone covers over 30 crore individuals. The group insurance segment is rapidly growing, covering approximately 20 crore people, primarily through employer-sponsored plans. Group insurance is currently the fastest-growing segment in India's health insurance market. Coverage varies significantly between urban and rural areas, with urban populations generally having better access to health insurance products. For instance, only about 14.1 percent of the rural population has health insurance compared to 18.0 percent in urban areas.

The report emphasises the need for targeted strategies to improve health insurance penetration in rural areas, where accessibility and affordability remain significant barriers. The introduction of micro-insurance products and community-based approaches are suggested as potential solutions. Overall, the overall insurance penetration in India has decreased to 3.7 percent, down from 4 percent in the previous year. This decline indicates challenges in expanding health insurance coverage across the country, despite regulatory efforts to enhance access. The Indian health insurance market is projected to grow significantly, reaching an estimated value of \$23.8 billion by 2028, with a compound annual growth rate (CAGR) of 12.8 percent from 2024.

*(The writer is Sumit Jha.)*

**TOP**

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### ***80% of health insurance policyholders doubt intentional delays in claims: Report - The Statesman - 3<sup>rd</sup> January 2025***

Over 80 percent of the health insurance policyholders believe that there are delays in claims which are intentional, designed to pressure policyholders into accepting lower claim amounts. According to a survey by LocalCircles, 60 percent of health insurance claimants reported experiencing delays of six to 48 hours between claim approval and hospital discharge. The survey, which included responses from over 100,000 health insurance policyholders across 327 districts in India. This finding raises concerns as the Insurance Regulatory and Development Authority of India (IRDAI) mandates that claims should be settled within an hour to prevent discharge delays. When asked if they believed that the prolonged claim processing worked in favor of insurance companies, 47 percent confirmed this belief, with 34 percent stating it had not happened to them personally but had affected those in their close network. Only 7 percent dismissed this scenario as uncommon. Local Circles found that only 25% of survey participants reported that their health insurance claims in the last three years were fully approved by the insurance company. An additional 6% mentioned that their claim was eventually fully approved following some back-and-forth with the insurance company. Furthermore, 33% of respondents stated that their claim was "only partially approved with invalid reasons", while 36% said their claim was outright rejected with invalid reasons. Despite IRDAI's directive for companies to settle claims promptly, with some even within an hour to prevent delays in hospital discharge, health insurance policyholders' complaints indicate that this is not being consistently implemented, as highlighted by Local Circles. Out of 30,366 health insurance policy owners surveyed on claim settlement timelines, 21% reported that the discharge from hospital after claim settlement took 24-

48 hours, 12% said it took 12-24 hours, 14% claimed it took 9-12 hours, and 12% mentioned it took 6-9 hours. Only 8% stated that the process was instant. In the private sector, HDFC Ergo had the highest claim settlement ratio in 2023-24 at 94.32%, while Bajaj Allianz had the lowest at 73.38%, as per a report from the Insurance Brokers Association of India. The majority of health insurance policyholders surveyed feel that there is a lack of transparent web-based communication systems for claims processing and recommend that IRDAI mandate such systems.

**TOP**

## MOTOR INSURANCE

### **3rd party motor insurer won't pay claim in this case - The Economic Times - 10th January 2025**



Driving in India without third-party (TP) insurance is illegal and can result in financial burdens if caught without a valid policy. However, even when you have a TP cover, there may be instances where your TP insurer may refuse to cover damages and injuries caused to third parties by the insured vehicle. Read on to learn more about such conditions, the recourses available and the number of times you can avail yourself of third-party motor insurance.

Usually, if you and/or your vehicle are involved in a road accident, which has caused extensive damage to someone's property or life, your TP insurer is liable to pay for all such injuries or destruction. But the

question is how reliable is your third-party insurance policy. There might be instances when your third-party insurer might not honour any claims that have been made against your policy, by the third party (victim). And this is despite you having a valid TP motor insurance. Due to this, you could end up paying a hefty amount out of your own pockets as compensation to the affected third party. There might be instances when your third-party insurer might not honour any claims that have been made against your policy, by the third party (victim). And this is despite you having a valid TP motor insurance. Due to this, you could end up paying a hefty amount out of your own pockets as compensation to the affected third party. Read on to know about instances where your third-party insurer may step back from paying for damages, and if you can avoid such conditions.

#### **What is third-party motor insurance, and when can it be denied?**

The idea behind this insurance cover is to offer protection and compensation against damages caused by the insured's vehicle i.e. your car/bike to a third party on the road, which could include pedestrians, another car and its occupant passengers. The policyholder i.e. you or the concerned vehicle are not eligible for any coverage under TP insurance.

#### **TP cover doesn't work if premium is unpaid**

If your third-party motor policy is not active i.e. has lapsed due to premium non-payment before or at the time of the incident, your insurer can deny claims under third-party insurance.

#### **Driving car under influence of alcohol or drugs**

If the driver is found to be under the influence of drugs or alcohol this may become the ground for rejection of the claim. Says Sandeep Dadia, CEO & Country Head, and Lockton India, "Other conditions under which your TP insurer may refuse to honour claims is if you've been found driving under the influence of alcohol or drugs."

#### **Not having a valid license or driving for wrong purpose**

Not having a valid license can also be the ground of rejection of TP claim. "If the person driving the vehicle did not have a valid driving license, or was found using the vehicle for purposes not covered under the

policy (e.g., using a private car for commercial purposes), the TP insurer may refute any claims,” says Dadia. For the claim to stand, your driver’s license should be active, and not expired to be valid. While a learner’s driving license is legal, it is mandatory for the learner to be sitting beside an experienced driver who also has a valid, regular license, while driving the vehicle. Also, the learner should have an ‘L’ sign painted at the back and front of the vehicle. If someone with just a learner’s license is found breaching either of these two conditions, the TP insurer is well within its rights to refuse to pay compensation.

**Not having a valid fitness certificate**

Dadia further adds that the TP insurer can refuse to pay if the damage-causing vehicle does not have a valid vehicle fitness certificate. Notably, a new private vehicle's fitness certificate is valid for 15 years, after which it must be renewed every 5 years.

**If the policy is under grace period without premium payment**

In motor third-party insurance, there is also no provision for a grace period. Hence, claims will only be admissible if the policy is active and valid at the time of the incident.

**What happens if the premium cheque bounces?**

In a 2022 judgement, the Karnataka High Court had mandated that the insurance company would be liable to pay compensation to a third party, even if the cheque issued towards premium payment by the insured was dishonored, if the same had not been properly communicated to the policyholder before the accident happened.

**Paid amount can be recovered by insurer in case of violations**

Even when the insurance company pays the claim but later discovers any violation then it can recover the amount from policyholder. “In cases where the insured violates the terms of the policy, the insurer may honour the third party claim but then recover the amount from the insured. This is known as subrogation” explains Dadia. However, there is still a recourse left to policyholders. “If there are disputes regarding the insured's violations, the matter may be taken to the Motor Accident Claims Tribunal (MACT) or a competent court. The tribunal/court will determine the liability of the insurer and the insured based on the evidence and circumstances of the case”, continues Dadia.

**How many times can third-party insurance be claimed during the lifetime of a vehicle?**

There is no limit on the number of third-party claims that can be made during the validity of a TP motor insurance policy. Each time a vehicle is found to have caused an accident resulting in injury, death, or property damage to a third party, the affected party can file a claim, provided the incident occurred within the policy period and the claim is within limits. Generally, all motor policies are issued for a year and need to be renewed every year. However, new two-wheelers are to be compulsorily insured for 5 years against TP risk and new private cars are to be compulsorily insured for 3 years against TP risk. Per Legal Auto Claims Team, TATA AIG, “If the same insured vehicle causes property damage or injury to third parties multiple times, the insurer is obligated to settle each legitimate claim as per the terms and conditions of the policy. TP insurance operates on an incident-based approach rather than a lifetime limit approach”.

**Premium Payable for TP Insurance as per IRDAI**

Private Cars (cc)	One-year policies (In Rs)	Long-term policies (In Rs)
Not exceeding 1000cc	2,094	6,521
Exceeding 1000cc but not over 1500 cc	3,416	10,640
Exceeding 1500 cc	7,897	24,596
Private Electric Cars	One-year policies (In Rs)	Long-term policies (In Rs)
Not exceeding 30KW	1,780	5,543
Exceeding 30KW but not over 65 KW	2,904	9,044
Exceeding 65 KW	6,712	20,907

Source: IRDAI Order dated 04.03.2022, PolicyBazaar

### **Is there a monetary limit on the damages to be paid by the TP insurer?**

Per Arti Mulik, Chief Technology Officer at Universal Sompo General Insurance, "For property damages, which includes other party's vehicles, buildings and more, the limit is up to Rs 7.5 lakh".

In case of bodily injury, or even death, the coverage for third parties is unlimited. This also covers the medical expenses and compensation for injuries sustained by the other party in the event of an accident. However, experts have divergent views on this. Per Dadia, the Rs 7.5 lakh limit had been eliminated under amendments made in the Motor Vehicles Act in 2019, meaning that there is no monetary limit under third-party insurance for property

Regarding coverage for damage to properties, the insured can choose from two options. One is a limited third-party plan, and the other is a normal one. It's important to remember that even under a limited third-party plan, the coverage for bodily injury or death remains unlimited i.e. without any monetary ceiling. Paras Pasricha, Head of Motor Insurance, PolicyBazaar explains that under a limited third-party plan, the property damage is defined up to Rs 6,000. "This means that the insurer is only liable to pay for property damages up to Rs 6,000. Compensation for damages above this limit will have to be borne by the insured themselves. The premium for such plans is generally cheaper by around Rs 100 than the regular TP plan".

### **Individuals who are considered as third parties**

Imagine this. Mr A is driving his car. Sitting alongside him are 4 of his friends, who are unrelated to him. The car meets with an accident, causing the death of 2 of the car's passengers (Mr B and C), along with causing significant damage to another party on the road. Will Mr. B and C also be liable for compensation under TP insurance?

Dadia explains that in this case, the passengers will not be eligible for any compensation. "Third-party insurance, as mandated by the Motor Vehicles Act, 1988, is specifically designed to compensate, third parties (pedestrians, other vehicle occupants, or property owners) who suffer injury, death, or property damage due to the insured vehicle". "However, if the insured has opted for an additional cover such as Personal accident cover for unnamed passenger, the harm caused to the occupants of the insured's vehicle may get covered up to the sum insured of Rs.2 Lacs. There are a couple of insurers who have now started offering an enhanced personal accident cover for passengers which the insured can opt for", he adds.

A recent mandate by the Rajasthan High Court, under the bench of Justice Nupur Bhati, has also affirmed that in the case of a private vehicle insured against the "Act only Policy", the insurance company is not liable to compensate the occupants of the vehicle since they are not considered to be the "third parties" as required under the Motor Vehicles Act, 1988 ("Act"). But previously, in the case of United India Insurance Co. Ltd vs Karam Chand and Ors in 2011, the Jammu and Kashmir high court had established that third parties include all those who suffer as a result of the use of the said motor vehicle in a public place, which includes occupants of the vehicle or even any other persons travelling by road or in any other vehicle who fall victim to the accident. All these individuals are liable to be awarded compensation as a result of such an accident.

*(The writer is Ira Alok Puranik.)*

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### ***Frame policy on cashless treatment for motor accident victims, SC to Centre - The Tribune - 8th January 2025***

The Supreme Court on Wednesday directed the Centre to frame by March 14 a scheme for cashless medical treatment to motor accident victims in the "golden hour" mandated under law. Defined under Section 2(12-A) of the Motor Vehicles Act, 1988, the 'golden hour' refers to a one-hour window following a traumatic injury under which a timely medical intervention would most likely save the victim. Referring to Section 162(2) of the Act, a Bench of Justice AS Oka and Justice AG Masih ordered the government to come up with the scheme which could save numerous lives with prompt medical care to accident victims.

"We, therefore, direct the Central government to make a scheme in terms of sub-section (2) of Section 162 of the MV Act as expeditiously as possible and, in any event, by March 14, 2025. No further time shall be granted, it ordered.

The order came on a petition filed by Dr S Rajasekaran, Chairman and Head of Department of Orthopaedic Surgery, Ganga Hospital, Coimbatore, highlighting high road accident deaths in India. The court ordered the government to place a copy of the scheme on record on or before March 21, along with an affidavit of the officer concerned of the Ministry of Road Transport and Highways explaining the manner of its implementation. "As can be seen from the definition, the one hour following a traumatic injury suffered in a motor accident is the most crucial hour. In many cases, if required medical treatment is not provided within the golden hour, the injured may lose his life. Section 162 is crucial in the present scenario where motor accident cases are ever increasing," the court observed. Writing the judgment for the Bench, Justice Oka underlined the importance of providing immediate medical care during the critical period and said delays caused by financial concerns or procedural hurdles often cost lives.

The court said it was the statutory obligation on the Centre to frame a scheme under Section 162 for cashless treatment and said the provision sought to uphold and protect the right to life guaranteed by Article 21 of the Constitution. "When a person gets injured in a motor accident," the verdict said, "his near and dear ones may not be around. Therefore, there is no one to help him. However, the injured person must receive the required medical treatment in the golden hour, since it is essential for his survival. Every human life is precious. Despite this, we find that the treatment needed in the golden hour is denied due to various reasons." The hospital authorities were said to often wait for the police to arrive and worry over the payment of treatment charges that could be on the higher side. It was noted that despite the provision being in force since April 1, 2022, the government was yet to implement the scheme, prompting the court's intervention. The Centre had submitted a draft concept note outlining a proposed scheme, which included a maximum treatment cost of Rs 1.5 lakh and coverage for only seven days.

**TOP**

## **SURVEY AND REPORTS**

### ***'Cancer emerged as the fastest-growing ailment in 2024': Medi Assist report - The Week - 9th January 2025***

Cancer has emerged as the fastest-growing ailment in India, with its incidence rate increasing by 10-12% year-on-year, according to the Indian Healthscape 2024 analysis by health benefits administrator Medi Assist. The data reveals that cancer incidence, measured as a percentage of claims relative to the overall insured population, rises significantly after the age of 40, with a steeper increase observed among women. Women are 1.2 to 1.5 times more likely to report cancer-related claims compared to men.

Cardiac conditions ranked second in both the rise in treatment costs and incidence rates, primarily affecting men over 40. According to Medi Assist's insurance data, men have a 1.3 to 1.5 times higher incidence of cardiac ailments compared to women. Group insurance policies reported a higher rate of cardiac claims compared to retail policies.

For children, respiratory ailments were the leading cause of hospitalisation. These conditions also recorded the highest increase in the average cost of treatment, growing by 10-13% year-on-year. Regions like Delhi NCR, struggling with severe air pollution, reported a notable rise in the cost of treatment for respiratory ailments. Karnataka and Maharashtra also experienced a significant increase in respiratory illness cases.

The Medi Assist report highlighted a post-COVID surge in cataract treatments, which now constitute the most common surgical procedure among the elderly.

States such as Delhi, Maharashtra, Andhra Pradesh, Uttar Pradesh, West Bengal, and Haryana saw the highest rise in average hospitalisation costs across various ailments.

Dhruv Rastogi, Senior Vice President and Head of Data Science at Medi Assist remarked, "Our 2024 findings provide crucial insights into the evolving health landscape, from the rising incidence of critical ailments to the increasing financial burden on patients. These insights are vital for driving innovation in insurance products to ensure better health outcomes and cost management."

*(The writer is Nirmal Jovial.)*

**TOP**

**Natural disasters cause \$140 billion in insured losses in 2024, one of the costliest years on record - The Telegraph - 9th January 2025**



Hurricanes, storms, floods, and other natural disasters caused an estimated \$140 billion in insured losses in 2024, according to Munich Re's report released on Thursday, according to a Reuters report. Munich Re is the world's largest reinsurance — insurance purchased by insurers to cover large losses — company. The \$140 billion bill marks a significant increase from the previous year, 2023, and positions 2024 as one of the most costly years on record in terms of insured damages. The Munich Re report highlights that this year's financial toll from natural catastrophes covered by insurance is notably higher than the \$106 billion recorded in 2023 and well above long-term averages. The losses

in 2024 are also higher than the estimates provided by Swiss Re, another major global reinsurer, in its December report. Munich Re emphasised that the devastating financial impact of these disasters underscores the growing threat of climate change.

The company stressed that global temperatures continue to rise, which is contributing to an increase in both the frequency and severity of extreme weather events worldwide. The company's management board member, Thomas Blunck, pointed out to Reuters that the situation is growing increasingly dire, with natural catastrophes becoming more intense and destructive. "One record-breaking high after another – the consequences are devastating. The destructive forces of climate change are becoming increasingly evident," Blunck told Reuters, illustrating the urgency of addressing climate change as it manifests in increasingly severe natural events.

In 2024, the insured losses from natural disasters were the third most expensive year for insured losses since 1980, according to Munich Re's figures. While insured losses represent a portion of the total costs, the company also noted that total losses from natural catastrophes — including those not covered by insurance — reached \$320 billion in 2024.

This figure marks an increase from the \$268 billion recorded in 2023 and highlights how these events are escalating. The total cost of disasters is not only a financial burden on the insurance industry but also underscores the far-reaching impacts on societies, economies, and infrastructures around the world. The most significant disasters in the US that contributed to the overall tally of losses in 2024 were hurricanes Helene and Milton. These powerful storms were among the most destructive to hit America, and their combined costs have been labelled as the costliest events of the year.

Hurricane Helene made landfall in the southeastern US in late August, battering coastal areas with devastating winds and heavy rainfall. The storm, which reached Category 4 strength, caused widespread flooding in the region, leading to significant damage to both residential and commercial properties. The storm also disrupted major infrastructure, including power grids, causing widespread power outages that lasted for days. The economic losses from Hurricane Helene were not limited to physical damage; it also severely impacted the local economy, including agriculture, tourism, and trade. The extensive flooding led to a large number of homes being rendered uninhabitable, and the US government declared several areas

as disaster zones, enabling federal funding for recovery efforts. Hurricane Milton, which struck the Gulf Coast in early September, was another major contributor to the 2024 losses.

Milton intensified rapidly into a Category 5 storm as it approached land, and its catastrophic winds and storm surge caused widespread destruction. Milton's impact was felt across multiple states, including Texas, Louisiana and Alabama, where the storm wiped out entire neighbourhoods, causing billions in damages. The economic toll of Milton was compounded by its timing, which coincided with an already strained infrastructure due to Helene's earlier passage.

Thousands of homes were destroyed or severely damaged, and commercial properties, especially those in the oil and gas industry, were also hit hard. The hurricane also disrupted the energy sector, with oil rigs and refineries forced to shut down, leading to a temporary spike in fuel prices and energy shortages. Although both hurricanes made landfall in the US, the global nature of the losses and the occurrence of similar events elsewhere make it clear that climate change is not confined to one region. Natural catastrophes, including floods and storms, wreaked havoc in parts of Europe, Asia, and Africa, contributing to the overall increase in total global losses.

For instance, in Europe, several intense storms caused flash floods and landslides, particularly affecting countries like Italy and France. In Asia, devastating floods in countries like India and Pakistan resulted in mass displacement and extensive property damage. In Africa, cyclones and storms ravaged coastal regions, leading to significant casualties and loss of infrastructure. In addition to the major hurricanes, wildfires have also been a key focus of attention in 2024. In California over the last two days, wildfires swept through several communities, forcing tens of thousands of people to evacuate their homes.

The fires, which were some of the largest and most destructive in the state's history, destroyed entire neighbourhoods and killed dozens of people. Many of the worst-hit areas were in upscale regions of Los Angeles, where wealthy residents were forced to flee as the fires spread rapidly. The fires are a stark reminder of the vulnerability of even affluent areas to the growing threat of wildfires, exacerbated by climate change. As temperatures rise and droughts persist, fire seasons in regions like California are becoming longer and more severe. The Munich Re report also highlights the increasing pressure on the global insurance industry, which must navigate the financial challenges posed by these frequent and expensive disasters. Insurers are facing mounting claims due to the escalating number of severe weather events, and the cost of reinsurance is rising sharply. This shift could ultimately lead to higher premiums for policyholders, as insurance companies adjust their pricing models to reflect the growing risks associated with climate change.

Tobias Grimm, Munich Re's chief climate scientist, underscored the reality that climate change is not a distant issue but something that is already having profound effects. "No one is truly safe from the consequences of climate change," Grimm told Reuters, adding that both developed and developing nations are experiencing the impacts of increasingly extreme weather events. The catastrophic losses from natural disasters in 2024 serve as a stark reminder of the urgent need for action on climate change. Governments, businesses, and individuals must take responsibility for mitigating the impact of these events, which are only expected to increase in frequency and severity in the coming years.

**TOP**

## INSURANCE CASES

### ***Union Bank ordered to compensate Karnataka customer Rs 1 lakh for lapses in health insurance premium transfer – MSN – 8<sup>th</sup> January 2025***

The District Consumer Disputes Redressal Commission here has ordered Union Bank's Thirthahalli branch to compensate a customer, H R Sridhar, for lapses in service that resulted in the rejection of his health insurance claim. Sridhar had purchased a Jeevan Arogya policy from the LIC of India's Thirthahalli branch, valid from November 24, 2012, to January 24, 2044. He authorised Union Bank to deduct the monthly premium through electronic clearing service (ECS) from his savings account on the 24<sup>th</sup> of every month and transfer it to LIC.

On January 30, 2020, Sridhar was hospitalised in Bengaluru due to a medical condition. After his treatment, he submitted medical records and bills to the LIC branch and sought reimbursement of the expenses. However, LIC rejected the claim, stating that the policy premiums had not been paid, rendering the policy inactive. The commission reviewed evidence, including account statements, and found that Sridhar had sufficient funds in his bank account on the required dates. It ruled that Union Bank failed to deduct and transfer the premiums to LIC as authorised. This failure constituted a deficiency in service, the commission said.

In its ruling recently, the commission directed Union Bank to pay Sridhar Rs 1, 00,000 as compensation for his medical expenses, along with 9% annual interest from February 7, 2024, to the date of the order. The bank must settle the amount within 45 days. If not, the interest rate will increase to 12% per year from the date of the order. The commission dismissed the complaint against LIC, stating that the insurer was not at fault, as the non-payment of premiums was due to the bank's failure. The order was issued by a bench comprising commission president T Shivanna and members Savitha B Pattanashetty and B D Yogananda Bhandya.

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***Consumer forum orders insurance firm to pay Rs 20 lakh for life cover – The Times of India – 3<sup>rd</sup> January 2025***



The District Consumer Disputes Redressal Commission has directed HDFC Standard Life Insurance Company Ltd to pay Rs 20, 16,589 with 6 percent interest over an insurance policy claim, dismissing the company's defence regarding alleged discrepancies in employment and income details furnished by the policy holder while applying for the policy. Additionally, the commission ordered the insurance company to pay Rs 5,000 as compensation for mental distress and another Rs 5,000 for legal expenses. The company has been told to comply with the orders within 45 days. On May 15, 2024, Sunita, widow of Pampapati Harijan from Basapattana, Gangavathi taluk, had filed a complaint against the

managing director of the life insurance company. The legal action under section 35 of the Consumer Protection Act, 2019, cited unsatisfactory service regarding her deceased husband's unpaid death claim. The complainant sought the commission's intervention to process her husband's death claim and requested for a payment of Rs 20,16,589, the assured sum under the policy. Pampapati had subscribed to a life insurance policy for Rs 20,16,589 on June 14, 2023, with a half-yearly premium of Rs 50,000 spanning 17 years and premium payments scheduled for 12 years.

He died of a heart attack on September 11, 2023, following which, his wife submitted the claim. The insurance company, however, rejected the claim, saying the policyholder had provided incorrect occupation, income, and health details at the time of taking out the policy. Following the rejection, the nominee, Pampapati's wife, approached the consumer forum, complaining of service deficiency. The insurer contended that information withheld led to policy invalidation as non-disclosure constituted fraud under section 17 of the Indian Contract Act, 1872, and violated section 45 of the Insurance Act, 1938. The consumer redressal forum, though, rejected the insurer's argument, noting that Pampapati had paid the premium and the policy was active at the time of his death. Therefore, claim rejection constituted service deficiency and unfair practice. The forum dismissed the insurance company's allegations about incorrect occupation and income details, citing the deceased's income tax returns that showed sufficient earnings to afford the Rs 50,000 half-yearly premium.

***(The writer is Chamaraj Savadi.)***

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## PENSION

### ***EPFO set to introduce self-attestation facility for completing KYC - Business Standard - 9th January 2025***

In a major relief for its 80 million active members, the Employees Provident Fund Organisation (EPFO) is set to introduce a self-attestation facility starting in June that will do away with the need for approval from employers to complete the Know Your Customer (KYC) process. KYC is a one-time process that helps in verifying the identity of subscribers by linking their universal account number (UAN) with KYC details. Currently, an employer must approve the details of its employees for the KYC process to be completed. "Providing this facility will help the members complete the process with much ease, as a lot of time is currently wasted in getting approval from employers. Many times, if a firm has closed, the member cannot get the approval. The new facility will do away with all such paperwork and will reduce the rejection of claims as well," the official said.

Apart from this customer-friendly feature to be launched under EPFO 3.0, the social security organisation is also transforming its information technology (IT) infrastructure to manage the added burden of new subscribers that will join the organisation following the implementation of three employment-linked incentive (ELI) schemes.

"One of the features of EPFO 3.0 will be the thrust on scalability. The improved IT infrastructure will help the organisation to offer improved services to its members. As and when new members join the social security net, and we expect the active members to reach 100 million, it will be of great help," he said. In addition to this, under EPFO 3.0, the retirement fund body is also considering introducing a facility in partnership with various banks that will allow users to withdraw their money, up to a certain extent, without the need to file claims. Union Labour Minister Mansukh Mandaviya last month told Parliament that EPFO was working to build a robust platform that will enable users to draw their money without any hassles. "We are working to create a redressal system akin to the banking system. By March, we will be able to launch EPFO 3.0 through which we will be able to solve almost all the user queries," he added.

*(The writer is Shiva Rajora.)*

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### ***Hike in EPFO pension, tax sops for FDs key Budget recommendations - The Tribune - 9th January 2025***

Increasing the EPFO pension from Rs 1,000 to Rs 5,000, tax sops for fixed deposits to encourage savings were some of the suggestions submitted by various stakeholders in the pre-Budget consultation meetings chaired by Finance Minister Nirmala Sitharaman, over a month. Additionally, from today, citizens will be able to share their suggestions and ideas for the Union Budget on the MyGov platform. In the course of the in-person consultations, more than 100 invitees across nine stakeholder groups, including experts and representatives from farmer associations and agriculture economists, trade unions, education and health sector, MSME, trade and services, industry, economists, financial sector, and infrastructure, energy and urban sector, participated in the meetings. The Finance Ministry's annual consultation process with experts, industry leaders and state officials plays a key role in crafting a comprehensive and inclusive Budget.

For example, Industry-body Confederation of India Industry (CII) has suggested the government to stick to the fiscal deficit target of 4.9 per cent of GDP for FY 25 and a target of 4.5 percent for FY26. It has also pointed out that overly aggressive targets beyond these could adversely affect growth. The Apparel Export Promotion Council (AEPC), an apparel exporter's body, urged the government to introduce tax incentives in the upcoming Budget. Their requests include removing the requirement to settle payments to MSMEs within 45 days to claim tax deductions and exempting customs duties on garment machinery imports. AEPC also called for the announcement of a 5 per cent interest equalisation rate.

Real estate developers are advocating for an increase in the deduction limit on home loan interest to stimulate demand in affordable and mid-income housing. Additionally, there have been calls for a redefinition of affordable housing and expansion of Section 80C benefits, alongside interest rate reductions, to make housing more accessible. The Finance Minister will most likely present the Union Budget on February 1. Earlier, Prime Minister Narendra Modi also held discussions with economists and thought leaders at NITI Aayog as part of the Budget preparations. According to experts, the upcoming Budget is expected to include forward-looking economic guidance and key announcements aimed at strengthening the country's economy.

*(The writer is Vijay C Roy.)*

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***EPFO's Centralized Pension Payment System fully operational! How will it help pensioners? - The Financial Express - 3<sup>rd</sup> January 2025***

The Employees' Provident Fund Organisation (EPFO) has fully rolled out the new Centralized Pension Payments System (CPPS) under Employees' Pension Scheme, 1995, the Labour Ministry said in a statement on January 3.

The first pilot of Centralized Pension Payment System (CPPS) was successfully completed in October, 2024 in Karnal, Jammu and Srinagar Regional Offices with the pension disbursement of about Rs 11 Crore to more than 49,000 EPS Pensioners. The second pilot was taken up in November 2024 in 24 Regional Offices in which around Rs 213 crore pension was disbursed to more than 9.3 lakh pensioners.

About Rs 1,570 crore pension was disbursed to more than 68 lakh pensioners pertaining to all 122 pension disbursing regional offices of EPFO for December 2024. Announcing the successful rollout, Union Minister Mansukh Mandaviya said, "The full-scale implementation of the Centralized Pension Payments System (CPPS) across all Regional Offices of EPFO is a historic milestone. This transformative initiative empowers pensioners to access their pension seamlessly from any bank, any branch, anywhere in the country."

**How will Centralized Pension Payment System help pensioners?**

This rollout eliminates the need for physical verification visits and simplifies the pension disbursement process. "CPPS is a testament to our commitment to modernizing EPFO services and ensuring convenience, transparency, and efficiency for our pensioners. With this rollout, we are setting a new benchmark in pension service delivery, aligning with the vision of a tech-enabled and member-centric EPFO," the minister said.

The CPPS is a paradigm shift from the existing pension disbursement system that is decentralized, with each Zonal/Regional Office of EPFO maintaining separate agreements with only 3-4 banks. In CPPS, not only the pensioner will be able to take pension from any bank, but also, there will be no need for pensioners to visit the bank for any verification at the time of commencement of pension and the pension shall be immediately credited upon release. "The CPPS system from January 2025 onwards would also ensure disbursement of pension throughout India without any need for transfer of Pension Payment Orders (PPO) from one office to another even when the Pensioner moves from one location to another or changes his bank or branch. This would be a great relief to pensioners who move to their hometown after retirement," the ministry said in its statement.

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***EPFO can initiate assessment proceedings during liquidation NCLAT on companies under IBC - The Week - 3<sup>rd</sup> January 2025***

The insolvency appellate tribunal has held that there is no bar against assessment proceedings by statutory authorities, including the EPFO, once the liquidation process starts against any debt-ridden company under the IBC. However, it also clarified that once a debt-ridden company is protected under moratorium after the initiation of insolvency proceedings against it, the Employees' Provident Fund Organisation (EPFO) cannot continue such proceedings.

While dismissing the two petitions filed by the EPFO, National Company Law Appellate Tribunal (NCLAT) said once a company is protected under moratorium as per the provisions of Section 14 (1) of the Insolvency & Bankruptcy Code (IBC), assessment proceedings for determination of quantum of dues cannot be continued. "We hold that after initiation of moratorium under Section 14, sub-section (1), no assessment proceedings can be continued by the EPFO. If after an order of liquidation is passed, Section 33, sub-section (5), does not prohibit initiation or continuation of assessment proceedings," said NCLAT.

It said no claim on the basis of assessment carried during the moratorium period, which is prohibited under Section 14(1), can be pressed in the Corporate Insolvency Resolution Process (CIRP). However, it said once the order of liquidation is passed, the moratorium under Section 14 comes to an end and the moratorium under Section 33(5), which is differently worded, comes into play.

"Under Section 33(5), the expression used is 'suit or other legal proceeding', which occurs in Section 446 of sub-section (1) noticed above. Thus, the bar is only against a suit or legal proceeding and there is no bar against assessment proceeding to be conducted by statutory authorities, including the EPFO," it said. Thus, during the liquidation, it is open for EPFO to carry on the assessment, it said. After insolvency if a company fails to attract any buyer, it will face liquidation, NCLAT said.

The three-member NCLAT bench, which also comprised Chairperson Justice Ashok Bhushan, upheld the previous orders passed by the Ahmedabad and Mumbai bench of the National Company Law Tribunal (NCLT). While deciding on the two petitions filed by EPFO collectively having common questions of facts and law, NCLAT said it does not find any error in the order impugned in the present appeals passed by the two different benches of NCLT. "In the result, both the appeal(s) are dismissed," it said.

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**IRDAI CIRCULAR**

Circular	Reference
IRDAI (Maintenance of Information by the Regulated Entities and Sharing of Information by the Authority), Regulations 2025	<a href="https://irdai.gov.in/web/guest/document-detail?documentId=6540652">https://irdai.gov.in/web/guest/document-detail?documentId=6540652</a>
IRDAI (Regulatory Sandbox) Regulations, 2025	<a href="https://irdai.gov.in/web/guest/document-detail?documentId=6541188">https://irdai.gov.in/web/guest/document-detail?documentId=6541188</a>
IRDAI(Meetings)(Amendment) Regulations,2025	<a href="https://irdai.gov.in/web/guest/document-detail?documentId=6543031">https://irdai.gov.in/web/guest/document-detail?documentId=6543031</a>
IRDAI further strengthens the Regulatory framework	<a href="https://irdai.gov.in/web/guest/document-detail?documentId=6540126">https://irdai.gov.in/web/guest/document-detail?documentId=6540126</a>
IRDAI (Re-insurance Advisory Committee) (Amendment) Regulations, 2025	<a href="https://irdai.gov.in/web/guest/document-detail?documentId=6542424">https://irdai.gov.in/web/guest/document-detail?documentId=6542424</a>
IRDAI(Insurance Advisory Committee) (Amendment) Regulations, 2025	<a href="https://irdai.gov.in/web/guest/document-detail?documentId=6542424">https://irdai.gov.in/web/guest/document-detail?documentId=6542424</a>

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**GLOBAL NEWS**

**Malaysia: Insurers to get more transparent on medical premium hikes – Asia Insurance Review**

All insurance companies in Malaysia must implement measures for premium sharing with policyholders starting from 15 January 2025. Country’s deputy finance minister Lim Hui Ying has said that individuals who received premium increase notices last year can contact their insurers from 15 January 2025 to request premium sharing and the insurers must make the necessary adjustments. Ms Hui Ying said the deadline is a directive issued by Bank Negara Malaysia (BNM) and must be adhered to. She said the insurers must cap the annual premium increases for medical insurance at 10%, ensuring the cumulative increase by the end of 2026 does not exceed 30%.

The minister said that within this cap, the insurers are barred from any modifications or alterations in policy terms or reducing the coverage under the policy. She said any new insurance products introduced during this period must remain separate and must not affect the existing policies under premium-sharing measures. She said the country should have a unified and standardised system for medical services and health insurance claims to ensure transparent and consistent medical fees. She said BNM data highlights significant disparities in medical costs. The agreement by the insurers to cap the annual increases in medical and takaful health insurance (MHIT) premiums at 10% over a three-year period is expected to benefit at least 80% of policyholders.

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### ***Taiwan: Exempting seniors from health insurance premiums could spell financial doom - Asia Insurance Review***

Taiwan's proposed amendment to the Senior Citizens Welfare Act to exempt people aged 65 and above from paying National Health Insurance (NHI) premiums could create financial distress for the NHI programme. The programme is already running under severe financial strain. Two political parties in Taiwan are advocating the proposed amendment. The government has, however, said that promoting such a policy would only worsen the financial crisis of NHI and ultimately harm all Taiwanese. The majority of the revenue for NHI comes from the contribution of young adults but the majority of its expenditures go to take care of elderly people. As the elderly population increases, the burden on young adults and thus on the NHI grows heavier.

In 2023 NHI data showed that the NHI's revenue growth is limited, while its expenditures are rapidly increasing — the key factor being that the ageing population has caused medical requirements and thus the expenses to surge. A senior medical professional said exempting people over the age of 65 from paying NHI premiums is tantamount to digging a bigger hole for a financial pool that is already drained. According to official data exempting people over the age of 65 would cost an extra NT\$35bn (\$1.07bn). That sum would have to be diverted from the resources of other public programmes. According to media reports NHI is now more than three decades old and is facing multiple challenges, including a rapidly ageing society, a rise in the number of chronic illnesses, a shrinking working population due to a low birthrate and uneven distribution of medical resources.

Some of the senior citizens in Taiwan do require economic support, however, many of them also are financially comfortable and can afford to pay the NHI premium. According to health professionals, it would not be correct to treat all seniors equally and exempt them from paying premiums, this would put the economically disadvantaged elderly to further distress.

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### ***Vietnam: Retirement and pension policies adjusted to reflect country's demography - Asia Insurance Review***

In 2025 labour and social insurance policies in Vietnam will see a gradual increase in retirement age while the eligibility age for social pensions will decrease. These moves will benefit more senior citizens as the country ages rapidly. Vietnam's social insurance law 2024 has also introduced measures to reduce the eligibility age for social pension benefits, offering more support for senior citizens.

The retirement age, aligning with the roadmap outlined in existing labour and social insurance laws will continue to be increased in phases. The retirement age in Vietnam will be gradually increased to 62 years for men by 2028 and 60 years for women by 2035 under the country's labour code of 2019 and government decree No. 135/2020. Since 1 January 2021, the retirement age for workers in normal labour conditions has been increased incrementally, starting at 60 years and three months for men and 55 years and four months for women. Each year, the retirement age is increased by three months for men and four months for women until the target ages are reached.

In 2025 male workers will retire at 61 years and three months, while women will retire at 56 years and eight months. Workers in specific vocations, such as those in hazardous environments or economically

disadvantaged areas, may retire up to five years earlier than the standard age, provided they meet certain conditions.

Beginning 1 July 2025, the new social insurance law will also reduce the minimum contribution period for pension eligibility from 20 years to 15 years. This change will ensure that workers who have contributed to social insurance for 15 years or more can receive a pension once they reach the required retirement age. Female workers with 15 years of contributions will receive 45% of their average wage, while male workers with 15 years of contributions will receive 40%.

The Social Insurance Law 2024 has also introduced new provisions for social pension benefits. From 1 July 2025, Vietnamese citizens aged between 70 and 75 from poor or near-poor households, who do not receive pensions or monthly social insurance benefits, will qualify for government-funded social pension benefits.

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### ***China's new energy vehicle growth transforms the country's motor insurance market – Asia Insurance Review***

As China continues to lead the way globally in producing and selling new energy vehicles (NEV), the trend has spurred a sixfold increase in related insurance premiums for this segment in just the past five years alone, according to a new AM Best report. NEV premiums now represent 11.5% of China's total motor insurance business, momentum that AM Best expects to continue as a key element of future market growth. However, the higher claims frequency and repairs costs associated with NEVs are posing a challenge for small and medium-sized insurers when it comes to profitability.

According to the report, China is poised to further strengthen its lead in this segment, underpinned by supportive governmental policies, increased consumer demand for sustainable transportation and technology advancements. "As the NEV insurance business grows, traditional large insurance companies are taking advantage of their scale to expand market share," said AM Best associate financial analyst Aaron Li.

China's motor insurance market is dominated by three major insurers that together account for about 70% of the market premiums: the People's Insurance Company of China; China Pacific Property Insurance.; and Ping An Insurance. These companies – the three biggest in China – posted favourable underwriting profits after the comprehensive motor insurance reforms in 2020, including an aggregate combined ratio on the motor line that is lower than the market average over the past seven years. During that same timeframe, the rest of the market has collectively failed to break even, according to the report. As for NEV insurance, the combined ratio is generally higher compared to traditional motor insurance, which caused more pressure for small and medium-sized insurers to manage profitability.

While the traditional large-size players maintain competitive leverage by taking advantage of their scale, automobile manufacturers are actively entering the insurance landscape via acquiring domestic insurance brokers and setting up insurance companies. This may lead to potential change in the competitive landscape and closer cooperation between the insurers and manufacturers.

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### ***South Korea: Insurance data says wealthier live healthier and live longer – Asia Insurance Review***

A new analysis of South Korea's national health insurance data from 2008 to 2020 has revealed that higher the level of an individual's income, the longer and healthier life the person leads. In South Korea, the gap between the average life expectancy of the richest and the poorest is around nine years. The research and analysis study was led by Korea University's College of Medicine professor Yoon Suk-joon and has been published in the Journal of Korean Medical Science.

The analysis of national health insurance data found that those in the highest income group, among five income levels, had an average healthy life expectancy of 74.88 years — 8.66 years longer than the 66.22

years recorded for the lowest income group. Healthy life expectancy refers to the number of years a person lives free from serious illness or disability. The national average for the 2008-2020 period increased by nearly three years, rising from 68.89 years to 71.82 years. The study revealed gender differences as well. In 2020 women had a healthy life expectancy of 73.98 years, 4.55 years longer than men’s 69.43 years.

Dr Yoon said, “We need targeted strategies, like health promotion programmes for the low-income population to close these gaps.” In a disturbing trend, the research team found a growing gap between healthy life expectancy and overall life expectancy, which means people are spending more years living in poor health. While healthy life expectancy increased, overall life expectancy rose even more — from 80.83 years in 2008 to 84.55 years in 2020. This figure shows that the gap between life expectancy and healthy life expectancy widened, from 11.94 years in 2008 to 12.73 years in 2020.

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## COI TRAINING PROGRAMS

### Mumbai –February 2025

Sr. No.	Program Name	Program Start Date	Program End Date	Details	Registration Link
1	Life Insurance Policyholders Service and Protection	06-Feb-25	07-Feb-25	<a href="#">ClickHere</a>	<a href="#">Register</a>
2	Cyber Security, Resilience and Cyber Claims	10-Feb-25	10-Feb-25	<a href="#">ClickHere</a>	<a href="#">Register</a>
3	Understanding Annual Budget for India 2024-25 (Post Budget Analysis)	12-Feb-25	12-Feb-25	<a href="#">ClickHere</a>	<a href="#">Register</a>
4	Understanding Consumer Behaviour in Insurance Sales Management	12-Feb-25	12-Feb-25	<a href="#">ClickHere</a>	<a href="#">Register</a>
5	Motor Insurance Claims-OD and TP Losses	17-Feb-25	18-Feb-25	<a href="#">ClickHere</a>	<a href="#">Register</a>
6	Workshop on Soft Skills for team leaders	20-Feb-25	21-Feb-25	<a href="#">ClickHere</a>	<a href="#">Register</a>
7	Comprehensive Financial Planning – Focus Insurance Planning	24-Feb-25	25-Feb-25	<a href="#">ClickHere</a>	<a href="#">Register</a>
8	Appreciation of International Classification of Diseases for Insurance (ICD) and Health Insurance	27-Feb-25	28-Feb-25	<a href="#">ClickHere</a>	<a href="#">Register</a>

### Kolkata – February 2025

Sr. No.	Program Name	Program Start Date	Program End Date	Details	Registration Link
1	Package Policies (Many in One) in an Economic and Hassle free way	11-Feb-25	12-Feb-25	<a href="#">ClickHere</a>	<a href="#">Register</a>
2	Inspiring Role of Women in Leadership	20-Feb-25	20-Feb-25	<a href="#">ClickHere</a>	<a href="#">Register</a>
3	B2B & B2C in Life Insurance (Business Insurance)	07-Feb-25	07-Feb-25	<a href="#">ClickHere</a>	<a href="#">Register</a>
4	Financial & Investment Management in Life Offices	20-Feb-25	20-Feb-25	<a href="#">ClickHere</a>	<a href="#">Register</a>

## Post Graduate Diploma in Collaboration with Mumbai University

### Post Graduate Diploma in Health Insurance (PGDHI)

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

### Post Graduate Diploma in Insurance Marketing (PGDIM)

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

Please write to college\_insurance@iii.org.in for further queries.

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