



INSUNEWS

- WEEKLY E-NEWSLETTER

4TH - 10TH NOVEMBER 2023

QUOTE OF THE WEEK

“Success is to be measured not so much by the position that one has reached in life as by the obstacles which he has overcome.”

BOOKER T. WASHINGTON

Insurance Term for the Week

Insurance Claimant

An insurance claimant can be either an individual or an entity, such as a company. Claimants are typically divided into two categories: Either first-party or third-party. A first-party claimant is an individual or business who purchased the policy (also known as the Named Insured) or an individual or business also covered by the policy – the Additional Insured. An example of an Additional Insured might be a company’s landlord.

A third-party insurance claimant might be one of your vendors or a customer. Imagine that you are a landscaper, for example, and you accidentally hit an irrigation line while digging a garden bed. This causes flooding that damages your customer’s house. The customer would be the insurance claimant when filing to cover the costs of the damages covered by the general liability insurance you *hopefully* have.

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INSURANCE INDUSTRY

India's insurance sector on the cusp of transformation, on course to meet 2047 goals, say industry captains – The Economic Times – 10th November 2023



The Indian insurance sector is on the cusp of a significant transformation, driven by a focus on customer-centric solutions, innovation, and technology adoption, according to insurance industry leaders. At a panel discussion at the ETBFSI Converge Summit 2023, the honchos said that the industry is actively working towards achieving its ambitious 2047 goals, with digitalisation, regulatory initiatives, and a commitment to simplification at the forefront of their strategies.

Ritesh Kumar, MD & CEO, HDFC ERGO General Insurance, emphasised the importance of industry collaboration and regulatory initiatives to drive innovation and enhance the

insurance ecosystem. "Today, we are partnering with others in the ecosystem since we aren't allowed to actively provide value-added services. Regulatory initiatives like Bima Sugam are expected to revolutionise the industry," he said

Kirti Patil, Joint President - IT & CTO, Kotak Mahindra Life Insurance, stressed on the role of technology in making insurance more accessible and reaching underserved regions in India. "To truly insure Bharat, technology is imperative. Just as digital payments and Jan Dhan reached every corner of the country through technology, insurance must follow suit to reach the last mile," he said.

Anjani Kumar, CTO, Tata AIG General Insurance, discussed the need for customised insurance solutions to address the diverse needs of consumers, citing the 'Pay as you drive' policy as an example. "Customisation is vital in the insurance industry. For instance, we introduced 'Pay as you drive' policies to cater to customers who only drive short distances," Kumar said.

Pankaj Bajaj, Regional VP-Sales, Salesforce, highlighted the growing innovation within the insurance industry and the unique problem-solving strategies adopted by different companies. "Insurance companies are becoming increasingly innovative, each with a unique approach to problem-solving. The industry is evolving rapidly," he said.

Girish Nayak, Chief-Technology & Health (Underwriting and Claims), ICICI Lombard General Insurance Co Ltd, spoke about the transformative power of the Ayushman Bharat ecosystem and the role of technology in achieving industry goals. "The Ayushman Bharat ecosystem, with digitized hospital records and personal health records, is revolutionizing health insurance. We're still far from our 2047 goals, but technology is propelling us forward," he said.

TOP

India is fastest growing insurance market in world, expected to grow at 9 per cent: Report – Indian Express – 7th November 2023

India is the fastest-growing insurance market and is expected to grow by an average of 9% per annum, said a report released on Tuesday. The report released by ICICI Lombard, in partnership with Nasscom, says that India as an overall insurance market has grown at 8.4% per annum since 2018. The country is ranked 11th in the world when it comes to insurance gross written premiums or insurance volume.

Released on the sidelines of Nasscom's Future Forge 2023 event in Bengaluru, the report says the Digital India mission and standardisation of India's tech stack approach, inspired by UPI's success, can further aid rapid growth to the insurance market over the next five to seven years. Health insurance has been a

major growth driver in India, with the health insurance industry reporting 26.3% growth in FY22, making it the largest non-life insurance sub-segment with a market share of about 36%, followed by the motor segment at 32%.

Girish Nayak, Chief – Technology and Health UW & Claims at ICICI Lombard, told TNIE that AI and ML are playing a significant role in the insurance sector. The company has been using AI for five years now. Nayak said the visual interactive voice response (Visual IVR) introduced in FY21 for motor claim registration and voice bot that was launched in the general insurance space providing real-time status updates on motor and health claims are receiving huge response from customers.

"In the contemporary insurance landscape, the integration of cutting-edge technologies such as AI, ML, data analytics and digital is profoundly reshaping industry dynamics. Insurers have transcended their traditional roles as mere policy providers and claim payers; they've evolved into architects of data-driven customer journeys and builders of risk management strategies," he added. Nayak also said that the Ayushman Bharat Digital Mission will revolutionise the healthcare sector.

The report highlighted that Indian InsurTech start-ups have raised an aggregate of \$2.6 billion since 2018 and that about 90% of this funding in InsurTech has gone into B2C/Aggregators or end-to-end InsurTech players. Also, security and privacy of personal and financial data emerge as a differentiating factor in consumers' decision to expand services or buy more.

TOP

INSURANCE REGULATION

IRDAI To Soon Roll Out All-In-One Insurance Cover Bima Vistaar; Know KYC Requirement, Policy Premium Here – Good Returns – 9th November 2023



The Insurance Regulatory and Development Authority of India (IRDAI) is soon expected to launch an all-in-one affordable insurance product Bima Vistaar that will offer life, health and property cover to the public.

According to a media report, under this flagship insurance cover claim will be auto credited in the bank accounts of beneficiaries' depending on the intensity of the damage caused to their properties. Reportedly, the first of its kind policy Bima Vistaar policy will be launched soon, and is aimed to provide an insurance cover to every citizen.

Distinct features of IRDAI's Bima Vistaar policy:

There will be a component of parametric property insurance cover in the Bima Vistaar policy. Parametric insurance is the insurance contract against the occurrence of a specific event and provides coverage on the basis of damage occurred on account of a specific event.

Claims will be auto credited in the account of the beneficiary depending on the intensity of the damage caused to the property. For flood insurance after a predetermined magnitude of rain or flood, the claim amount would be auto credited to the account holders affected by the calamity. The maximum limit for the sum assured for property insurance under the Bima Vistaar policy would be Rs 1 lakh.

What all will be covered under the government's Bima Vistaar policy?

Bima Vistaar policy will cover life, health, accident and property of the individual buying the policy. Bima Vistaar policy premium, cover: Premium for coverage of life, accident, property and health under the Bima Vistaar policy would be between Rs 800 to Rs 1200 per annum. Life and accident coverage would be Rs 2 lakh, property Rs 1 lakh and Rs 500 per day for hospitalization.

What is there for women in Bima Vistaar policy?

The launch of Bima Vistaar is expected to be build upon the success of the Bank Mitra model, and thus Bima Vistaar is adopting a women centric distribution model.

The Bank Mitra model played a crucial role in the success of Pradhan Mantri Jan Dhan Yojana (PMJDY). Under this approach, women, including members of Self Help Groups, will be appointed as 'Bima Vahaks' with the primary focus on reaching under-served rural areas.

The IRDAI believes that women 'Vahaks' will be better positioned to convince women members of the rural households on the need for affordable social security and to take cover through Bima Vistaar.

In a circular, the IRDAI said that Bima Vahaks shall be deployed in each Gram Panchayat before 31st December 2024.

The IRDAI guidelines issued on October 9, 2023 said that A Bima Vahak shall:

- i. sell and service Bima Vistaar and such other insurance products specified by the Authority
- ii. sell and service only using handheld electronic communication devices that are directly integrated to the electronic platform of the insurers;
- iii. not be allowed to collect any fees or charges from the policyholder or prospective policyholder, other than the insurance premium;

KYC Compliance

Every Insurer shall remain responsible for ensuring KYC and AML compliance with respect to the policies sourced through Bima Vahaks.

(The writer is Priyanka Payal.)

TOP

India regulator gears up for insurance pricing changes – Insurance Business Magazine – 8th November 2023



The Indian insurance sector is preparing for a significant overhaul with the Insurance Regulatory and Development Authority of India (IRDAI) preparing the groundwork for enhanced pricing freedom for general insurers.

A dedicated task force has been established to draft a new set of guidelines aimed at reshaping the way motor insurance, specifically third-party (TP) cover, is priced.

The Hindu reports that this strategic move comes as the IRDAI scrutinises the suggestions of a working group focused on crafting a new regulatory framework, which will come into effect following the de-notification of existing tariff systems.

In anticipation of this change, the IRDAI's task force, led by Insurance Advisory committee member Rajendra Beri, will devise principle-based guidelines to manage the transition. The body, composed of members from six general insurance firms, one reinsurer, and with Randip Singh Jagpal as the member convener, has been given a three-week deadline to present its recommendations.

The impending shift to a de-tariffed regime is seen by industry experts as a welcome progression towards more dynamic pricing models. It also aligns with the IRDAI's recent trajectory of reform, promoting a more liberal environment where insurers can introduce new products through a simplified filing process rather than seeking prior approvals.

(The writer is Kenneth Araullo.)

TOP

India's insurance regulator mulls freeing up pricing, forms taskforce for road ahead - The Hindu - 6th November 2023



The Insurance Regulatory and Development Authority of India (IRDAI) has constituted a task force to suggest solutions and guidelines, once general insurers are given freedom to price products such as third party (TP) cover in motor insurance whose tariffs are now pre-determined.

Signalling its intent, the regulator said it had examined the recommendations of a working group constituted to suggest a regulatory framework following the de-notification of the existing tariffs. Post de-notification, the conduct of general insurance will have to be guided by a principle based guidelines.

As de-tariffication requires de-notification of existing tariffs and publication in the gazette, it has been decided to constitute a Task Force under the chairmanship of Insurance Advisory Committee Member Rajendra Beri and consisting of representatives from six general insurance as well as one re-insurer and with Executive Director (NL) Randip Singh Jagpal as the member convener.

It will recommend principle based framework on matters to be addressed and suggest draft guidelines for de-notified lines of business, IRDAI said, setting a three week timeline for the taskforce to submit its recommendations.

Hailing de-tariffication as a progressive step, CBO and Head-Health Insurance of Policybazaar Amit Chhabra said besides TP component of motor insurance, there are some lines in property covers that are tariffed, or, whose premium is pre-determined. Most of the other products such as health policy are de-tariffed.

This will be in line with the approach IRDAI has taken over the last few years to usher in reforms and allow insurers the freedom to file procedure for new products instead of seeking approval first.

Mr. Chhabra said allowing general insurers freedom to price products will make pricing more accurate in cases such as TP motor cover. A de-tariffed TP cover would help insurers decide the premium based on various factors, while for motorist-consumers it could mean cheaper cover, he said.

(The writer is N Ravi Kumar.)

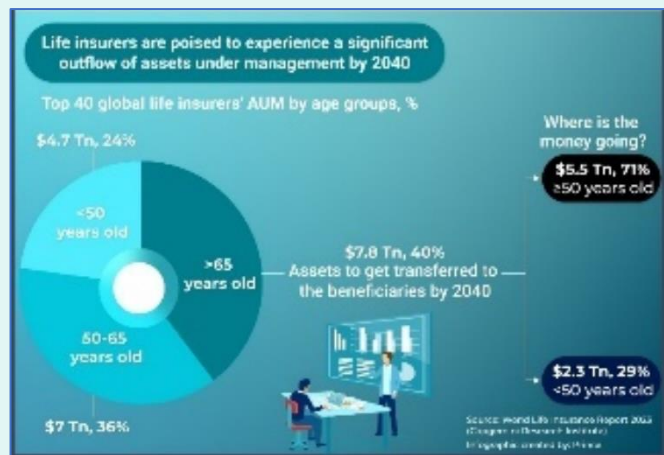
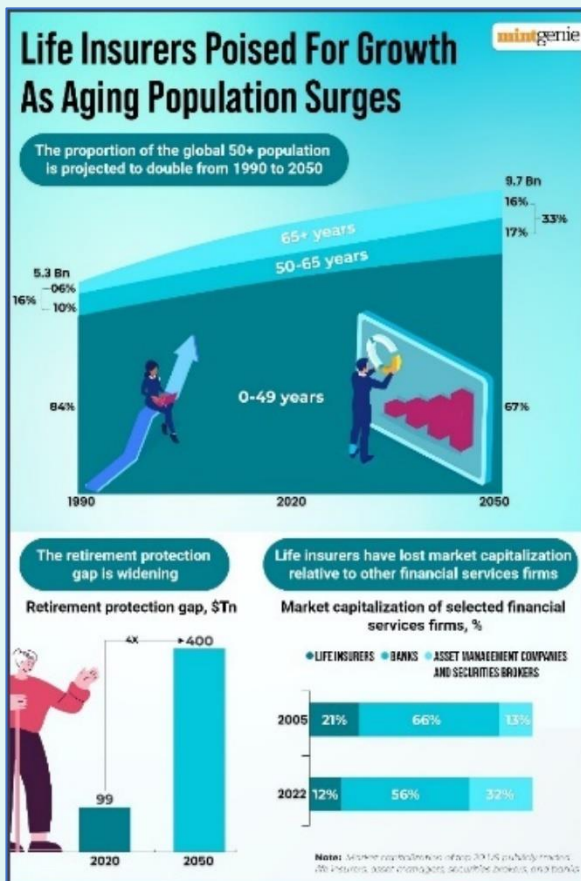
TOP

LIFE INSURANCE

Growth potential for life insurance rises with the increasing aging population - Live Mint - 9th November 2023

The population aged 50 and above has significantly grown in recent decades, thanks to advancements in healthcare, enhanced living conditions, and improved access to medical treatment. Will this boost the insurance sector?

Financial service providers are giving tough competition to the life insurance industry to serve the aging population.



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India bucks Asian market trend with higher valuation for life insurers: McKinsey - The Hindu Business Line - 9th November 2023

The Indian life insurance sector has been a bright spot in the Asian region as life insurers in the country have received higher valuations than in other countries such as China, Japan and Taiwan, according to a report by McKinsey. Valuation of life insurers in the region declined between 2012 and 2022, converging with that of global insurers, due largely to slower growth and a declining population in markets such as Japan and Taiwan. The deceleration in China's growth also negatively affected valuations.

But positive growth momentum and strong underlying factors have supported higher valuations in the Indian market. Countries in South-East Asia are somewhere in the middle: growth, which stalled during the pandemic, is slowly rebounding, with each country recovering at a different speed. This reflects a challenging environment for life insurers in a region where market sentiment and investor perception are closely intertwined with economic, technological, and regulatory dynamics.

Domestic and international insurers continue to compete for market share in developed and emerging markets. Over the past five years, large multinationals in Asia have shown steady growth, consistently gaining market share from smaller multinational companies and domestic insurers. This trend is particularly evident in emerging markets such as Malaysia and Thailand, where MNCs dominate in terms of market share.

China and India are outliers, dominated by domestic players such as Ping An Life and the Life Insurance Corporation of India (LIC), respectively. But leaders in these countries have been losing share to foreign insurers and other domestic and joint venture insurers.

Distribution agency

Many insurance markets in Asia that are still emerging, such as India, China and Indonesia, tend to have a substantial tied-agency force, which has been the main channel to reach out to large populations spread across dispersed and sizable countries. However, insurers are facing challenges in engaging their tied-agency workforce. According to estimates, 60 and 80 per cent of agents leave the system in the first four years after recruitment. The agency channel in Asia is set to evolve significantly. Insurers can prepare for that future by defining the target segments they want to serve in and organising their distribution channels around the optimal approach to serving their customers.

Asia leads in insurance distribution via banks, accounting for about 48 per cent of bancassurance premiums globally. In markets such as India, Hong Kong, Indonesia, and Taiwan, more than half of premiums come from this channel. However, most insurers and banks have yet to reach this level of bancassurance success. In India, the bancassurance space accounts for 55 per cent of individual business premiums in the private sector, according to ICICI Prudential Life Insurance Company, a leading private life-insurer in the country.

Banks in India are increasingly adopting an open architecture in which they can partner with up to nine life insurance companies, nine non-life insurance companies, and nine standalone health insurers, further fuelling competition. This enables them to offer their customers a range of insurance options from multiple providers. As a result, insurers are being compelled to innovate and offer attractive products. This benefits consumers, who have more options to choose from, and can tailor their insurance coverage to their specific needs," it pointed out.

(The writer is G Balachandar.)

TOP

How insurance bought under the MWP Act can help protect your wife – Mint – 9th November 2023



Being the man of the house, you would want the best for your wife and children. Be it providing them your love, care and respect or fulfilling all their financial needs. You buy your life [insurance](#) policies to provide for your wife and children in case something happens to you and you are no more to provide for them. But if you have an outstanding loan or have borrowed money from someone, your life insurance policies are entitled to be attached to the loan. In case you pass away before repaying the loan fully, your life insurance policy proceeds can be used to pay the bank or your creditor.

But you can secure your wife and children's financial future if the worst happens to you. The Married Women's Property Act (MWP Act) is here to enable you to do that. The MWP Act was incorporated to protect the rights of a married woman and her children. The idea behind this act is that the benefits of a life insurance policy are for the family and no one else can take it, in any case.

Section 6 of the MWP Act allows a married man who takes a life insurance policy on his own life to ensure that the policy is deemed to be a trust for the benefit of his wife or children. The beneficiaries of this trust can only be his wife or children and in no case the benefits from this policy can be paid to anyone other than the beneficiaries. When you buy a policy under the MWP Act, you actually create a trust. You need to provide the details of the trustees who can be your wife and/ or children. You can also make multiple trustees at that time. And this trust can only be operated by the trustees in future. So no one other than your wife and children (the trustees) can get the benefits from this trust. Once you create this trust, even you cannot undo it or change the beneficiaries in future.

Term insurance policies usually have very high sum assured. Upon death of the insured person, the proceeds from this can be used by the bank or other creditor to settle the outstanding loan. But you bought the policy with the intention of protecting your family if in case such a thing happens to you. To make sure that happens, buy your life insurance policy under the MWP Act. The benefits will always be paid to your wife and children, even if you have other liabilities to pay off when you liquidate the policy. If you have a loan outstanding such as [home loan](#), your bank cannot attach your policy in case you are unable to pay the loan. If you have borrowed money from someone, he cannot make a claim on the proceeds from this policy.

People want to protect the rights of their wife and children but many are not aware of this act. Now that you are reading this article, you would want to go and make provision for The MWP Act in your existing life insurance policies. But you cannot do that. You can only opt for a policy to be under the MWP Act at the time you buy a new policy.

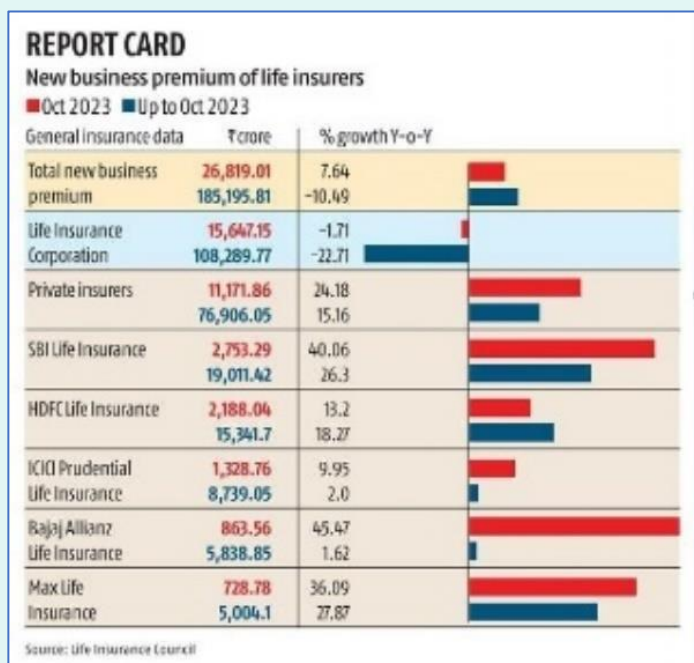
If you want to buy a new life insurance policy under the MWP Act, you have to fill and MWP addendum along with the policy application form. If you are buying your policy online, you will have an option to select if you wish to buy the policy under MWP Act. You have to select this option or tick on "yes". Once you do this, your policy, when issued, will automatically be under the MWP Act.

Who should opt? Married businessmen or service men who are Indian residents with outstanding loans, such as a home loan. Married men who have borrowed money from family/ relatives or other creditors. Married businessmen whose businesses have incurred debt. Widower or divorcee men can also take a policy under the MWP Act and name their children as beneficiaries. The idea behind a life insurance itself is to protect the future of family, so any married man buying a life insurance policy should buy it under this act.

(The writer is Nidhi Verma.)

TOP

Life Insurance companies reports 7.64% YoY rise in new business premiums – Business Standards – 7th November 2023



Life Insurance companies reported a 7.64 per cent year-on-year (Y-o-Y) rise in new business premiums (NBPs) in October this year, supported by a healthy growth in premiums of private sector insurers which offset the contraction posted by the state-owned Life Insurance Corporation of India (LIC).

According to the data released by the Life Insurance Council, the life insurance industry earned premiums to the tune of Rs 26,819.01 crore in October 2023, up 7.64 per cent from the year-ago period.

While the private insurers' premiums rose 24.18 per cent YoY to Rs 11,171.86 crore from Rs 8,996.45 crore, LIC's premiums slipped by 1.71 per cent to Rs15647.15 crore from Rs15920.13 crore.

Among the private insurance companies, SBI Life Insurance, the largest private insurer, reported a 40.06 per cent expansion in premiums to Rs

2753.29 crore, while HDFC Life Insurance saw a 13.20 per cent YoY rise to Rs 2188.04 crore. ICICI Prudential Life Insurance posted a growth of 9.95 per cent YoY to Rs 1328.76 crore while Max Life Insurance recorded a 36.09 per cent growth to Rs728.78 crore.

In the period up to October 2023, LIC posted a 22.71 per cent YoY decline in premium to Rs 108289.77 crore from Rs 140111.2. However, the private sector reported a 15.16 per cent rise in the time period to Rs 76906.05 crore. Among the private sector players, SBI Life Insurance saw a 26.30 per cent YoY improvement in premiums to Rs 19011.42 crore, whereas HDFC Life Insurance witnessed an 18.27 per cent growth in premium to Rs 15341.7 crore. ICICI Prudential Life Insurance inched up by 2 per cent YoY to Rs 8739.05 crore while Max Life Insurance recorded a 27.87 per cent growth to Rs 5004.1 crore.

TOP

Rising Cost of Cancer Care: How Life Insurance Can Alleviate Financial Burden – Financial Express – 7th November 2023



Cancer is a disease which is challenging to treat due to its complexities for both patients and their family members or dependents. Shockingly, people who suffer from the ailments often end up paying 60% of their medical costs which are out-of-pocket. The financial toll of Cancer goes beyond any realistic numbers; it affects not only a patient's quality of life but also their ability to receive the best possible treatment.

To make matters more complex, time off from recovery adds a harsh burden that leads families towards financial disturbances and complexities. Cancer cases in India are expected to rise from 1.46 million in 2022 to 1.57 million

in 2025. In this challenging landscape, families must realign their medical expenses and other financial liabilities which are often ignored while opting for any kind of insurance.

The escalating treatment costs and the lack of comprehensive health insurance put immense strain on individuals and their families. In such trying times, life insurance emerges as a critical tool for financial support. Let us understand some essential steps to consider when dealing with cancer-related financial stress and the importance of life insurance in minimizing the unplanned financial burden.

The first step is identifying a comprehensive plan by evaluating one's insurance options and policy specifics. It involves understanding various critical aspects such as diagnosis requirements, coverage of expensive medications, co-pays, deductibles, and out-of-pocket maximum amounts covered. This proactive approach ensures the individual is well-prepared for any uncertainty arising during and post cancer treatment journey.

The second crucial step is to remain vigilant, as a predetermined list of exclusions is frequently included in insurance policies. It is advisable to select specific cancer insurance plans that provide end-to-end financial protection. This can be achieved by regularly reviewing your policies and keeping an open line of communication with the insurance provider. Such approach ensures that you have access to policies that can best meet your financial needs during challenging times.

Cancer care extends beyond the medical realm; its treatment can lead to a plethora of other ailments like anaemia, secondary infection, organ dysfunction, anxiety, and depression. While life insurance is primarily seen as a product for nominees after the policyholder's demise, it also plays a crucial role in easing the financial burden of such critical illnesses as Cancer during and post treatment.

1. **Critical Illness Riders:** Many life insurance policies offer critical illness riders, which can be a game-changer for cancer patients. These riders provide policyholders with a lump-sum payment upon

diagnosing a critical illness. This financial infusion can cover medical expenses, allowing individuals to access the best treatment without depleting their savings or debt.

2. **Family Financial Security:** Life insurance offers the policyholder's family long-term financial security and the urgent financial support needed for cancer treatment. In the sad case of the policyholder's passing, the life insurance payout guarantees the family's financial security even in the absence of the primary provider.
3. **Long-Term Planning:** It provides financial stability, allowing people to plan for unforeseen events during severe sickness. People can save for unexpected medical costs and prepare for retirement, their children's education, and other life goals with the correct life insurance coverage.

Navigating the myriad of policy options in the world of insurance can be a daunting task. Whether you're looking for life insurance, health insurance, or any other type of coverage, the choices seem endless. However, amidst this sea of options, making the right decision is crucial. It involves a thoughtful and strategic evaluation of the benefits, costs, financial appetite, and risks associated. Decision-making in insurance is not a one-size-fits-all process. It requires a personalized approach, taking into consideration various factors that are unique to your circumstances.

As you consider your options, remember that life insurance is a powerful ally in the fight against Cancer, providing a lifeline to safeguard your financial future and your loved ones.

(The writer is Akshay Dhand.)

[TOP](#)

GENERAL INSURANCE

Innovative insurance offerings to safeguard festive celebrations – Live Mint – 7th November 2023

Given the onset of festive celebrations across the country, electronics, lifestyle retailers and consumer brands have begun offering attractive discounts and salivating deals, making it extremely hard to control the shopping spree urge. While gold, smartphones, home decor, and travel packages dominate consumer demands, it is safe to say that the thought of insurance doesn't even come closer to making to the list.

Thinking about insurance right now may look like a spoiler, but at the end of the day wouldn't you want to enjoy the festive season with complete peace of mind? The only thing that you need to do is simply review all your insurance policies. In case you don't have the essential covers to safeguard your celebrations, now is the right time to take some time off your festive shopping and buy them.

Commenting on the necessity of having insurance coverage during the festive season, Avinash Gaikwad, Chief Strategy Officer (CSO), Bimaplan, said, "Various insurance solutions can play a crucial role in safeguarding upcoming festive celebrations and protect us against unforeseen events that could disrupt the festivities or result in financial losses."

Wellspring of safety benefits

Diwali is certainly a time that brings together diverse communities under a pool of unity, ushering in a wave of merry-making, feasts. At the same time, it is also the biggest festival of lights with multiple houses lit up with lamps and people celebrating the festive spirit by burning firecrackers. Given the widespread use of firecrackers during Diwali, Gaikwad added, "Firecracker liability insurance can protect individuals and even businesses against accidents, injuries or property damage caused due to firecrackers." Hence, this Diwali businesses should only focus on growing and preserving their business financially, mitigating the risks and liabilities arising from such adversities.

Invite positivity this Diwali with health insurance

As we continue to navigate through the uncertainties of everyday lives, the festive season is the only period that offers an escape from the monotony of our daily life. In order to enjoy a hassle-free festive experience, it is highly recommended to invest in a health insurance plan offering financial security to

take care of healthcare emergencies arising from unforeseen circumstances and life-threatening accidents.

Gaikwad further added, "We cannot ignore the basics, i.e health insurance plans. Having comprehensive health insurance can provide coverage for medical expenses, hospitalisation, emergency check-ups, etc." Thus, by investing in family healthcare insurance which has a floater policy, you're not only preserving the future of your family but also the future of the next generations.

Investing in leisure with travel insurance

"Travel increases during the festive season. It is an occasion for family and friends to come together – socialise and interact with each other and brighten up the festivity. Hence, having a travel insurance plan is highly recommended. It can provide coverage against trip cancellations, luggage loss, and travel medical emergencies," he added. In today's hectic work-life schedule, there is no better way to express your love for friends and family than by offering them travel insurance, which will allow them to indulge in a seamless travel journey, creating memories that they're going to cherish forever.

Elaborating further, Gaikwad said, "It's essential to carefully review the terms and conditions of these insurance policies to ensure they meet your specific needs. Additionally, seek guidance from insurance professionals or brokers to help you choose the right coverage options for your Diwali celebrations." Unlike an expensive pair of shoes or a new smartphone, this festive season gift your family an insurance cover, something that will never run out of trend and will make for an invaluable asset in the longer run. While a little splurging doesn't hurt, this sound investment will reflect care and consideration and convey best wishes wrapped in a note of holistic well-being.

TOP

The importance of travel insurance in a shrinking world – Live Mint – 7th November 2023



As the world shrinks, people travel to far-off places for work and pleasure. Travel insurance now assumes greater importance than ever before. Travel insurance is very important especially while you are travelling abroad. Let us discuss what it covers and when one should buy it.

What is covered under the travel insurance

Though the word "Travel Insurance" suggests that expenses related to travel only are covered but travel insurance covers more than that. It also covers your hospitalisation while you are abroad which is important because the health insurance purchased by you in India generally covers your hospitalisation in India only. Some

of the countries make the purchase of travel insurance a precondition before the issuance of a visa. Looking at the cost of medical treatments in some developed countries, it is a prerequisite for you to buy adequate travel insurance to safeguard yourself against a big hole in your pocket. Generally, travel insurance covers your loss of checked-in baggage, the cost of treatment, and hospitalisation abroad. Though most of the insurers do not cover your pre-existing disease a few of the insurers cover the treatment in case of life-threatening diseases. This also covers loss suffered due to delay or cancellation of your flights. It also covers any emergency arising out of delay or cancellation of flights.

How do we decide the sum assured?

Since international travel insurance is supposed to cover majorly your hospitalisation, you should take into account the cost of hospitalisation in the country you are travelling to.

Moreover, as it covers the loss of your checked-in luggage, you should take into account the value of your valuable belongings like your camera, laptop, etc. which you are carrying with you. You also need to factor in the cost of ticketing as well as hotel stay in case of delay or cancellation of flights.

What kind of travel insurance plan one should buy?

In case you are a frequent flier, you can buy a Multi-Trip travel insurance that covers you for all future trips taken within a specific period, with the same level of cover. For instance, if you buy an annual multi-trip travel insurance plan, you will be covered for any trips you go on during that year. However, in case your travel is one thing, you should buy travel insurance before undertaking that journey.

What is the premium for travel insurance?

The premium of the travel insurance will depend on the period for which you are buying the travel insurance as well as the country you are travelling. Since hospitalisation is the major item that is covered under travel insurance, the premium will depend on the country you are travelling to. Some of the companies offer you cheaper insurance with sub-limits. For domestic travel, you may decide not to buy the insurance in case you are adequately covered under your regular health insurance. You may still decide to cover the two other elements of coverage like loss of baggage and loss due to delay or cancellation of flights but generally nobody buys domestic travel insurance.

When should one take it?

One should buy travel insurance before one undertakes a trip whether it is a foreign trip or domestic trip. One can buy it online as well if one is comfortable doing it.

What type of travel policy should I buy?

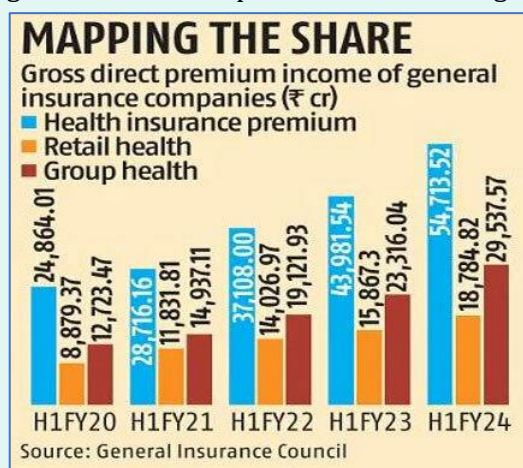
The travel insurance to buy will depend on the country and period for which you are travelling and thus you will have to compare the premium and features of various insurance companies which provides travel insurance. Since most of the insurance companies provide you with instant quotes based on the data fed, you can check and compare a few insurance company websites to zero on specific products. Keep in mind that selecting the right insurance policy has to be done carefully, since just like regular insurance, travel insurance comes in many options, and there is no one right plan.

(The writer is Balwant Jain.)

TOP

Bad air quality may breathe fresh life into health insurance business – Business Standard – 6th November 2023

General insurance companies are likely to see a surge in demand for health insurance in the coming months due to falling air quality in the country. The health insurance segment has registered a strong growth after the pandemic due to higher awareness. In the first half of financial year 2023-24, the segment grew by 24.4 percent to Rs 54,713.52 crore from Rs 43,981.54 crore in H1FY23, driving growth of the non-life insurance industry. The surge in price of group health premiums acted as a key contributing factor. Due to the rise in awareness after the pandemic, the health insurance industry witnessed a huge growth in H1FY24 with industry premiums rising 120 percent from Rs 24,864.01 crore in the first half of FY19-20. In the health segment, the premium of the group health segment rose by nearly 27 percent in H1FY24 to Rs 29,537.57 crore from Rs 23,316.04 crore during the same period of the previous financial year. Whereas, retail health premium rose by 18.39 percent to Rs 18,784.82 crore from Rs 15,867.31 crore in the same time period.



According to Siddharth Singhal, business head — health insurance, Policybazaar.com, “The deteriorating air quality index (AQI) will not only affect the lungs and result in respiratory disorders but also cause other long-term problems. We are seeing a lot of customers, who are concerned about their health. They are buying health insurance.” Most metro cities in India are battling acute air pollution with the AQI readings being “poor”, “moderate” or “severe”. While the condition is acute in Delhi-NCR, some other

metros like Mumbai are also witnessing increased levels of air pollution. The depleting air quality is a health hazard, especially for those with respiratory ailments. In some cases, it even leads to hospitalisation. Further, increase in awareness on health-related issues due to surge in claims during the winter months will also bolster the demand for health insurance policies. “Usually, during October-December, insurance companies have seen a rise in the number of claims being registered.

There may be an increase in awareness for health insurance, which could be because of the air quality or also vector-borne diseases, which are also on the rise due to the slightly cooler weather. So, we see more claims, which may translate into a surge in demand,” said Bhaskar Nerurkar, head – health administration team, Bajaj Allianz General Insurance. Insurance Regulatory and Development Authority of India (IRDAI) Chairman Debasish Panda expressed concerns regarding an increase in risks posed by climate change. He called for the need for policies that will provide for these difficulties. Further, he also highlighted the need for advanced climate modelling techniques that will mitigate these risks. Speaking at an event recently, he said, “The escalating climate crisis has reached a different point, which is necessitating immediate action to address its consequences.”

Amid the surge in climate-related risks, insurance companies are also contemplating climate-based products. “So the insurers are looking for climate-based solutions or products where there are very safe products. So, if somebody is in an area, which is more climatically prone to certain issues, he will buy these policies. Those kinds of policies are being developed and we will see them in the market very soon,” Sudip Indani, head, health & benefits, Howden Insurance Brokers (India), said. One of the key challenges the insurance industry is facing to design products is the lack of data on people being affected by the poor air quality. The companies get the data of people impacted by it only after they are hospitalised. There is a lack of data that will help attribute the surge in demand for health insurance exclusively to AQI. “So, air quality across metro cities in India is more or less bad. This affects people in many ways. So, we see some rise in pulmonary diseases. But the insurance arena does not have substantial data to say it is only due to air quality. But we are seeing a rise in respiratory-related diseases,” Nerurkar added. Voicing a similar concern, Singhal said, “There is an uptick in customers, who are applying for health insurance from last year. But it cannot be attributed only to AQI-related issues.”

(The writer is Aathira Varier.)

TOP

HEALTH INSURANCE

Do health plans cover cost of insulin, diabetes medicines? – Live Mint – 9th November 2023



The industry has slowly begun catering to the specific needs of such customers. A few health insurance providers prioritize comprehensive coverage for individuals managing diabetes. These policies typically include coverage for insulin and essential diabetes medications within the prescription drug coverage section. There is also an emphasis on encouraging the use of cost-effective generic medications whenever possible. However, insurance providers understand that certain individuals may require specific brands or types of insulin for medical reasons. In such cases, they at times collaborate with healthcare providers to ensure coverage for medically necessary medications.

Insurance providers typically maintain a formulary, which is a list of drugs covered under their plans. Diabetes medications, including insulin, are typically part of this formulary, and they may be categorized into different tiers that impact cost-sharing requirements for policyholders. To ensure that prescribed treatments align with best practices for diabetes management, insurance policies may require prior authorization for certain medications, including specific types of insulin.

Some insurance providers may also implement step therapy protocols to promote the use of cost-effective medications initially. However, they remain committed to accommodating patients' needs when healthcare providers deem a particular medication as essential. Policyholders are typically responsible for a portion of their medication costs, which can take the form of co-payments or co-insurance, depending on the specific terms and conditions of the policy. Deductibles may also apply in some cases, affecting prescription coverage. To help policyholders save on medication costs, insurance providers often maintain networks of preferred pharmacies. Using these network pharmacies can lead to cost savings.

I want to buy a diabetes specific plan but I am worried about out-of-pocket expenses. Which type of diabetes care plan should I buy that gives me the maximum coverage?

—Name withheld on request

The out-of-pocket expenses associated with diabetes are categorized under two buckets. One is medical and supplies costs that include medicines, insulin pumps, glucose monitors, and the other is expenditure on medical examination/diagnostic tests such as general/specialist consultation charges, consultation with an ophthalmologist, HBA1c, creatinine, chest X-ray, spirometry test, ECG, cholesterol profile, etc. The medicine and diagnostic costs may vary based on comorbid conditions along with diabetes. A few of the health insurance plans reimburse such out-of-pocket expenses under a Chronic Management Programme. Diabetes plans may or may not come with co-payment and/or deductibles depending on the product benefit structure of the company.

Such customers should look out for comprehensive covers, including the out-of-pocket expenses, and buy a suitable product. While only a few insurance companies offer such covers, it is really worthwhile to invest in such a cover that takes care of all the health and protection needs of such customers.

(The writer is Anuradha Sriram.)

TOP

Fertility care needs financial planning: What to do for insurance, funding - Business Standard - 9th November 2023



Lekhni Ishman, 45, an Instagram influencer who lives in Mumbai, and her husband have been trying for a child for 12 years. After several failed vitro fertilisation (IVF) cycles, the couple still wants to try a couple of more times. "A failed IVF does not only hurt emotionally but also financially too. We wish we knew what we were getting into financially before taking the plunge. If we don't succeed, surrogacy is our other option," says Ishman, whose name was changed in this story for privacy. Couples considering IVF or surrogacy must consider these aspects.

"In India, the average cost of IVF treatment is around Rs 1.5 lakh to Rs 2.5 lakh for a package," says Madhumathi Ramakrishnan, executive vice-president at Star Health and Allied Insurance Co. Ltd. IVF success depends on factors such as a woman's age, her health, and the quality of treatment. Conceiving a child may take more than one attempt. Most banks do not lend specifically for reproductive treatment but couples can take personal loans. "Some NBFCs may offer personalised fertility treatment loans, including IVF loans that cater to very specific needs of the treatment. Some of these may be offered as unsecured personal loans while others might require collateral," says Adhil Shetty, chief executive officer (CEO) of Bankbazaar. The loan amount, interest rates and repayment tenure will vary. The Surrogacy Regulation Act of 2021 laid down dos and don'ts for couples. "First and foremost, surrogacy has to be altruistic and not commercial, which means the surrogate cannot charge for carrying the child of the intended parents. The medical expenses and insurance coverages of the surrogate and the child are both responsibilities of the intended parents," says

Ekta Rai, an advocate at the Delhi High Court. Responsibility for a child and that for the surrogate mother for the period she takes care of the child is with the prospective parents, Rai says.

"To incorporate surrogacy into one's financial plan, it's essential to first calculate the total expenses involved, with a comprehensive breakdown," says Jay Thacker, a member of Association of Registered Investment Advisors (ARIA). The lead time for prospective parents to arrange surrogacy ranges between six months to three years. The surrogacy process can take between 1.5 to 2.5 years. "Thus, the corpus should be primarily built using low-risk fixed-income instruments with no mandatory lock-in periods. Options like bank term/recurring deposits, low-duration and short-duration debt mutual funds, and high-interest savings accounts can be tailored to the lead time available and the expected financial outflows during surrogacy," Thacker says. "Funds can be diverted from lower-priority goals such as vacations or second homes. Contributions to long-term objectives like retirement may be temporarily reduced, and discretionary expenses can be optimised to redirect income towards surrogacy planning." "Use liquid funds, to park emergency funds or for very short-term goals, liquid funds are a suitable choice. They provide liquidity and competitive returns," says retired Col. Sanjeev Govila, CEO of Hum Fauji Initiatives, a financial planning firm. A financial advisor will help you create a diversified portfolio for your specific short and medium-term goals.

Expenses, which will include medical care for the surrogate mother, should be insured to reduce financial burden and for a safety net. According to the law, a couple opting for surrogacy has to purchase a health insurance policy with a tenure of 36 months. "The coverage of the policy must be adequate to cover the complications that may arise due to pregnancy and should cover postpartum delivery complications as well. The couple should also buy insurance for the oocyte donor for at least 12 months," says Naval Goel, CEO and founder of PolicyX.com. "It's advisable to conduct a thorough comparison of health insurance plans to understand the availability and scope of these insurance offerings that provide the most comprehensive coverage for infertility treatments and related aspects," says Siddharth Singhal, business head for health insurance at PolicyBazaar.com.

Star Health Insurance recently introduced surrogacy coverage and oocyte donor coverage. "The surrogacy cover begins from the date when the treatment or procedure is initiated. In the event of a miscarriage due to an accident," says Ramakrishnan. Buy a policy that has coverage for the oocyte donor and caters to inpatient hospitalisation expenses linked to complications arising from assisted reproductive treatment for 12-month duration. Manipal Cigna Health Insurance and Care Health Insurance have similar policies; the average premium ranges Rs 18,000-Rs 30,000. Most insurance companies do not cover the cost of IVF. Earlier this year, Aegon Life started a policy that provides three years of life cover for surrogate mothers and one year for egg donors. Prospective parents must consider legal obligations of surrogacy. "The laws are intended to protect children, and hence, a child of surrogacy cannot be treated any differently than the children born by any other means," says Rai.

Agarwal says, "This law allows Indian heterosexual couples who have been married for at least five years and Indian single women (who are not married but are medically and socially fit) to avail surrogacy services." Indian law only permits gestational surrogacy when the intended parents' eggs and sperm are used. The surrogate cannot charge the intended parents for carrying their child, so surrogacy has to be altruistic and not commercial. Intended parents are responsible for the medical expenses and insurance coverage of the surrogate and child. It is necessary for the couple to produce a certificate indicating their infertility issued by a medical board, along with proof that they do not already have a child. Should the child be born with any defects, the intended couple cannot disown it. Parents are entirely responsible for the health of the child as well as the surrogate mother during the period when she is obligated to care for the child and is healing from childbirth.

(The writer is Bindisha Sarang.)

TOP

IMA flags flaws in health insurance – Economic Times – 9th November 2023

The state unit of the Indian Medical Association expressed reservations about the proposed reforms by the Insurance Regulatory and Development Authority for 100% cashless health insurance.

On Monday, IMA state president Dr T Senthamil Pari said policyholders would be forced to go to “empanelled network hospitals”. This will curtail their right to choose their doctor and hospital. “During emergencies, they will be constrained to search for network hospitals and lose out on the ‘golden hour’. Patients should have the freedom to choose healthcare providers based on quality rather than be restricted to those accepting cashless package rates,” he said. It would also prevent hospitals outside the empanelled list from serving patients. Packages, he said, would mean end-to-end prefixed cost from consultation, diagnostics, and in-patient treatment including for surgical procedures and medicines.

These rates will affect quality healthcare services too, doctors said. “The prevailing low unscientific package rates fixed by insurance companies hinder the optimal usage of resources, utilization of advanced technology and, in turn, affects patients care,” said IMA state secretary Dr N R T R Thiagarajan. The government through regulatory guidelines and acts (Clinical Establishment Act 2010, Minimum Wages Act and IPH standards) has framed guidelines for establishing and running a hospital, and has also suggested treatment guidelines for various diseases. “The rates fixed by the insurance company for the package makes it unsustainable for hospitals to follow the guidelines. It may compromise quality,” he said.

Besides bringing back reimbursement modules, the government must consult experts to develop a scientific health care costing template and ensure yearly revisions. Doctors also wanted awareness programmes for policyholders.

TOP

Why preventive-care health insurance is a win-win for individuals and insurers – Moneycontrol – 8th November 2023



The adage 'prevention is better than cure' has great relevance in the realm of health insurance. Coverage for preventive care, a crucial component of many health insurance plans, is changing the way we approach healthcare.

Preventive care in health insurance refers to measures taken to prevent diseases or injuries rather than curing them or treating their symptoms. This includes regular check-ups, screenings, vaccines, and patient counselling. By focusing on prevention, individuals can detect potential health issues early, thereby reducing the risk of more severe complications later.

For instance, regular mammograms can detect breast cancer at an early stage, making treatment more effective. Similarly, vaccinations can prevent certain diseases altogether. Preventive care not only ensures better health outcomes but also reduces the overall cost of healthcare. When potential health issues are detected and addressed early, it can prevent the need for more expensive treatments or hospitalisations later on. This article delves into the importance of preventive-care coverage in health insurance and navigates its benefits for both individuals and insurers.

What does preventive-care coverage entail?

Preventive-care coverage encompasses a wide range of services aimed at preventing illnesses or detecting them at an early stage. These services include vaccinations, screenings for various diseases, wellness check-ups, and health education. The primary goal is to ensure that potential health problems are identified and addressed before they develop into more severe conditions.

Advantages for individuals

Detection of diseases at an early stage: Regular screenings can detect conditions like cancer, diabetes, and cardiovascular issues in their initial stages, leading to more effective treatments. Additionally, proactively maintaining one's health offers individuals peace of mind, alleviating anxiety about their well-being.

Promotion of a healthier lifestyle: Vaccinations protect individuals from various contagious diseases. Health check-ups provide information about one's well-being, empowering individuals to make informed choices regarding their lifestyle and habits.

Financial savings: Investing in preventive services offers a multitude of benefits, both financially and health-wise. Early detection not only proves to be cost-effective but also minimises the need for extensive hospital stays. Additionally, individuals can enjoy an enhanced quality of life by addressing health concerns promptly. Furthermore, a focus on prevention ensures the sustainability and efficiency of the healthcare system. Thus, the initial costs of preventive measures are dwarfed by the long-term advantages they bring.

Advantages for insurers

Data collection and risk evaluation: Regular check-ups and screenings offer insurers valuable data that can be used to more accurately evaluate risks and tailor policies. Cost efficiency through preventive care: Both individuals and insurers reap substantial benefits from preventive healthcare measures. When policyholders prioritise regular screenings and early detection, they not only safeguard their health but also reduce the likelihood of incurring expensive treatments or extended hospital stays in the future. For insurance companies, this proactive approach translates to a decrease in claims, leading to reduced payouts. This not only optimises their financial health but also enhances their sustainability and profitability.

Improved customer loyalty: Including comprehensive coverage for preventive care can greatly enhance customer satisfaction. Satisfied policyholders are more likely to renew their policies and recommend the insurer to others. Although the advantages of preventive care are clear, there are obstacles to its implementation. It is crucial to determine the appropriate frequency and nature of exams, striking a delicate balance between excessive testing and potentially overlooking early signs of diseases. Socio-economic factors can affect access to preventive care.

Not all individuals have the same level of awareness or the financial means to receive regular check-ups. To address this issue, insurers can offer tiered plans that cater to different economic segments, ensuring that preventive care is accessible to all. Additionally, technology can be used to improve preventive care. Digital health platforms, telemedicine, and health apps can make screenings and consultations more attainable, particularly in remote areas. These digital interventions can also provide personalised health insights and reminders, helping individuals stay proactive about their well-being.

Proactive measures are the key to the future of healthcare, requiring collaboration between individuals, insurers, and healthcare providers. This approach benefits both individuals and insurers, setting a positive example for future healthcare models and creating a mutually beneficial outcome for all parties involved.

(The writer is Shilpa Arora.)

TOP

For Disabled People in India, Securing Health Insurance Is Still a Difficult Task – The Wire – 8th November 2023

The majority of the disabled population in India does not have access to affordable healthcare services, according to a statement issued by NCPEDP, an organisation that has been advocating for the healthcare rights of people with disabilities for years. Securing health insurance is a significant step toward affordability. But in India, the higher the disability, the more difficult it becomes to gain insurance.

India uses a rating system to evaluate a person's degree of disability. Per this system, Ali's degree of disability is 80%. Ali told The Wire that over the past seven years, he has made several attempts to apply for insurance, but was met with rejections and no explanations.

"I have gone through tests, given all my papers and documents, handed it back and forth, and they denied it and didn't give me an explanation," he said. "So that's very painful. You don't know where it's going wrong, whether it's your disability, whether it's your health condition, and so on." Further, the lack of health insurance coverage for assistive technology like Ali's wheelchair is a problem, globally.

The WHO Global Report on Assistive Technology said 2.5 billion people globally require assistive technology. It said that while data is limited, in Africa and Asia, surveys showed largely unmet needs, ranging from 25% to over 90% due to high costs, lack of financing, availability, awareness and a lack of trained personnel. These unmet needs are only heightened by the difficulty in getting assistive technology insured.

Ali finally secured insurance of Rs 5 lakh coverage through Star Health and Allied Insurance Co. Ltd, a private insurance company, and got his wheelchair insured under the all-risk cover policy of SBI General Insurance. He said that the coverage was a "momentous step forward".

Ideally, his insurance would cover his assistive technology needs and services like rehabilitation and physiotherapy. He said gaining insurance for his wheelchair instils hope and inspiration for the millions of people with disabilities and elderly people who use a variety of assistive devices for their activities of daily living. He said he sent emails and letters to the managing directors and CEOs of 26 public and private general insurance companies, but received no response from almost 40% of the companies. Eventually, he received an offer from SBI General.

Poor response from government hospitals

Ali said that discrimination in accessing healthcare continues to be a reality. He said in terms of response, government insurance companies perform the poorest. They did not get back to him despite multiple follow-ups from other organisations. This, despite the Delhi high court saying that insurance products should be designed to enable people with disabilities to obtain health insurance coverage and that people with disabilities cannot be discriminated against.

Ali said he hopes to instil hope among many people by sharing the news of his health insurance coverage. He believes there's an acute lack of awareness among disabled people. "They don't know how to navigate the process of obtaining insurance and it becomes a huge cost for the families and disabled people themselves," he said. Ali said this lack of understanding extends to insurance companies as well.

"There's a need to build awareness [on insurance products for disabled people], and the government should also incentivise or come up with schemes that include all people with disabilities under Ayushman Bharat," he said. "The challenges around understanding blood disorders and insurance will not be resolved until and unless we build our understanding around it."

In August, NCPEDP in collaboration with the National Human Rights Commission and Insurance Regulatory Development Authority of India (IRDAI) held a stakeholders consultation with disability advocacy organisations in Mumbai where he said both private and government insurance companies were present.

TOP

Delhi air pollution: Severe air quality can hit your finances. Know how health insurance helps – Financial Express – 8th November 2023

Severe air pollution in Delhi at this time of the year has become an annual affair. While governments have failed to effectively curb the root causes behind deteriorating air quality in the National Capital Region, the gloomy atmosphere is leading to a rise in the number of patients with breathing issues. Several reports in the last few days have quoted doctors claiming a spike in the count of patients complaining of breathlessness and other respiratory problems. Hospitalization or frequent visits to hospitals due to

pollution-related ailments can lead to a substantial financial burden for patients and their families. Such a burden can be reduced with the help of health insurance.

In an email interaction with FE Money, Indraneel Chatterjee, Co-founder of RenewBuy, an online insurance platform, explains the most important points policy buyers affected by air pollution, or those living in cities like Delhi, should know.



Are air pollution-related ailments covered by health insurance?

Yes, air pollution-related ailments are covered by health insurance. Most health insurance plans are all-inclusive and the usual airborne ailments like bronchitis, pneumonia, asthma, and COPD that require hospitalization are covered under most health insurance policies (under Terms & Conditions). Any kind of pre-existing medical conditions should be disclosed for seamless settlement of claims.

How can health insurance help in pollution-related ailments?

Hospitals in Delhi are witnessing rise in patients with respiratory conditions, asthma or COPD (Chronic Obstructive Pulmonary Disease), cardiovascular diseases, some requiring ICU admissions too.

Though normal airborne ailments like bronchitis, pneumonia, asthma, and COPD that require hospitalization are covered under a health insurance policy; in many cases, patients do not require hospitalization. They might need regular OPD consultations, medications and diagnostic tests, during this time. Thus, a health insurance policy with good OPD cover/ tele-consultation cover plans can help consumers sail through. In severe cases, a consumer and his/family might require immediate hospitalization or even ICU support; in such cases, a family health insurance with ICU expenses cover and cashless claim is highly recommended.

Most cases of pollution related ailments are of low severity; the management of these diseases mostly happens at the OPD level, which is usually not covered in standard health insurance policies. Many insurers have recently introduced, low-cost/customized health insurance policies, which provide coverage for diagnostic tests and OPD / teleconsultations, which can legitimately help people for pollution-related ailments.

Can someone facing breathing problems due to severe air pollution in Delhi claim reimbursement from health insurance in case of hospitalization?

As mentioned above, most of the standard health insurance policies provide coverage for hospitalization, related to pollution related illnesses. In case a policyholder's health insurance policy does not provide enough coverage for treatment/ hospitalization; he or she can opt for specialized coverage for specific pollution-related diseases, such as lung diseases or skin conditions. These add-ons ensure that policyholders have comprehensive protection against pollution-related health risks; and there are many insurance companies today, which offer such specialized policies.

How much claim would be admissible if someone is hospitalized due to pollution-related ailments?

The admissible claims do not depend on hospitalization due to pollution-related illness. Claim settlements depend on the coverage limits/ room rent capping a policyholder is opting for, based on the type of health insurance policy and the premiums paid by the policyholder.

Do health policy wordings acknowledge pollution-related ailments for claim processing?

Many health insurance policies acknowledge pollution-related ailments, such as bronchitis, pneumonia, asthma, and COPD (to name a few), for claim processing. However, it is highly recommended that the policyholder reads the terms and conditions carefully before buying any policy. In many policies there

are hidden clauses, which consumers get to know only during the claim settlement process and many-a-times, end up paying the treatment cost from their own pocket.

It is important that consumers look for optimum health cover, which includes common diseases and critical illnesses. It is always suggested that they take the route of digitally enabled insurance advisors, so that they can get proper guidance on health insurance policies as per their individual/ family needs and requirements.

What are the possible reasons an insurance company might deny a claim to someone hospitalized due to breathing issues caused by pollution?

Insurance companies might deny a claim due to reasons such as insufficient medical documentation, undisclosed pre-existing conditions, or policy exclusions. However, if a disclosed pre-existing condition worsens due to pollution, it is generally expected to be covered.

(The writer is Rajeev Kumar.)

TOP

Health insurance, term plans in India gain popularity among NRIs – The Economic Times – 7th November 2023



An increasing proportion of non-resident Indians (NRIs), particularly those aged between 28 and 45, are opting to purchase health insurance for themselves or their dependents in India. According to a PolicyBazaar report, among NRIs, those from Gulf nations like the UAE, Saudi Arabia, Qatar, Oman, and Kuwait constitute the largest percentage of health insurance buyers, at 58%, followed by the USA/Canada (14%), the UK (8%), and Australia (6%).

The appeal lies in the lower cost of health insurance in India compared to other countries, making it a viable choice for those residing abroad. Family floater health

insurance plans are the preferred choice among NRIs, accounting for 40% of purchases. A significant portion of these policies (25%) is bought for parents or senior citizens residing in India. To maximize their health insurance benefits, NRIs opt for high-sum insured plans, especially crucial for severe illnesses or costly medical conditions. At least one-fourth of NRIs choose coverage of more than Rs 1 crore, while 34% opt for a sum insured between Rs 25 lacs to Rs 1 crore.

Over half of the buyers opt for multiyear policies to take advantage of premium discounts. This not only locks in the premium for the chosen period but also guards against medical inflation or changes in premiums due to increasing age.

NRIs often select add-ons to enhance their health insurance coverage, such as Unlimited Coverage, Global Coverage, PED Waiting Period Reduction, AHC, and Claim Shield. Reducing the waiting period for the Pre-Existing Disease (PED) add-on is the most popular choice (17%), followed by unlimited coverage (10%). Furthermore, 15% of NRIs prefer Additional Health Coverage (AHC) and claim shield add-ons, while 5% opt for global coverage. Approximately 34% of NRIs purchasing health insurance already have pre-existing medical conditions, with surgical procedures (21%), diabetes (17%), hypertension (13%), thyroid issues (10%), and asthma (11%) being the most common health conditions for which they seek coverage.

Uptick in term insurance among NRIs

The introduction of telemedical check-ups has led to a threefold increase in NRI buyers for term plans, the PolicyBazaar report highlighted, addressing challenges where physical check-ups were difficult. This has also streamlined processes and improved the customer experience.

Recognizing the value of healthier lifestyles and higher income levels that grant access to better medical facilities, insurance companies have adjusted underwriting guidelines. They now offer term insurance based on video medical assessments.

The United Arab Emirates (UAE) and Gulf Cooperation Council (GCC) countries are prominent among the countries with NRI buyers, each contributing 32% of the Annual Premium Equivalent (APE) and accounting for over 60% of the annual premium equivalent contribution. Europe follows with a 12% share, and the United States and Canada contribute 10%.

Does GST apply when NRIs buy health insurance?

NRIs are eligible for a GST refund when buying health insurance plans from India. Since most NRIs pay income tax in their foreign country of residence, they are not required to pay tax in India. However, this refund is applicable only if the proposer is an NRI, and the payment is made from their NRE (Non-Resident External) account. Recent data reveals that over 40% of NRI customers avail themselves of GST refunds when purchasing health insurance from India.

TOP

OVERSEAS MEDICAL INSURANCE: Frequent flyers need global cover; for treatment in US or Canada, be ready to fork out higher premium – Financial Express – 6th November 2023



Frequent foreign travellers or those who are planning to undergo certain medical procedures abroad should opt for a health insurance policy in India that provides international coverage including for destinations like the US and Canada. These policies, offered by a few insurers, differ from regular travel insurance which includes medical coverage but may have limitations.

Health insurance policies with international coverage offer emergency treatments, in- and outpatient treatment, prescription medications, air ambulance and some elective treatments abroad, apart from domestic

hospitalisation. A policyholder can select a sum insured of up to `6 crore and access cashless medical treatment worldwide.

Insurers set the maximum limit of international cover in the policy and also the number of times claims can be raised in a policy year. Additionally, some plans may also cover expenses associated with obtaining a medical visa and provide round-trip economy class airfare for an immediate family member accompanying the insured individual.

Rakesh Goyal, director, Probus Insurance Broker, says international health insurance provides more comprehensive and extended coverage for medical needs, making it suitable for those who frequently travel overseas. “For frequent travellers abroad, it is advisable to consider international health insurance policies that specifically cover medical treatment abroad,” he said.

Similarly, Siddharth Singhal, business head, Health Insurance, Policybazaar.com, says opting for worldwide coverage or global health insurance provides comprehensive medical coverage in case of emergency treatment or against planned hospitalisation for serious conditions like cancer, heart surgery or kidney transplant, etc. “Many global health insurance plans also offer the benefit of emergency air ambulance and covering the expenses of the accompanying person.”

What to consider

Before purchasing a global health insurance plan in India, individuals must keep in mind several factors such as pre-existing diseases and the waiting period. Also, the policies have certain prerequisites for seeking treatment abroad. When considering a specific health insurance policy for international medical

treatment, individuals should evaluate factors like coverage limits, in-network hospitals, and coverage for pre-existing conditions.

For certain planned procedures abroad, insurers will insist that the first diagnosis of critical illness be done in India. Also, some insurers put restrictions on treatment in certain countries. Individuals have the option to choose a worldwide cover excluding the US and Canada which will then have lower premiums. In certain policies, the insured will have to take a mandatory approval for palliative treatments. As the conditions vary from insurer to insurer, look at all the details before opting for such a cover and understand what is excluded from coverage. For instance, some global health insurance will cover only critical illness while others may cover any kind of illness that may happen when abroad.

As premiums of the policy can vary significantly across insurers, it is essential to compare quotes and choose a policy that aligns with the individual's travel patterns and health needs. Premiums may be affected by factors like age, medical history, and the extent of coverage. Some insurers increase the international coverage sum insured to cover all international travel needs, especially for countries such as the US and Canada.

Amount of cover

Overseas medical expenses primarily involve in-patient hospitalisation and daycare procedures. Make sure you opt for a plan that covers both planned treatment and emergency treatment up to the limit of the sum insured to ensure comprehensive coverage. "Opting for a lower sum insured could lead to higher out-of-pocket costs, while an excessively high sum insured might result in steep premiums. It is advisable to choose a sum insured of at least `1 crore or more," says Singhal and adds that a policyholder must look for health plans that offer cashless treatment abroad rather than a reimbursement policy.

Claims settlement

To ensure a smooth claim settlement on a health insurance policy taken in India for medical treatment abroad, the insured should follow certain steps. Keep detailed records of medical expenses and obtain all necessary documents, such as medical reports, bills, and receipts. Notify your insurance provider as soon as possible and submit a claim form along with the required documents. "Adhering to the insurer's claim process and maintaining open communication will help expedite the claim settlement process. It is also wise to understand any deductibles and co-payments that may apply to your policy," says Goyal.

(The writer is Saikat Neogi.)

[TOP](#)

MOTOR INSURANCE

Converting your vehicle to CNG or electric? Don't forget to inform the insurer, lest claims be denied - Moneycontrol - 8th November 2023



In November 2023, the banning of all BS3 and BS4 vehicles except compressed natural gas (CNG) and electric vehicles (EVs) in the National Capital Region (NCR) came as a blow to consumers and automakers. Those who cannot afford new vehicles are rushing to conversion centres, where an external CNG or EV kit can be installed in the existing vehicle.

If you are considering such an option, don't forget the impact this could have on your vehicle insurance cover. No vehicle can ply on Indian roads without a valid insurance policy.

Insurance policy change mandatory

Insurance companies agree that modified two-wheelers or cars can be insured. However, the insurance company needs to be informed when changes are made to a vehicle.

“In the event that an insured fails to notify the insurance company and has suffered any accident, the claim can be repudiated by the company,” says Parthanil Ghosh, President - Retail Business, HDFC ERGO General Insurance. Even if you make changes to the fuel type of the vehicle during a policy year, there is no problem. The insurance company can update your policy to reflect the new vehicle status.

This is essential because, with a change in the source of power for the car or two-wheeler, many factors change. Aditya Kumar, Head – Motor Underwriting, Digit General Insurance, explains, “A car insurance premium is decided based on different factors, including the fuel type and the insured declared value (IDV) of the vehicle. When a car is modified or changed from the form that was provided by the original equipment manufacturer (OEM), the type of risk that was initially assumed by the insurer changes.”

Failing to disclose modifications may lead to issues during the claims process. Insurance companies have faced such situations. “While we do not have many cases of individuals currently requesting conversion to an electric vehicle, there have been cases where claims are registered on policies where the car was converted to CNG and we, as an insurer, were not informed,” says Raghvendra Rao, Chief Distribution Officer at Future Generali Insurance Solutions.

Government-approved kits

Insurance companies do provide insurance for converted or modified vehicles. However, the same needs to be approved by their respective regional transport offices (RTOs). “One should also ensure only the authorised kit is used to make changes to the vehicle. The insurer may deny insurance if any unauthorised modifications are made to the vehicle,” says Kumar.

Vehicle conversions are governed by the Motor Vehicles Act, and one needs to follow these rules. Additionally, all the rules and regulations laid out by the local RTO need to be adhered to. “Insurers may deny a policy if the vehicle changes are not approved by the RTO. One should also make sure that the kit used to convert the vehicle is approved by the concerned approval authority,” says Kumar.

Two options for insurance

Upon authorisation and retrofitting of the CNG or EV kit by the approved service provider, you would have to either cancel the existing vehicle insurance policy or seek a new one. Rao suggests, “The cost of the vehicle will change upon conversion from one fuel type to another. If you are converting a vehicle during the middle of the year, you need to get an amended policy or cancel the existing policy and get a refund of the balance period premium.”

Insurance companies say it is better to get a fresh policy issued rather than alter an existing one, as conversion could result in significant changes to a vehicle. “When a vehicle is converted into an electric vehicle, it typically undergoes several underwriting changes to evaluate the risk and coverage requirements. These changes encompass technical assessments to understand the electric vehicle's specifications, including battery type and condition,” as per Ghosh.

Especially if you are converting the vehicle to an electric format, then hefty changes are made. “Engine is typically one of the most expensive parts of the vehicle. Making changes to the same and converting it to an EV vehicle can impact the ongoing insurance coverage,” says Kumar.

High battery cost raises premium

Conversion would mean high battery costs, as a result of which the premium for a converted vehicle would increase. “It costs around Rs 5-7 lakh to convert an existing ICE vehicle to an electric variant. This would include at least Rs 3-4 lakh for the battery of the electric vehicle,” says Rao. The premium would depend on the battery that one has selected and its capacity. The vehicle maker, model, experience with floods, special repair costs, and usage patterns determine the premium.

“Remember, the repair costs related to electric vehicles are typically higher, especially in cases where the battery is affected or damaged. Not having an EV insurance policy may lead to huge out-of-pocket expenses,” says Kumar. However, the subsidies that are currently offered, tax benefits for EVs, and some discounts for environmentally friendly measures could be your saviour.

“Some insurance providers may even offer discounts or incentives to promote eco-friendly choices,” adds Ghosh.

Third-party premium varies

Within premiums, there are two varied covers -- one is for damage to your own vehicle (own damage), and another is for damage to another external vehicle on the road that your vehicle can cause (third-party). “Motor third-party coverage premiums for electric vehicles are ~15 percent lower than for corresponding ICE engines. Thus, the average premiums are lower by at least 10-12 percent,” says Ghosh.

While third-party cover premiums would be lower for fresh vehicles, for vehicles converted from internal combustion engines (ICE) to EVs, the savings may not be much. “Individuals may have to pay a higher premium for their ICE vehicle that is converted to an EV,” says Kumar.

Impact on warranty

Another aspect to consider is that vehicles often have warranty periods of up to four to five years for special parts. However, these warranties offered with the original vehicle may be lost upon conversion. “If the vehicle is within the warranty period, then it would be advisable to check with the original manufacturer if there will be any changes to the warranty applicable clause,” says Kumar.

An extended warranty, if taken on the original vehicle, would be wasted. But you can consider an extended warranty for electric batteries if you are purchasing them. “One add-on cover that would be required for such a converted vehicle would be an extended warranty for the battery,” says Rao. Such additional covers for securing batteries are gradually being launched by insurers.

(The writer is Khyati Dharamsi.)

TOP

CROP INSURANCE

Farmers to be offered more insurance products with Fasal Bima – Financial Express – 9th November 2023



The government is likely to offer a host of insurance products such as personal, life and for tractors and cash for medical emergencies to farmers who benefit from the highly subsidised Pradhan Mantri Fasal Bima Yojana (PMFBY), as part of a plan to make it more attractive to the target population. Sources told FE that through a ‘convergence’ model, intermediaries or agents of insurance broking firms will be added into the category of entities who can provide crop insurance to farmers.

However, the new products would be market-determined, and won’t involve any government subsidy. Currently, only banks, post offices and common services centres

(CSCs) are allowed to enrol farmers for the crop insurance scheme where a major chunk of premium is borne by the Centre and state governments.

In July, the agriculture ministry had launched intermediary enrolment (AIDE) mobile application which bring enrolment of farmers into crop insurance to the doorstep of farmers. “In addition to crop insurance, farmers may also opt for some other insurance products which are not subsidised and the platform aims to provides all related insurance products,” an official said.

The official said that discussions are on even to bring in livestock insurance products into the crop insurance platform. According to the agriculture ministry’s projection, coverage under the crop insurance is projected to touch a record 40 million farmers in 2023-24, which is an increase of 27% from the 31.5 million farmers enrolled in the previous year.

In terms of area, coverage of heavily subsidised PMFBY is likely to touch 60 million hectare in 2023-24, which is an increase of around 21% from the 2022-23. Officials said that several states Gujarat, Andhra Pradesh, Telangana, Jharkhand, West Bengal and Bihar had exited the scheme, because of 'higher cost of premium subsidy' to be borne by them. Subsequently Andhra Pradesh has rejoined the scheme and sources said that Jharkhand has shown willingness to come on board of PMFBY. Under the PMFBY which is currently being implemented in 22 states and union territories, the premium to be paid by farmers is fixed at just 1.5% of the sum insured for rabi crops and 2% for kharif crops, while it is 5% for cash crops.

The balance premium is equally shared amongst the Centre and states and in case of North-Eastern states, the premium is split between the Centre and states in a 9:1 ratio. Several states including Andhra Pradesh, Maharashtra, Odisha, Meghalaya and Puducherry have opted for universalisation of crop insurance scheme which implies that state government bears the cost farmers' premium. The claim-premium ratio which was 99% in 2018-19 has declined to 68.2% in 2021-22; the claims for FY23 are still being settled. Since the launch of the PMFBY in Kharif 2016, the gross premium collected has been around Rs 2 trillion till the end of FY23, against reported claims of Rs 1.5 trillion. The farmers' share in premium so far has been Rs 29,235 crore.

It is optional for the farmers to opt for PMFBY. The centre has provided Rs 13,625 crore in the current fiscal for implementation of crop insurance scheme. Several insurance companies both the public and private sectors, are implementing crop insurance launched in 2016.

(The writer is Sandip Das.)

TOP

SURVEY AND REPORTS

Indian InsurTech startups raised \$2.6 billion in five years – TOI – 9th November 2023



InsurTech startups in India have received \$2.6 billion in funding since 2018. Most of this money has gone to companies that offer end-to-end insurance solutions.

A report by ICICI Lombard and nasscom found that this funding has helped to raise awareness of different types of insurance in India. The report also found that six out of seven unicorns in India's InsurTech sector are focused on the B2C market, which is helping to increase insurance penetration.

The report highlighted how technology is being used in the insurance industry, from creating new products to the way customers buy and manage their policies. It added that the success of UPI, a digital payment system, can be used to help the insurance market grow even faster in the next 5-7 years.

The overall insurance market in India has grown by 8.4% per year since 2018, which is faster than the global average of 2.4%. Non-life insurance has grown even faster, at 15-20% per year. This is because more private insurance companies are entering the market.

According to the report, top priorities for consumers when it comes to digital insurance are data privacy, access to human guidance, and reliable online services. Consumers also want simple-to-understand, transparent, trustworthy, and personalized services. Additionally, they want 24/7 access to services, a user-friendly web interface, mobile accessibility, and competitive premium rates.

Girish Nayak, chief technology at ICICI Lombard said that transformative technology of artificial intelligence, machine learning and data analysis have empowered insurers to offer policies that are finely tailored to individual needs and expedite claim processing with unprecedented efficiency. It has also enabled them gain insights into consumer behaviour.

“As the industry marches forward into this era of digitalization, it's about building enduring lifetime relationships with customers, enhancing and protecting their lives, and contributing to a more secure and connected world,” said Nayak.

TOP

INSURANCE CASES

Insurer needs to prove that the insured suppressed or provided false information. NCDRC asks LIC to pay Rs2 lakh death insurance claim – Money Life – 9th November 2023

While asking the Life Insurance Corporation of India (LIC) to pay Rs2 lakh as a claim for death insurance, the national consumer disputes redressal commission (NCDRC) reiterated that it is upon the insurer who has rejected the claim to prove that the deceased life assured (DLA) suppressed material information or provided false information material while buying the policy. In an order last week, the NCDRC bench of Subhash Chandra (presiding member) says, "The onus of proof lies on the insurer to prove that the insured suppressed material information or provided false information material to the grant of the insurance cover. In the absence of any cogent evidence to prove suppression of material information pertaining to a pre-existing illness or impersonation at the medical examination, this revision petition is liable to succeed."

Azamgarh, Uttar Pradesh (UP)-based Vimal Kumar Rai had filed the revision petition challenging an order passed by the UP state consumer disputes redressal commission. In March 2002, his wife obtained a Rs2 lakh life insurance policy approved and issued by LIC after it was satisfied with a medical check-up. He was the nominee. However, on 12 May 2002, his wife died due to cardio-respiratory arrest. Mr Rai filed a claim under the insurance policy. However, it was rejected by LIC on 31 March 2005, stating the DLA was ill before taking the policy and she had not personally presented herself for medical examination, and the signatures in the offer letter and medical check-up form did not match.

Mr Rai then filed a complaint against LIC for the rejection of the insurance claim, which was allowed by the Azamgarh district consumer disputes redressal forum, but set aside by the state commission. The district forum observed that the fact that the DLA suffered from a pre-existing illness was not revealed in the application form and had only stated that she was not well, with no evidence filed to support this argument by LIC. While allowing the complaint, the district forum directed LIC to pay Rs2 lakh death insurance claim with a bonus.

LIC challenged the order before the state commission. In its ruling on 21 October 2016, the state commission allowed the appeal and set aside the order of the district forum. In this case, the state commission observed that complex facts and disputable questions are involved. "The reason for cancellation stated by LIC was that the insured had not appeared before the clinical examiner, and hence, the policy was obtained by committing fraud. Both the parties presented their own handwriting experts before the district forum to prove that the signature at the time of medical examination was or was not that of the DLA and their reports were contradictory."

Aggrieved by the order, Mr Rai approached NCDRC, stating that no relevant evidence had been brought on record by LIC to prove that his wife was suffering from any pre-existing disease at the time of taking the policy. Further, he contended that repudiation of the claim was illegal as his wife was thoroughly and medically examined by an expert doctor prior to issuance of the policy. LIC argued that evidence given by the handwriting expert shows that the signatures on the proposal form and the signature on the medical examination report do not match which proves fraud. "The insured concealed the fact that she was not in good health and had not disclosed the full facts of her health and therefore misled the insurance company, which rendered the agreement or contract void between the parties," it says.

The bench of Mr Chandra observed that LIC relied upon the statements of the village sarpanch and another person to contend that the DLA had a pre-existing medical condition for which she visited Kolkata. "However, this averment is not supported by any documentary evidence and must, therefore, be disregarded as being unsubstantiated. No document from any hospital has been filed by LIC to prove that the insured was ill prior to taking the policy."

"As regards the reliance on LIC vs GM Channabasamma case in the Supreme Court, regarding ubbermia fides (utmost good faith) the fact that it has not been proved that there was withholding of facts required to be disclosed, it is upon LIC to establish this, as held in Reliance Life Insurance Co Ltd vs Rekhaben Nareshbhai Rathod case," NCDRC says. While setting aside the order passed by the state commission and upholding the district forum's order, NCDRC directed LIC to pay the Rs2 lakh death insurance claim with a bonus to Mr Rai.

TOP

HC nixes insurer's seatbelt claim, hikes relief for victim's kin - The Times of India - 6th November 2023

Observing that the insurer has not adduced any legal evidence except making a bald statement that a man who was killed in a motor vehicle accident was not wearing the seatbelt resulting in the air bags not opening, the Dharwad bench of the high court has directed it to pay up the compensation. SS Shivakumar, assistant manager in a private finance company, died on December 31, 2015 when he and his friends were travelling in a Hyundai Verna car at Byadagi town. It is claimed that the accident occurred owing to rash and negligent driving by their driver.

Shivakumar's unmarried sister and parents filed a claim petition contending that he was earning Rs 22,000 per month. On April 13, 2018, the Motor Accident Claims Tribunal awarded Rs 35.4 lakh compensation with 6% interest. Both the claimants and the insurer, Reliance General Insurance Company Limited, challenged the order.

The company argued that Shivakumar was not wearing a seatbelt at the time of the accident due to which the airbags did not open up and hence, they are not liable to pay the compensation.

However, the contention did not convince a division bench comprising Justices SR Krishna Kumar and G Basavaraja. "The insurance company has taken up a specific contention that the accident resulted in the demise of Shivakumar since he was not wearing the seatbelt. Except the bald plea taken in the statement of objections, it has not adduced any legal or acceptable evidence to establish that contention," the bench said.

"Except stating that if the deceased had worn the seat belt, the air bags would have opened up at the time of the accident, the company has not examined any person either from Hyundai or any other technical expert so as to establish that the death was due to non-opening of the air bags," the bench added. The bench has directed the company to pay a modified compensation of Rs 36 lakh with 6% interest.

TOP

Health insurance firm told to pay ₹2L for rejecting claim - The Times of India - 6th November 2023

The UT District Consumer Disputes Redressal Commission has ordered a health insurance company to pay Rs 2.08 lakh to a resident of Mohali's Kansal for rejecting his insurance claim. Rupesh Kumar Khosla, in his petition, said he had purchased a health insurance policy, "Manipal Cigna ProHealth Insurance" from Manipal Cigna company for himself and his family members and paid a premium of Rs 11,512 from August 17, 2017, to August 16, 2018, and the same was renewed annually till 2023.

In July 2022, Khosla was admitted to Healing Super Speciality Hospital, Sector 34, UT, for treatment of kidney stones. He said on his discharge, he raised a cashless claim and submitted documents. However, the company rejected his claim on the ground that he had been suffering from a slipped disc problem since 2008 and was not disclosed by him.

After hearing arguments of both the parties, the commission said the company has wrongly repudiated the claim knowing fully well that the ailment for which the complainant took the treatment has no connection with the previous ailment of 2008 and that alleged concealment was not of such a nature as would disentitle him from getting his life insured.

The commission ordered the firm to pay the claim with 9% interest, Rs 20,000 as compensation for causing mental agony and harassment and Rs 10,000 as cost of litigation.

TOP

Insurance company told to pay 3 lakh compensation to pacemaker patient - The Times of India - 6th November 2023

Reprimanding an insurance company for its hyper technical approach and adhering to a "pick and choose" theory, a district consumer commission has directed it to reimburse Rs 2.65 lakh along with a compensation of Rs 2.70 lakh to a 55-year-old Colaba woman who had undergone a pacemaker replacement surgery at a prominent South Mumbai hospital in 2019. The company had rejected the claim on the ground that the discharge summary had mentioned that it was only a "pacemaker battery replacement." However, the commission clarified that the stray incorrect line was rectified with another discharge summary attested by the attending surgeon and also other documents also showed that it was a pacemaker replacement. Thus, very order of repudiation of claim being arbitrary based on wrong interpretation of the terms appears in discharge summary. Thus, order of repudiation found to be unsustainable under the law," the commission said.

(The writer is Rebecca Samervel.)

TOP

Court orders Star Health Insurance to pay Rs 35,000 to customer for rejecting viral fever claim - The Economic Times - 3rd November 2023

The Ludhiana District Consumer Disputes Redressal Commission has ruled in favor of a customer whose son's hospitalization claim was rejected by a health insurance company. As per a TOI report, the commission has ordered the insurance company, Star Health and Allied Insurance Company, to pay Rs 10,000 to the customer, Ashok Aggarwal, after it denied his claim for his son's treatment for viral fever and thrombocytopenia (low blood platelet count). Additionally, the commission has directed the insurance company to pay the approved amount of Rs 24,497, as per the bill assessment sheet, to Aggarwal within 30 days. In case of default, the company will be liable to pay an interest of 8 percent per annum.

TOP

PENSION

NPS assets soar 25% to ₹10.23-lakh crore as of October 28, reveals PFRDA data - The Hindu Business Line - 6th November 2023

Aided by a strong show by the non-government sector, the National Pension System's (NPS) assets under management (AUM), including the corpus on the Atal Pension Yojana (APY), grew 25 per cent y-o-y to touch ₹10.23 lakh crore as of October 28, official PFRDA data showed. On October 29, last year, the NPS assets under management stood at ₹8.17 lakh crore. However, the overall growth tempo in AUM as of October 28 slowed a bit when compared to the 27 percent y-o-y growth recorded as of October 3, when overall AUM stood at ₹ 10.21-lakh crore.

The total number of NPS and APY subscribers as of October 28 stood at 6.81 crore, up 17 per cent over 5.82 crore subscribers as of October 27 last year. The overall AUM of NPS and APY crossed the ₹10-lakh crore milestone on August 25 this year. In March of this year, NPS AUM stood at ₹8.98 lakh crore. The Pension Fund Regulatory and Development Authority (PFRDA) is confident that NPS assets will touch ₹11-12-lakh crore by the end of March 2024.

Jump in subscriber base

The all-citizens model as of October 28 this year saw a robust 23.28 per cent jump in subscriber base at 31.36 lakh and a 31.31 percent jump in AUM at ₹ 48,412 crore. On the other hand, the corporate NPS

subscription grew 16.59 per cent to 18.55 lakh subscribers (15.91 lakh as of October 29 last year), and AUM was up 33.25 percent to ₹1,39,336 crore from ₹1,04,565 crore, the data showed.

While the NPS assets of Central Government employees grew 21 per cent to ₹2.88-lakh crore (₹2.38-lakh crore), the State governments’ employee NPS assets stood at ₹ 5.11 lakh crore, up 25.24 per cent over ₹ 4.08 lakh crore as of October 29 last year. The number of NPS subscribers from the government sector (centre and states put together) stood at 88 lakh.

NPS AUM had doubled to ₹10-lakh crore from ₹5-lakh crore in a span of just 2 years and ten months. NPS took six years and six months to reach the milestone of ₹ 1 lakh crore AUM after its implementation in 2009. It then took 4 years and 11 months to further increase AUM to ₹ 5 lakh crore. PFRDA this fiscal year expects at least 13 lakh new subscribers from both corporate and all citizen categories. Last fiscal year, PFRDA added a million new subscribers. In the first seven months of this fiscal, as many as 3.52 lakh subscribers (net) have been added in aggregate to both corporate and all citizen categories, PFRDA data showed.

(The writer is KR Srivats.)

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IRDAI CIRCULAR

Topic	Reference
IRDAI Bima Vahak Guidelines, 2023	https://irdai.gov.in/document-detail?documentId=3982975

TOP

GLOBAL NEWS

Australia: Lawyers call for e-scooter safety and insurance reform – AIR – 10th November 2023



The Australian Lawyers Alliance (ALA) is calling for a detailed review of the insurance and regulation options for e-scooters and the development of a system that ensures all riders - e-scooter owners and those who hire e-scooters alike - have appropriate insurance cover wherever they are in Australia.

In a statement released yesterday, the ALA said that e-scooters are an increasingly popular form of transport but can currently fall through the gaps in regulatory and insurance systems.

“Current insurance coverage requirements mean that injuries caused by e-scooters can leave the injured person unable to recover damages and the rider of the e-scooter financially vulnerable to significant compensation claims,” said Mr Shaun Marcus, ALA’s national president.

“At present, some e-scooter riders are covered in relation to some accidents. However, that coverage is an inconsistent patchwork. There is also insufficient public information available about insurance arrangements for e-scooters and many riders are not aware that they may not be covered if they do have an accident,” said Mr Marcus. He continued, “E-scooters can and do, cause significant injury and there are reports of significant increases in e-scooter accidents in Australia in the last 12 months.

“We need to ensure that members of the public are not left without the ability to recoup compensation against an e-scooter rider because the e-scooter owner has no insurance or the exclusions in the commercial e-scooter operators’ insurance policies mean they are not covered. “Some e-scooter owners may be covered by the public liability extension on a domestic home and contents policy. However, the existence of this coverage is effectively random as far as the victim is concerned and it has its limits.

“Others are covered by the insurance policies provided by commercial e-scooter hire companies but these policies can also be quite limited and have multiple exclusion clauses.

“These arrangements are entirely unsatisfactory in relation to both accident victims and e-scooter riders. We urge state and territory governments to review and improve insurance coverage requirements, to strengthen the relevant pieces of legislation, and to ensure e-scooter users are better informed about the rules and their own liability.”

First step

Mr Marcus said, “As a first step, mandating that commercial e-scooter hire companies offer high-level insurance, which covers both riders and any injured members of the general public, would help address the problem. “Private owners of e-scooters should have the ability to purchase their own insurance, including third-party insurance, especially when they are allowed to ride their e-scooter on public roads and in public areas. There are currently no products on the market that offer this insurance.”

TOP

Pakistan: SECP unveils strategic plan to promote InsurTech – AIR – 9th November 2023



The Securities and Exchange Commission of Pakistan (SECP) has released a comprehensive five-year strategic plan for the insurance sector to tap the benefits of technology to exploit Pakistan's enormous untapped insurance potential.

Commissioner of Insurance and Information Technology, Mr Aamir Khan, unveiled the plan at the InsurTech Conference 2023, organised last week by Pakistan FinTech Network.

Mr Khan said that the current state of technology in Pakistan's insurance sector is poor even though there are 190m mobile users and 130m Internet users in the country. He pointed out that the share of premiums generated from InsurTech is less than 1% of the overall premium written. Mr Khan acknowledged the challenges faced in Pakistan in developing InsurTech, particularly limited financial and digital literacy and scarce funding.

Insurance industry statistics show that in a country with 30m registered vehicles, only 3% were insured. Similarly, out of a population of 220m, there are 8m individual life insurance policies. Among the 32m recorded properties across the country, only 0.3m are insured. The SECP told insurance companies to embrace modern tools and introduce innovative products to grow their business. InsurTech products such as pure protection, health insurance, robo-advisory services, and more, were highlighted as potential avenues to reach the financially excluded.

TOP

Singapore: Health insurers may see more rules – AIR – 6th November 2023

Singapore faces several economic challenges in healthcare, says Health Minister Mr Ong Ye Kung, adding that to moderate the excesses and wastage of healthcare, there will likely need to be tighter rules on healthcare insurance. Mr Ong, speaking at the Singapore Economic Policy Forum held on 31 October, said that the Ministry of Health (MOH) had implemented a new regime governing the use of cancer drugs. “We are working with all stakeholders on other possible changes to reduce moral hazard, moderate healthcare cost increases, and make health insurance affordable and fair,” he said.

To sustain healthy lifestyles for the long term in Singapore, Mr Ong said that current measures taken—such as annual preventive care consultation with doctors, health screening and vaccinations, free of charge, etc— might not be enough. He said, “We are thinking of other ways, such as differentiating insurance premiums between those with and without appropriate lifestyles. We are considering

regulatory measures to reduce the consumption of sodium, which is found in regular salt.” Mr Ong named three economic challenges in funding healthcare. Challenge Number One is a constant juggling act to complement funding mechanisms to deliver the best value to the people at the least cost.

The second major economic challenge in healthcare is to align the incentives of the three key players who are: the payer, which can be the government or insurance companies; the provider, namely hospitals, doctors and clinics; and the patient, who receives healthcare services. The third challenge is that many individuals are not motivated to do what is good for themselves and society.

Three players

Commenting on “principal-agent” problems between payers, providers and patients, Mr Ong cited the example of insurance companies as the payer which want to keep costs under control. They may resort to denying claims for procedures that can be beneficial, hence harming patients’ interests.

He said, “Hospitals are often funded by fee for service. In other words, they are paid based on workload, so they may order more tests, procedures and surgeries than necessary to get more money, which is against the payers’ interest. Patients are supposed to keep themselves healthy, but since healthcare costs are paid for, we have little incentive to do so, which is against everyone’s interests including ourselves.”

Moral hazard

A particularly vexing issue is moral hazard, Mr Ong said, adding, “If health insurance completely covers my hospital bill, I will use more expensive treatments and drugs, and I do not mind undergoing more tests and diagnostics, even though they are not all necessary or the benefits do not justify the cost. We would have had the experience when we visited a doctor and they asked us if we were covered by insurance. Such behaviour is as expected as over-eating at a buffet table.”

When every insured patient behaves the same way and is afflicted with moral hazard, the collective action will push up national healthcare costs unnecessarily and with a lot of wastage. Sooner or later, the bill still comes back to everyone in the form of higher health insurance premiums. “In a market-based system, those with lower incomes may decide to forgo their private insurance coverage,” Mr Ong warned. There are other aggravating factors, he said. Pharmaceutical companies practise differential pricing for drugs across geographies. So when there was a single MediShield Life claim limit of \$3,000 per month and for all cancer treatments previously, there was little reason for pharmaceutical companies to charge us anything less than \$3,000 even though the cost of the drug is far less in many other countries. But in Singapore, the minimum paid was \$3,000, even though it can cost only hundreds of dollars.

Counter-productive actions by insurers

Economists recommended setting insurance claim limits and requiring consumers to co-pay part of their hospital bills so that they will think twice before over-consuming healthcare services.

Mr Ong said, “But some of the responses of insurance companies end up counter-productive as well. They know that customers will always seek greater peace of mind. Ceteris paribus, a customer will prefer first dollar coverage and higher claim limits. To meet this demand, insurance companies will offer policies to compensate beyond the claim limit or cover the co-payment. So as healthcare authorities, we can set certain claim limits and co-payments to bring in moral hazards. The insurance providers will say ‘Fine, but I have this special product that if you buy, you go above the claim limit, you don’t need the co-payment’. We have witnessed many instances where winning market share and pushing sales get the better of insurance companies.”

Behaviour of individuals

Referring to the third economic challenge which involves the behaviour of individuals, Mr Ong said, “Rationally, the individual knows he should adopt a healthy lifestyle. But the benefits are far into the future because health habits accumulate, and the benefits only come in the future. Meanwhile, he has to give up on steaks, desserts, cigarettes, wine, beer and binge-watching on his digital device. If he is healthier in the long run, society will benefit from a lower disease burden, but this is a positive externality that the individual attaches insufficient value to now.”

Insurance and risk pool

He indicated that Singapore relies on different ways to support healthcare in which the market, the government and the people have a role. He said, "Where it is basic and essential, we rely on government subsidy. Where it is advanced, occasional and alternatives are available, we rely more on insurance, including market-based insurance products, to risk-pool. For the low-income and vulnerable, there should be further safety nets including philanthropy." Thus, Singapore has a S+3M framework for funding healthcare. The S+ 3M comprises the safety net provided through MediFund, subsidies (government), MediSave (individuals) and MediShield Life (insurance).

[TOP](#)

Indonesia: Financial regulator unveils insurance industry development roadmap – AIR – 6th November 2023

Indonesia's Financial Services Authority (OJK) has published its "Roadmap for the Development and Strengthening of the Indonesia Insurance Industry 2023-2027". The Roadmap was prepared by associations under the Insurance Council of Indonesia (DAI) and all stakeholders in the insurance sector. The preparation involved the World Bank and input from industry players, namely, through a survey with 135 insurance executives as respondents.

"This roadmap aims to establish an insurance industry that is healthy, efficient, integrity, strengthens consumer and community protection, and supports national economic growth," said Mr Mahendra Siregar, OJK chairman.

4 pillars and 3 implementation phases

The insurance sector development under this roadmap is supported by four main pillars: strengthening resilience and competitiveness, developing key elements in the insurance sector ecosystem, accelerating digital transformation, as well as reinforcement of regulation, supervision, and licensing in the insurance sector.

The roadmap implementation takes place in three phases: foundation strengthening, consolidation & momentum creation, and alignment & growth. This roadmap is adaptive and can be adjusted in line with the dynamics of the development of the insurance sector so that policy responses are needed that are relevant, measurable, and accountable to support the competitiveness of the insurance sector.

A task force will be formed consisting of officials of the OJK and representatives of the insurance industry to implement this road map. As of the end of 2022, the insurance density in the country was recorded at IDR1.92m (\$123). OJK has set a target to increase insurance density to IDR2.4m by 2027.

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COI TRAINING PROGRAMS

Mumbai – Training Programs – November - December 2023

Sr. No.	Program Name	Program Start Date	Program End Date	Details	Registration Link
1	Engineering Insurance: Focus Project Policies	22-Nov-23	23-Nov-23	ClickHere	Register
2	Crop Insurance: Focus- PM Fasal Bima Yojana	28-Nov-23	29-Nov-23	ClickHere	Register
3	Certified Insurance Anti-Fraud Professional (CIAFP)	22-Nov-23	24-Nov-23	ClickHere	
4	Basics of Aviation Insurance	01-Dec-23	02-Dec-23	ClickHere	Register
5	Retail Marketing for General Insurers	07-Dec-23	08-Dec-23	ClickHere	Register
6	Challenges in Travel Policy and PA Claims	12-Dec-23	12-Dec-23	ClickHere	Register
7	Liability Insurance: Focus Cyber & Crime	18-Dec-23	19-Dec-23	ClickHere	Register
8	Compliance Management for Principal Officers of Corporate Agents-Banks	14-Dec-23	14-Dec-23	ClickHere	Register
9	Compliance Governance and Risk Management (IRCC)	20-Dec-23	22-Dec-23	ClickHere	

10	Resource Building for Growth and Sustainability	01-Dec-23	02-Dec-23	ClickHere	Register
11	Financial Reporting and Analysis (Life)	07-Dec-23	07-Dec-23	ClickHere	Register
12	Workshop on Communication & Presentation Skills (Life)	11-Dec-23	12-Dec-23	ClickHere	Register
13	Life Insurance Claims Management, Legal and Regulatory Issues	18-Dec-23	19-Dec-23	ClickHere	Register
14	International Reinsurance Program	04-Dec-23	09-Dec-23	ClickHere	Common

Kolkata – Training Programs – November - December 2023

Sr. No.	Program Name	Program Start Date	Program End Date	Details	Registration Link
1	Managing Project & Engineering Insurance - Underwriting and Claims - CT	22-Nov-23	24-Nov-23	ClickHere	Register
2	Managing Project & Engineering Insurance - Underwriting and Claims - CVT	22-Nov-23	24-Nov-23	ClickHere	Register
3	Package Policies for Business Insurance: For SMEs, Traders, Jewellers and Bankers- CT	28-Nov-23	29-Nov-23	ClickHere	Register
4	Package Policies for Business Insurance: For SMEs, Traders, Jewellers and Bankers- CVT	28-Nov-23	29-Nov-23	ClickHere	Register
5	Financial and Investment Management in Life Insurance Companies-CVT	23-Nov-23	23-Nov-23	ClickHere	Register
6	Property Insurance (small, Medium and Large Risks): Fire & Special Perils and Consequential Losses - CT	11-Dec-23	12-Dec-23	ClickHere	Register
7	Property Insurance (small, Medium and Large Risks): Fire & Special Perils and Consequential Losses - CVT	11-Dec-23	12-Dec-23	ClickHere	Register
8	Enterprise Risk Management (ERM) and Key Roles of the Risk Owners and CRO- CT	19-Dec-23	20-Dec-23	ClickHere	Register
9	Enterprise Risk Management (ERM) and Key Roles of the Risk Owners and CRO - CVT	19-Dec-23	20-Dec-23	ClickHere	Register
10	New Vistas in Life Insurance Underwriting	20-Dec-23	20-Dec-23	ClickHere	Register

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