



# INSUNEWS - WEEKLY E-NEWSLETTER

9<sup>TH</sup> - 15<sup>TH</sup> MARCH 2024

## QUOTE OF THE WEEK

“Success consists of going from failure to failure without loss of enthusiasm.”

WINSTON CHURCHILL

## **Insurance Term for the Week** **Additional Expenses-Strikes**

If the destination port is strike-bound at the time of arrival of the ship carrying cargo meant for that port, the shipowner may exercise his liberty granted by the contract of affreightment and discharge the cargo at the nearest alternate port and absolve himself of any further responsibility to the cargo. In such circumstances, the cargo owner may have to incur additional expenses in reforwarding the cargo from that port to the intended port of discharge. The ordinary cargo policy does not cover these expenses. If the cargo owner wishes to protect his interest against such eventuality, he has to avail an "additional expenses (strikes) cover" extension for all his shipments that may be effected during a period of 12 months. This extension will not be available for shipments if cover is sought when the strike has commenced in the particular area.

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## INSURANCE INDUSTRY

### *Tech-Driven Disruption: Optimizing Insurance Distribution with PoSP - The Economic Times - 10<sup>th</sup> March 2024*

As of 2024, India's insurance industry is undergoing significant transformation driven by technology, regulatory changes, and evolving consumer preferences. With a large population and a growing middle class, there's immense potential for insurance penetration in the country. However, challenges such as low awareness, complex products, and distribution inefficiencies persist. In this landscape, the emergence of a Point of Sale Person (PoSP) alongside the rise of insurtech is playing a pivotal role in bridging the gap between insurers and customers. PoSPs are licensed individuals who can sell insurance products at the point of sale, leveraging digital platforms and mobile applications. This technology empowers PoSPs with tools for customer engagement, product comparison, and seamless transaction processing.

The PoSP model, when supported by meaningful technology, has the power to revolutionise the insurance industry in India by enhancing accessibility, especially in remote areas where traditional distribution channels may be lacking. It enables insurers to reach untapped markets and demographics previously overlooked. Innovation in this space has helped improve efficiency, reduce paperwork, and streamline underwriting and claims settlement. Here is an overview:

#### **Prioritising customer experience**

Traditionally, the insurance journey for an average Indian customer would meet some very pronounced speed bumps in the form of tedious paperwork and complex product features. This would make the user experience somewhat unpalatable. Coupled with the added burden of low insurance awareness, this inevitably drove most customers away. The PoSP model has helped turn around the customer experience, making it fast, easy, and trackable all in one go.

Through tech integration, the customer gets instant access to relevant details and there is always a partner agent to explain it to them face-to-face. From application to policy issuance, customers can do everything digitally with the help of agent partners. Furthermore, through data analytics and customer profiling, agents gain insights into the customers' individual preferences and insurance needs. This allows them to tailor policy recommendations, provide relevant coverage options, and offer personalised advice, thereby enhancing the overall customer experience and satisfaction.

#### **Enabling customer service**

The insurance industry in India is at a maturing stage, where after-sales service is finally getting the importance due to it. Piquing a customer's interest and selling them an insurance policy is only the starting point of the relationship with a policyholder. It's the customers' experience after the sale that is the real deal in terms of building trust.

The PoSP model is of immense help here. A policyholder in need, particularly one who might not be very comfortable with doing things digitally end-to-end, always prefers to meet the agent partner physically. Policy renewal, porting or upgrading an existing plan, or raising an insurance claim – these are critical steps where it's comforting for the customer to have an insurance expert by their side. It helps even more when the PoSP agent partner is armed with relevant technology to help address the customer's concerns instantly.

Thanks to insurtech, insurance advisors can help with tasks like renewal and porting just with a few mclicks. Even on the claims front, a process that would typically be time-consuming, AI has made significant improvements. In motor insurance, for instance, a functionality like PB Inspect makes it possible for a policyholder or his/her agent partner to raise a claim instantly through video and photo sharing. Digitisation further helps with faster, more accurate evaluation of cases resulting in swift settlements.

Tech-aided PoSP platforms like PB Partners facilitate seamless coordination between various stakeholders within the insurance chain, enabling quick resolution of complex issues that may require input from multiple departments. This integrated approach ensures that customer queries are addressed comprehensively and efficiently, further strengthening the reputation of insurance providers in the market.

### **Empowering agent partners**

This model helps refine the insurance system addressing the most basic, the most critical aspects. It pays attention to the agent partners' needs – a sure-shot way of helping them serve their customers better. PoSP platforms provide partners with real-time access to a wealth of information and resources, including product details, market trends, and customer insights. This enables them to stay informed and up-to-date, enhancing their ability to offer personalised recommendations and solutions tailored to clients' needs.

Through integrated messaging systems and centralised databases, one can efficiently liaise with underwriters, claims processors, and other stakeholders. The agent partners get unprecedented flexibility in terms of work hours and location. Through mobile applications and cloud-based platforms, they can conduct business anytime, anywhere, without being tied to a physical office space. This flexibility enables one to tailor their work schedules around personal commitments and preferences, thereby achieving a better work-life balance.

Meaningful innovation has also helped to empower agent partners financially. At PB Partners, an inhouse functionality called ODP or On Demand Payment has made a big difference. It gives agent partners the option of immediate cash flow as they have the option to get paid at their pace instead of waiting for a specific payday.

### **Tapping every nook and corner**

For insurance to make a real difference, it has to permeate into every nook and corner of the country, addressing the longstanding accessibility challenges prevalent in these areas. The PoSP model and insurtech have the ability to decentralise insurance distribution channels. By empowering local agent partners with handheld devices equipped with PoSP applications, insurance companies can extend their reach directly to remote areas. This eliminates the need for physical branches, making insurance services more accessible and convenient for individuals residing in Tier-2 and Tier-3 cities.

Moreover, innovative solutions facilitate personalised interactions between partners and customers, fostering trust and understanding within communities. Local agent partners, equipped with deep insights into the needs and preferences of their clientele, can offer tailored insurance solutions that cater to the specific requirements of individuals, bridging the gap between urban centres and rural hinterlands.

The timing for tech-driven disruption in insurance distribution is just right in India. There's a relentless focus on innovation, customer-centricity, and strategic partnerships. Pushing boundaries, challenging conventions and technology supporting PoSP will help create a brighter, more resilient future for all.

*(The writer is Dhruv Sarin.)*

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### ***With potential to empower 2.6 lakh rural women, Bima Vahak to be a game changer - The Economic Times – 8<sup>th</sup> March 2024***

Bima Vahak is a part of the three-pronged initiative (i.e. Bima Trinity) of the Insurance Regulatory and Development Authority of India (IRDAI) aimed at revolutionizing the insurance landscape in India. It is a women centric insurance distribution channel focussed on reaching untapped rural areas and enhancing insurance awareness in villages. While women play a major role in the traditional distribution landscape in urban areas, their representation in the insurance sector in rural areas has always been a matter of concern, Shailaja Lall, Partner, Head - Insurance & Reinsurance, Shardul Amarchand Managaldas & Co., pointed out. "Through Bima Vahak, the regulator aims to leverage the local expertise and insights of

women to achieve the objective of insurance for all. The knowledge and trust enjoyed by women in local areas will certainly be a strong persuasive force to enhance insurance penetration in rural areas," she said. Apart from building trust, by targeting employment for women, Bima Vahak addresses the gender gap and also harnesses the unrealised capacity of female professionals, empowering them and driving inclusive growth, said Rushabh Gandhi, Deputy CEO, IndiaFirst life Insurance on a similar line. As a completely new distribution channel, it offers a unique avenue for insurers to extend their reach and cater to the previously untapped sections of society, he added.

The guidelines laid out by the regulator defines two types of Bima Vahaks: Corporate Bima Vahaks and Individual Bima Vahaks. Corporate Bima Vahaks refer to legal entities registered under Indian laws and engaged by insurers. On the other hand, Individual Bima Vahaks can be either appointed by an insurer or appointed by a Corporate Bima Vahak. Bima Vahaks will be deployed in each gram panchayat before 31 December, 2024. This will be done by the lead life insurer, covering 40% of gram panchayats within their state or union territory, another 40% by the lead general insurer, and 5% and 15% by the lead health insurer and other insurers together, respectively.

According to the Ministry of Panchayati Raj, there are currently 665 district panchayats, 6,700 intermediate panchayats, and 2.56 lakh village panchayats in 2022-23. This data is linked to the Census of 2011. Therefore, reports believe that Bima Vahak has the potential to employ around 2.6 lakh rural women across the country while ensuring social security and insurance awareness. This move clearly supports IRDAI's vision towards insurance for all and financial inclusion, and what a better way than to have women at the forefront of this renaissance, echoed Mayank Gupta, Co-founder & COO, Zopper. "Women have always played a critical role when it comes to managing an Indian household - socially, culturally and financially. The Bima Vahak initiative will unleash their true potential, making them torch bearers of financial protection by taking insurance to every household across India," he said.

*(The writer is Sheersh Kapoor.)*

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## **INSURANCE REGULATION**

### ***IRDAI's draft regulations to protect policyholders' rights - The Hindu - 8<sup>th</sup> March 2024***

IRDAI's recent draft regulations on insurance policies vide the draft Protection of Policyholders' Interests and Allied Matters of Insurers Regulations, 2024, would fortify policyholders' rights while ensuring operational efficiency within the insurance sector, an expert said. The genesis of these regulations stems from collaborative efforts between IRDAI and Insurance Councils, through the Regulations Review Committee (RRC). This committee, tasked with consolidating various regulations, has proposed a unified framework to safeguard the interests of policyholders and address allied matters concerning insurers. The proposed draft consolidates provisions from multiple regulations, including those governing the manner of premium receipt, assignment of policies, establishment of places of business, fee structures for nomination changes, issuance of e-insurance policies, outsourcing activities, and insurance advertisements and disclosures.

Rajiv Agarwal, Co-founder, Integrated Risk Insurance Brokers said, "these regulations represent a significant step towards balancing the interests of policyholders and insurers, fostering transparency, and promoting digital adoption within the industry." "The extended free look period will address the problem of mis-selling of insurance policies which would also increase the persistency ratio. The consolidation of eight regulations under one roof will reduce the complexity in compliance for all the stakeholders," he added. "The regulation on assignment of the policies also brought under the current regulations, which would help market participants to come out with new and innovate products related to assignment of policies and how that can be a game changer in future," he further said. IRDAI has invited feedback and suggestions from stakeholders, including insurance companies, industry professionals, and policyholders, to ensure the draft regulations are comprehensive and inclusive.

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## LIFE INSURANCE

### ***KYC rules to change: Uniform KYC for all — opening bank account to buying insurance to investing in stocks, mutual funds – The Economic Times – 14<sup>th</sup> March 2024***

Be it opening a bank account, investing in a mutual fund or buying a life insurance policy, submitting your know-your-customer (KYC) details is a must. Just submitting it is not enough, you may also need to update your KYC documents multiple times in some cases. It can be a hassle for many individuals to repeat the KYC process multiple times. To reduce the paperwork, time and cost of this process, the Financial Stability and Development Council (FSDC) has proposed to implement a uniform KYC system to verify customers across the financial sector. The central government has formed an expert committee under Finance Secretary TV Somanathan to make recommendations on uniform KYC norms, according to reports.

What is uniform KYC? How will uniform KYC ease the process of onboarding? What is going to change for customers? ET Wealth Online explains.

#### **What is a uniform KYC?**

In its recent meetings, FSDC, chaired by Finance Minister Nirmala Sitharaman, proposed to bring uniform KYC to verify customers, ease inter-usability of KYC records across the financial sector, and simplify the digitalisation of the KYC process. "Uniform KYC brings uniformity in the KYC process and eliminates the need for investors to undergo the same KYC process multiple times when opening accounts with different financial intermediaries," says Keshav Reddy, Founder, of Equal, a digital platform for Indians to share IDs with one click.

Johnson K Jose, Executive Vice President & Head-Operations, Federal Bank, explains that the goal is to enable interoperability of KYC records, allowing customers to use the same verified information for multiple financial services," says Johnson K Jose, Executive Vice President & Head-Operations, Federal Bank.

#### **KYC compliance: What are the KYC norms now?**

Simply put, KYC is a process to verify the identity and address details of customers before they are allowed to access any regulated financial product such as shares, mutual funds, insurance and banking. At present, customers have to submit KYC each time they open a bank account, or open an account to invest in mutual funds or stocks, or buy life or health or auto insurance. A financial institution can also ask customers to update their KYC details from time to time.

#### **How does centralised KYC work? What will change in KYC norms?**

Established in 2016, the Central KYC Records Registry (CKYCR) aims to eliminate the need to do KYC process repeatedly while investing in various types of financial assets. However, it is limited to only the capital markets. For instance, if you have done KYC through the Securities and Exchange Board of India (SEBI) through a registered intermediary such as a broker, depository participant, or mutual fund, you do not have to do your KYC again for new investments. But it will not apply if you are going to open a bank account or buy life insurance.

The government's proposal aims to remove this barrier.

CKYCR is a centralised repository of KYC records of the customers in the financial sector that enables uniform KYC norms and inter-useability of KYC records, says Sandeep Agrawal, Director and Co-founder, Teamlease Regtech. It caters to the reporting entities (REs) of all four major regulators of the financial sector: Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI), Insurance Regulatory and Development Authority (PFRDA), he adds.

According to the government's latest proposal, you need to submit your KYC details with the respective reporting entity at the time of opening an account. Once the KYC documents are registered, you will get a unique CKYC identifier — a 14-digit number linked with the ID proof. When you go to open an account with any of the reporting entities, they can take your KYC details from the Central KYC Records Registry

using this number. "Financial intermediaries will then not have to repeat the KYC process if the client's KYC record is already registered with CKYCRR, as the KYC record can be easily retrieved in the electronic format from the registry," says Agrawal.

Jose uses an example to explain it: "Suppose an investor wants to open a savings account, invest in a mutual fund and apply for an insurance policy. Instead of submitting KYC documents separately to the bank, the mutual fund and the insurance company, the investor needs to only provide the CKYCR-linked KYC details once."

Reddy explains that for a securities market entity (SEBI regulated), a standard account opening form (AOF) is generally divided into two parts:

- a) Part I contains the basic and uniform KYC details of the investor as prescribed by the Central KYC Registry (uniform KYC) to be used by all registered financial intermediaries.
- b) Part II contains additional KYC information that may be sought separately by the financial intermediary, such as a mutual fund, stockbroker or depository participant opening the investor's account (additional KYC).

"The CKYCR (Central KYC Records Registry) has prescribed these uniform KYC guidelines and a standard KYC form and the supporting documents to be obtained by all registered financial intermediaries. Hence, such KYC details are shared by the CKYCR with other financial intermediaries with whom the investor may open accounts subsequently," Reddy adds. Jose says this concept of CKYC can be used to bring in the uniform KYC procedure across the financial sector. "Entities such as banks, insurance companies, and mutual funds can access this repository to verify customer identities."

### **Uniform KYC: How will it help customers and institutions?**

Customers no longer have to go through KYC processes multiple times when opening accounts with various regulated entities such as banks and insurance companies. "A single KYC will allow the customer to enter into relationships with these financial institutions, saving time, streamlining the process, and increasing security," says Agrawal.

Uniform KYC will increase the efficiency and cost-effectiveness of the customer onboarding process for financial intermediaries. "The simplified process will allow the intermediary to access the KYC information stored in CKYCRR and exponentially improve onboarding efficiency. It will also reduce costs associated with multiplicity of registration and data upkeep," he adds. This will further promote the digitalisation of the KYC process, and plug any gaps that might allow bad actors to undertake illicit financial activities, such as money laundering. In addition, with the CKYCRR responsible for storing and allowing access to KYC records, financial intermediaries will not have to worry about the data security of KYC records.

"For banks, uniform KYC minimises operational costs associated with redundant verification processes. It also ensures compliance with regulatory requirements, avoiding penalties and reputational risks. Banks can streamline onboarding that will reduce paperwork, accelerates account setup, and enhances customer satisfaction," says Jose. One of the major worries with uniform KYC is privacy and security. Any data breach will lead to the misuse of thousands of data as the information will be kept in a central repository.

### **Risk-based KYC: What is it? How is it going to help?**

In her Budget 2024 speech, the finance minister talked about simplifying the KYC process using a "risk-based" approach instead of the present "one-size fits all". Throwing some light on how it is going to work, Agrawal says, "The central government aims at a risk-based uniform KYC, meaning there can be gradations to the KYC process — like basic to advanced grades which will determine the depth of details that will be collected. This new norm can enhance inter-usability of KYC records across the financial sector.

*(The writer is Anulekha Ray.)*

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## ***Life insurers first-year premium moving in subdued manner: CARE Ratings -The Economic Times - 11<sup>th</sup> March 2024***

Indian life insurers after a robust growth in FY23, their first-year premium numbers in FY24 have been moving in a subdued manner, said credit rating agency CARE Ratings in its latest report. However, for February 2024, first-year life insurance premiums witnessed a surge of 48.4 percent, compared to a fall of 16.8 percent witnessed in the same period last year. The increase can be attributed to group single premiums, especially of LIC and strong monthly performance of the private insurers. Meanwhile, year-to-date (YTD) FY24 new business premiums of life insurers narrowed their drop to 0.2 percent compared to the growth of 25.1 percent growth in YTFY23.

The year-on-year (y-o-y) decline can be attributed to the introduction of a new tax regime, a reduction in group premiums, and the significant momentum experienced in March 2023, the report notes. While private insurance companies have maintained growth and have continued to play a mitigating role by counteracting the dip in Life Insurance Corporation of India's (LIC) premiums, their pace has been subdued compared to the prior year, CARE Ratings said. Most companies including LIC have reported robust growth for the month of February 2024. LIC recorded an increase of 67.5 per cent in February meanwhile as a whole, the private insurers recorded growth of 27.8 per cent.

On the other hand, for the year-to-date period, private companies have continued their growth compared to LIC's fall. The aggregate decrease can continue to be attributed to higher momentum in March 2023, reduced single premiums, primarily LIC and changes in the tax regime. However, the aggregate decrease has been narrowing as companies chase business aggressively and could end flat or marginally positive as the fiscal year draws to a close.

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## ***The evolving financial outlook of Indian women - from savers to investors to now estate planners - The Economic Times - 11<sup>th</sup> March 2024***

Women, often embody the balance of yin and yang energies, they hold leadership roles across diverse spheres, yet when it comes to finance, many remain in the background. While a shift is underway, it's in its early stages. As per AMFI annual report 22-23, there has been a positive trend, with 27.50 lakh women buying mutual funds in the last 3 years. In the insurance sector, according to the IRDAI annual report 2022- 2023, women purchased 34% of life insurance policies showing proactive financial security efforts. Despite these strides, holistic estate planning remains overlooked, which is crucial for all women, regardless of background, marital status, or profession.

But some misconceptions and societal norms continue to hinder women's financial empowerment:

1. Traditional perception of succession planning: In India, succession planning has long been seen as a male-dominated arena. Despite progressive legal changes, it's crucial for women to understand their rights and actively participate in succession planning to safeguard their financial future.
2. Myths around women and money: Women often confront stereotypes suggesting they lack financial acumen or are risk-averse, hindering their inclination towards investing. Societal expectations and gender roles further discourage them from taking full control of financial matters.
3. Financial impact of caregiving and Career-breaks: Women bear a disproportionate burden of caregiving responsibilities, resulting in career interruptions and diminished earning potential. Concerns about the adverse effects of these on financial investments and earning potential weigh heavily on them.

### **Why Women need Estate plan?**

1. Future Inheritors: With Indian women projected to outlive men by several years, as indicated by the Economic Survey 2021-22, they are poised to inherit family wealth. This demographic shift shows the importance of estate planning.
2. Influencer: Women wield significant influence within their families, shaping financial decisions. As the saying goes, "When you educate a man, you educate an individual, but when you educate a

woman, you educate a generation." Active involvement in financial planning alongside men can enhance awareness and expertise about finances, fostering greater gender parity in financial decision-making within families. Moreover, it instils in children the importance of legacy planning, preparing them and future generations for financial stability.

Therefore, it's crucial for women to engage in legacy and estate planning to secure their financial future and empower future generations. Here are a few steps to begin:

**Last Will and Testament:** Making a Will is crucial for one to allot their wealth after they're gone, ensuring your assets go to the right people, protecting their interests. Without a Will, laws might decide who gets what, which could go against your wishes.

**Nomination:** Assigning nominees for all investments is essential to make transferring assets easier if something happens to you. Let your nominees know about their role to avoid confusion later. Make sure to nominate for various assets like bank accounts, property, stocks, and other investments.

**Planning for Retirement:** A well-thought-out retirement plan is integral to leaving a positive legacy. Inadequate savings puts one at risk of exhausting their funds in times of adversity, leaving no legacy to pass on to the next generation. As a thumb rule, saving a substantial amount, approximately 30X the annual expenses + factoring 7% inflation is recommended to sustain their standard of living post-retirement.

**Creating a Legacy through insurance:** Women often take on the role of "Money Manager" within families, making it essential to consider creating a legacy for future generations. Insurance can serve as a means of accumulating wealth & providing financial security in the event of the policyholder's absence. Additionally, insurance products can offer protection against debts, loans, and taxes, alleviating financial burdens for family members.

Delaying estate planning is like leaving your legacy to chance; acting today ensures your wishes shape tomorrow's outcomes.

*(The writer is Anup Seth.)*

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### ***How MWP Act protects financial future of woman using life insurance policies even when nominations fail - The Economic Times 11<sup>th</sup> March 2024***

When buying a term insurance policy, the main aim is to secure the future of your family members in your absence. If you are married and you want to protect the future of your wife or kid or both, you can purchase a term insurance policy under the Married Women's Property Act (MWPA), 1874. But what is the Married Women's Property (MWP) Act of 1874? How can it empower women when it comes to purchasing insurance policies? If you are a married woman in India, you must know about it. ET Wealth Online explains it.

#### **Buying insurance? Why nominating your wife or children is not enough**

To ensure the financial security of the family members, the proposer — or the person who buys the insurance in his or her name — usually nominates family members. However, a mere nomination does not ensure that the benefit of the insurance will always be paid to the nominated family member after the proposer's death. The nomination can fail to do its job in some cases.

According to the Insurance Laws (Amendment) Act, 2015, you can select a beneficial nominee that includes your immediate family members. When you make any of your immediate family members — spouse, parents or children — the nominee, he or she is entitled to receive the death benefit from your term insurance policy, and other legal heirs cannot claim the money. However, you also need to keep in mind that the proposer can change the name of the beneficial nominee during the tenure of the policy. So, if the husband changes the beneficiaries of the policy at a later stage, the wife and children may not get the sum assured in his absence.

Also, if the proposer has outstanding loans to any creditors or relatives or friends, the creditors would have the first claim to the insurance money before the beneficial nominees (spouse and children) can claim it.

#### **Married Women's Property (MWP) Act: What law says**

Here the Married Women's Property (MWP) Act comes to the rescue of the nominees. Section 6 of the Married Women's Property Act (MWPA), 1874, says that "a policy of insurance effected by any married man on his own life and expressed on the face of it to be for the benefit of his wife, or of his wife and children, or any of them, shall ensure and be deemed to be a trust for the benefit of his wife, or of his wife and children, or any of them according to the interests so expressed, and shall not, so long as any object of the trust remains, be subject to the control of the husband, or his creditors, or form part of his estate".

This means that any insurance policy bought by the husband on his own life and protected under the Married Women's Property Act will go in favour of his wife or children. The parents of the husband will not have any right over the sum assured. The husband himself will not have any rights to the survival benefits of the policy if there is any.

"The insurance policy purchased under the Married Women's Property Act is deemed to be a trust which ensures that only the wife and children receive the claim money. This also means that there is no need to create a separate trust to secure the future of wife/children after the demise of the husband," says Shailesh Poria, Partner, Economic Laws Practice.

#### **Who can buy insurance under Married Women's Property (MWP) Act?**

A married man can buy a policy under the MWP Act for his wife and children. A divorcee or a widower can also buy a policy under the act for the benefit of his children.

#### **4 benefits of buying insurance under Married Women's Property (MWP) Act**

**Asset protection:** "One of the primary benefits of the MWP Act is that it helps individuals safeguard their assets from potential legal threats and creditors. By allocating insurance benefits exclusively to named beneficiaries, the MWP Act ensures that the payout is protected from external claims, guaranteeing the financial security of the insured individual and their family members," says Vighnesh Shahane, MD & CEO of Ageas Federal Life Insurance.

This ensures that the financial security provided by the insurance policy remains intact for the family, especially during challenging times in the absence of the husband.

**Safe from any family disputes:** "The policy taken under the MWP Act gives a clear title to the beneficiary, i.e., wife and children, and it assists in demarcating the rights emanating from such policy in the event of any family disputes over inheritance or estate of the deceased husband," says Poria.

The insurance bought under the MWP Act operates as a separate trust, says Ankur Mahindro, Managing Partner, Kred Jure. "A policy under the act cannot be incorporated into the policyholder's will and/or cannot be claimed by anyone other than the beneficiary — not even any other legal heir of the policyholder (including members of joint family and HUF)."

**Financial independence for women:** "The MWP Act empowers married women by allowing them to have control over the insurance benefits," says Shashank Agarwal, Advocate, Supreme Court of India. "This helps in promoting financial independence for women, as they can directly receive the policy proceeds and manage them without being dependent on their husband or anyone else."

**Estate planning:** "The MWP Act also enables women to actively participate in estate planning. It enables them to secure assets for their future and that of their children, contributing to long-term financial planning and stability within the family," says Santosh Agarwal, Chief Business Officer - Life Insurance, Policybazaar.com.

**During divorce:** "It applies to all married women in India, no matter their background. Second, it gives financial security to women in the unforeseen circumstances of husband's death, or the couple's divorce," says Krishan Mishra, CEO, FPSB India.

Who should buy term insurance under the Married Women's Property (MWP) Act?

- a. Married men who have businesses or are salaried professionals with loans can purchase insurance under the MWP Act 1874 to protect their wives and children in case of an unfortunate event.
- b. "Moreover, in the case of a joint family, a policy with MWP insurance protection safeguards the wife and children from potential disputes, ensuring their financial security," says Agarwal.

Poria says the MWP Act is applicable to married women irrespective of their religion.

**How to buy insurance under Married Women's Property (MWP) Act?**

To buy a policy under the MWP Act, you have to fill in the MWP Act addendum along with the insurance application. Some insurers also offer the MWP Act option with their online life insurance application, and you just need to select the "Yes" option while purchasing the scheme.

"A life insurance must be registered under the MWP Act when first bought. It cannot be endorsed later. Any life insurance, including investment oriented insurances, can be registered under the Act," says Kapil Mehta, Co-founder, SecureNow.









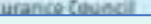
"The Married Women's Property Act of 1874 is a prudent choice for anyone seeking to safeguard their family's financial future through insurance. It's particularly beneficial for married individuals concerned about their spouse and children's well-being in unforeseen circumstances," says Mishra.

The writer is Anulekha Ray.

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**LIC, Private Insurers Lift New Biz Premium of Life Insurers by 48 Percent - Business Standard - 9<sup>th</sup> March 2024**

Life insurers reported 48 percent year-on-year (Y-o-Y) growth in new business premium (NBP) in

<b>ON A SURGE</b>			
New business premium (in ₹ cr)	Feb '24	% growth Y-o-Y	
LIC	19,896.01	67.48	
SBI Life Insurance	2,648.86	32.33	
HDFC Life Insurance	2,602.11	14.49	
ICICI Prudential Life Insurance	1,763.33	32.54	
Bajaj Allianz Life Insurance	1,050.04	12.92	
Max Life Insurance	1,097.09	51.07	
Private insurers	14,017.17	27.80	
<b>Total new business premium</b>	<b>33,913.18</b>	<b>48.43</b>	

Source: Life Insurance Council

February on the back of the strong increase shown by Life Insurance Corporation of India (LIC), coupled with robust performance by private insurers. According to the data released by Life Insurance Council, the NBP of life insurance companies came in at Rs 33,913.18 crore, 48.43 percent higher than the Rs 22,847.65 crore in the year-ago period.

While LIC's premium rose by 67.48 percent to Rs 19,896.01 crore as compared to Rs 11,879.49 crore in the same period a year earlier, private life insurance companies reported 27.80 growth to Rs 14,017.17 crore from Rs 10,968.16 crore. NBP is the premium of

life insurance companies from new policies for a particular year. It is the sum of the first-year premium and single premium, reflecting the total from new businesses.

LIC witnessed growth because of a surge in group single premium. It is the largest player in the group single-premium market. The group single premium of the company nearly doubled to Rs 14,661.31 crore. Meanwhile, even as private insurers lead in the individual segment they posted healthy growth across segments.

Among large private players, the premium of the largest private life insurer, SBI Life, grew around 32 percent to Rs 2,648.86 crore. Meanwhile, other private-sector players posted healthy growth. HDFC Life's NBP rose by 14.49 percent to Rs 2,602.11 crore and ICICI Prudential Life Insurance's increased 32.54 percent to Rs 1,763.33 crore. The NBP of Bajaj Allianz Life grew by 12.92 percent to Rs 1,050.04 crore and Max Life Insurance's climbed around 51 percent to Rs 1,097.09 crore.

According to experts, usually the February-March period is important for insurance companies typically because customers buy policies and products for tax saving by late January or in February. This is likely to have led to the growth. In April-February FY24, the NBP of life insurers slipped 0.22 percent Y-o-Y to more than Rs 3.17 trillion as compared to above Rs 3.18 trillion in the same period of the previous year. LIC's premium dropped 8.35 percent to above Rs 2.03 trillion whereas private insurers' grew by 14.09 percent Y-o-Y to more than Rs 1.15 trillion.

*(The writer is Aathira Varier.)*

**TOP**

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### ***Breaking Barriers for First-Time Women Insurance Buyers - The Economic Times - 8<sup>th</sup> March 2024***

At the heart of this movement is the belief that continuous education is key to empowering women in their financial journeys. The insurance landscape is dynamic, with evolving products and regulations. Staying informed about industry trends, policy changes, and new offerings ensures that women remain adaptable and capable of making informed decisions throughout their financial lives.

In an era defined by unprecedented social and economic changes, women are emerging as powerful catalysts for reshaping the financial landscape. A remarkable surge is evident as women fearlessly take charge of their financial destinies, underscoring a transformative trend. This movement not only symbolizes a shift in financial dynamics but also signifies a future where women, armed with knowledge and confidence, are poised to redefine the financial narrative for generations to come. Today, women are breaking barriers and assuming leadership roles within the financial domain. The number of women actively participating in financial decision-making, including the purchase of insurance, has experienced a notable upswing. This shift not only reflects the increasing financial expertise among women but also emphasizes the pressing need for tailor-made solutions that address their unique needs and aspirations. In this dynamic landscape, first-time women insurance buyers play a pivotal role in shaping their financial journeys. Understanding the fundamental aspects of insurance is crucial, from navigating policy terms to evaluating diverse coverage options. Women are now living future fearlessly and advocating financial literacy as a cornerstone for empowering other women to make informed decisions as they embark on the journey of insurance. The journey begins with comprehending the basics. Familiarizing oneself with terms like premiums, coverage, and beneficiaries; forms the foundation for making informed decisions. Tailoring insurance to individual life stages and aspirations is equally vital, ensuring that each woman's unique needs are met. Recognizing the significance of these considerations, the industry is committed to providing educational resources and guidance that empower women to navigate the intricacies of insurance with confidence.

Our commitment extends to the provision of comprehensive coverage options that cater to the diverse needs of women at different life stages. Whether a young professional, a new parent, or someone planning for retirement, our insurance plans are designed to align with unique requirements. Moreover, we encourage women to explore additional benefits through riders that complement their primary insurance plans, providing a more tailored and holistic protection approach. At the heart of this movement is the belief that continuous education is key to empowering women in their financial journeys. The insurance landscape is dynamic, with evolving products and regulations. Staying informed about industry trends, policy changes, and new offerings ensures that women remain adaptable and capable of making informed decisions throughout their financial lives.

In conclusion, the empowerment of women in financial planning is not just a trend but a transformative movement that holds the potential to reshape the financial narrative for generations to come. As women continue to break barriers, their presence in the insurance realm signifies a shift towards inclusive and sustainable financial practices. Together, we celebrate the strides made by women in shaping their financial destinies, breaking barriers, and building legacies for a future characterized by financial empowerment and inclusivity and moreover living fearlessly.

*(The writer is Vighnesh Shahane.)*

[TOP](#)

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### ***How term insurance ownership lays the foundation of financial empowerment for women Financial Express – 8<sup>th</sup> March 2024***

It's not uncommon to see female underrepresentation across sectors in India, including the already underpenetrated insurance sector. Right from nurturers to breadwinners, women not only play diverse roles with ease, but also constitute half of the country's total population. Despite this, they tend to overlook their own needs and the importance of insuring themselves adequately. Recognising their invaluable contribution to the house – tangible or not – there's a growing need for women to assume better control over their financial decisions. The stepping stone to achieving this financial freedom is to invest in a robust term insurance policy.

Fortunately, the insurance industry has tapped into this need gap and is constantly developing solutions tailored to women's needs. If we look at the traditional context, both working women and homemakers often relied on their spouses to make financial decisions for them. That outlook, however, is increasingly undergoing a shift, and this is reflected through the rapid product innovation in the industry aimed at serving this segment. Our data suggests that the term insurance ownership grew by 12% in the first quarter of FY'24. Not just that, more women are taking charge of buying term insurance for themselves, instead of depending on male members of the family.

#### **Eliminating dependency for homemakers**

Traditionally, homemakers relied on their spouse's coverage, leaving them underinsured and financially vulnerable. However, with the advent of modern term plans designed specifically for homemakers, this dependency has been eliminated. These plans offer coverage of up to Rs. 1 crore with flexible eligibility criteria, empowering homemakers to secure the financial futures of their dependents. These plans are available to homemakers who are 12th pass and above, and have an annual household income of Rs 5 lakh.

#### **High coverage with affordability**

Affordable insurance plans tailored for women encourage higher adoption rates, helping families maintain their lifestyle, manage financial obligations, and pursue long-term goals such as higher education. The good news is that women benefit from lower term insurance premiums, up to 30% cheaper, owing to their longer life expectancy and lower mortality rates. This statistical advantage stems from healthier lifestyles, genetic factors, and healthcare utilization patterns, resulting in tangible financial benefits for women opting for term insurance.

By understanding mortality and morbidity rates, women can make informed decisions about their insurance coverage, ensuring that they receive adequate protection at an affordable price. This cost-effectiveness ensures that women can access high coverage levels without straining their budgets, providing them with peace of mind and financial security.

#### **The foundation for financial independence**

The availability of tailored term insurance products has a significant impact on women's financial independence. By securing adequate coverage, women can protect their families from financial hardships in the event of unforeseen circumstances such as illness, disability, or death. This financial security allows women to pursue their goals and aspirations with confidence, whether it's starting a business, pursuing further education, or investing in their children's future. Moreover, by taking control of their

insurance decisions, women can assert their autonomy and agency in financial matters, furthering their journey towards independence and empowerment.

To bridge the existing gap in insurance adoption among women, a multi-faceted approach is needed. This includes raising awareness about the importance of insurance, developing products that cater to women's unique needs and preferences, and addressing barriers to access and affordability. By working together, insurers, regulators, and stakeholders can further create a more inclusive and equitable insurance ecosystem that empowers women to protect themselves and their families effectively.

Moreover, by promoting financial literacy and education, women can develop the knowledge and skills they need to navigate the complex world of insurance confidently. Ultimately, by empowering women through tailored term insurance, we can create a more resilient and prosperous society for all.

*(The writer is Santosh Agarwal.)*

TOP

## GENERAL INSURANCE

### ***General insurance premium up 13% till February in FY24, shows data – Business Standard – 15<sup>th</sup> March 2024***

The non-life insurance industry, including general, standalone health and specialised PSU insurance companies, have witnessed a 13.1 per cent growth in premiums to Rs 2.63 trillion in the first 11 months of FY24, up from Rs 2.32 trillion in the year-ago period. The growth was backed by the rise in health and motor insurance premiums. According to the data released by the general insurance council, health insurance premiums have grown by 20.39 per cent year-on-year (Y-o-Y) during the April 2023-February 2024 period, while motor insurance premiums have gone up by 13.60 per cent.

The two segments of the industry together account for more than 60 per cent of the overall non-life insurance business. Since the pandemic, the demand for health insurance policies has been on the rise due to increased awareness among people of being underinsured and rising medical inflation. Meanwhile, rising vehicle sales support the growth in motor insurance. According to the data, retail health and group health premiums have increased by 19.22 per cent and 20.56 per cent, respectively so far in FY24.

"The industry gross domestic premium income (GDPI) growth in 11MFY2024 has been supported by the strong growth in the health segment driven by a surge in demand for health policies following the Covid-19 pandemic. GDPI growth for the motor segment remains strong with relatively higher growth in the motor – OD segment as compared to the motor - TP segment likely due to no hikes in the motor -TP rates," said Neha Parikh, Vice President, Sector Head-Financial Sector Ratings, ICRA. OD is own-damage and TP is third party. However, due to higher base, the growth in health insurance policies have moderated in the period under review to 20 per cent from nearly 24 per cent in the corresponding year ago period. Similarly, the motor segment has also seen a moderation in growth rate from 16 per cent in April – February period of FY23 to nearly 14 per cent so far in this financial year.

Among other segments, the premium growth in fire, marine, and crop insurance has seen a tepid performance. According to the data, fire insurance premiums have increased by 8.16 per cent so far in the current FY, whereas marine insurance premiums are down by 1 per cent during this period. Similarly, crop insurance premium has also declined by 5 per cent. Parikh added that ICRA expects incremental GDPI of Rs 42,500 crore - Rs 44,000 crore for the industry in FY25 to reach an overall GDPI of Rs 3.22-3.24 trillion, translating into an estimated growth of 15-16 per cent Y-o-Y from Rs 2.79 - 2.80 trillion estimated for FY24. The figure for FY23 was Rs 2.41 trillion. Private insurers are expected to continue to gain market share with a 69 per cent share in GDPI in FY25, up from 66 per cent in FY23 and 50 per cent in FY17, she said.

*(The writer is Aathira Varier.)*

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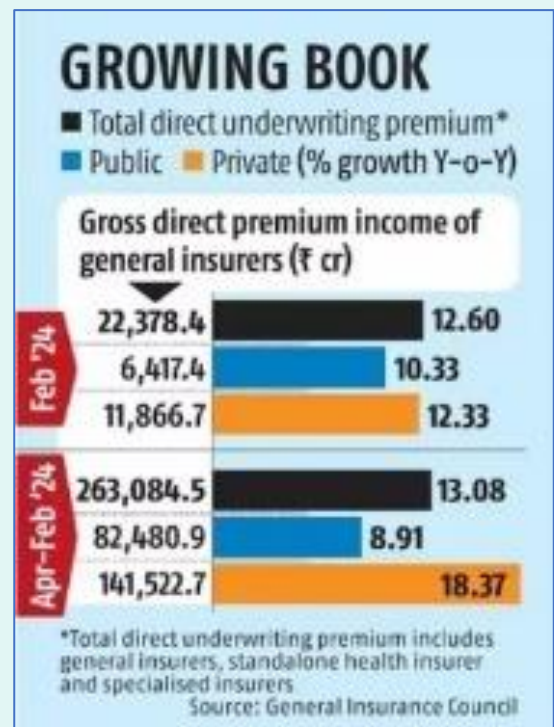
**Non-life insurers post 13% rise in premium in Feb but with dip in revenue - Business Standard - 12<sup>th</sup> March 2024**

Non-life insurers posted a nearly 13 percent year-on-year (Y-o-Y) growth in gross direct premium underwritten in February 2024. But there was a sequential dip in their revenue. According to the monthly data released by the General Insurance Council (GIC), the gross direct premium underwritten (GDPW) of the non-life insurers in February was Rs 22,387.39 crore, up 12.6 percent from Rs 19,873.62 crore in the year-ago month. But in January, it was over Rs 27,200 crore. The premium of general insurers grew by 11.6 percent Y-o-Y to Rs 18,284.16 crore in February this year. The public sector general insurers clocked 10.3 per growth in premium to Rs 6,417.44 crore, whereas, the private sector counterparts witnessed 12.33 percent increase to Rs 11,866.72 crore.

Among the companies, the industry leader, The New India Assurance Company saw just 4.3 percent Y-o-Y growth in premium to Rs 2,417.33 crore. The premium of leading private sector players like ICICI Lombard General Insurance grew by 38.6 percent Y-o-Y to Rs 1,854.19 crore while Bajaj Allianz General Insurance's increased by 38.5 percent to Rs 1,294.8 crore in February. Among other key insurers, HDFC Ergo General Insurance's premium was up by just 4.7 percent to Rs 1,546.3 crore, whereas United India Insurance Company's premium surged 24.7 percent to Rs 1,627.12 crore and Oriental Insurance's premium rose 14.2 percent Y-o-Y to Rs 1,443.2 crore, in February 2024.

In April-February period of FY24, the general insurance companies' GDPW grew by 14.7 per cent YoY to Rs 2.24 trillion, where again, private players have posted faster growth than their public sector peers. In terms of the market share, the public sector general insurers stood at 31.35 per cent of the overall insurance industry in February 2024 as against 32.55 per cent in February 2023. The private insurers, on the other hand, witnessed an increase in market share to 53.79 per cent in the reported month as compared to 51.39 per cent in the year ago period. In a report, CareEdge Ratings noted that the Indian non-life insurance market will grow at a rate of nearly 13 per cent - 15 per cent in the medium term backed by healthy growth in the health and motor segments.

*(The writer is Aathira Varier.)*



**TOP**

**A guide for SMEs in choosing the right insurance - The Economic Times - 10<sup>th</sup> March 2024**

Running a small or medium-sized enterprise (SME) is not without risk. It comes with its share of challenges, especially when it comes to the ever-present risks associated with running a business. From finding customers, managing cash flow, complying with regulations to unexpected disruptions, SMEs walk a fine line in their journey. Moreover, SMEs are vulnerable to various external threats that can disrupt their operations and jeopardize their survival, such as fire, cyberattacks, employee injuries, or any business cut. Given the financial tightrope that SMEs often walk, relying on local funding, loans, or bootstrapping, the importance of insurance cannot be overstated. This article aims to simplify the significance of insurance for SMEs, providing a guide to help navigate through uncertainties and ensure a more secure path to sustainable growth.

**Step 1: Identify your risks**

Choosing the right insurance is to identify the risks that your business faces. These risks can be categorized into three types:

**Operational risks:** Risks that arise from your day-to-day business activities, such as fire, theft, vandalism, equipment breakdown, product defects, or service errors.

**Strategic risks:** Risks that stem from your business decisions, such as market changes, competition, innovation, or expansion.

**External risks:** Risks that originate from outside your business, such as natural disasters, pandemics, cyberattacks, terrorism, or regulatory changes.

To identify your risks, you can employ various approaches. Risk assessment involves a systematic analysis of your business environment, processes, and objectives. It aims to identify potential hazards, threats, and vulnerabilities that could impact your organization. Another useful tool is the risk matrix, which allows you to visualize and compare risks based on their severity and probability. By identifying these risks, you can enhance your understanding of exposure and vulnerability, enabling you to focus on safeguarding the most critical areas.

### **Step 2: Evaluate your risks**

In choosing the right insurance is to evaluate your risks, you can use various criteria, such as:

**Cost-benefit analysis:** A method that compares the costs and benefits of different risk management options, and helps you choose the most optimal one.

**Risk appetite:** The amount and type of risk that you are willing and able to take, based on your business goals, values, and resources.

**Risk tolerance:** The level of risk that you can accept without compromising your business performance, reputation, or compliance.

By evaluating your risks, you can make informed and rational decisions on how to allocate your resources and prioritize your actions.

### **Step 3: Select your insurance**

The final step in choosing the right insurance is to select the insurance coverage that best suits your risk profile and budget. There are many types of insurance that SMEs can consider, such as:

**Property insurance:** This covers the physical assets of your business, such as buildings, equipment, inventory, or furniture, against damage or loss caused by fire, theft, vandalism, or natural disasters.

**Liability insurance:** This covers the legal liabilities of your business, such as bodily injury, property damage, or personal injury, that may arise from your products, services, or operations.

**Business interruption insurance:** This covers the loss of income or profits that your business may suffer due to a disruption in your operations caused by an insured event, such as fire, flood, or power outage.

**Cyber insurance:** This covers the financial and reputational losses that your business may incur due to a cyberattack, such as data breach, ransomware, or denial-of-service.

**Employee benefits insurance:** This covers the health, welfare, and retirement benefits that you provide to your employees, such as medical, dental, life, or disability insurance.

**Key person insurance:** This covers the loss of revenue or profits that your business may experience due to the death or disability of a key person, such as a founder, manager, or expert.

In conclusion, selecting the right insurance coverage for your SME is a strategic decision that requires meticulous consideration. By assessing your unique risks, exploring available coverage options, managing budget constraints, building a relationship with insurers, and periodically reviewing your insurance portfolio. Additionally, consider insurance providers with a widespread presence for prompt responses to claims. Evaluate their claim settlement track record on the IRDAI website for reliable references. This comprehensive approach can empower your business to navigate the risk landscape with confidence and resilience.

*(The writer is Rakesh Jain.)*

**TOP**

## ***Women leaders transforming the landscape of the insurance industry - The Economic Times - 9<sup>th</sup> March 2024***

Insurance players are reporting a ratio of as high as over 25% of women in their total workforce. The change is visible in the leadership circle, with some companies reporting that their leadership team comprises over 15% of women. Today, pivotal divisions within our organization: such as customer service, learning and development, recruitments, and branding—are led by talented women leaders.

In the insurance industry, a transformative wave is underway, one that is powered by the inspiring force of women leaders. As a part of India's leading General Insurance companies, I've been privileged to witness firsthand the remarkable changes shaping this sector.

### **The changing gender dynamics**

Traditionally dominated by men, the insurance industry is experiencing a profound shift as more women ascend to leadership roles. Our organization, alongside others, is proud to report a significant increase in the representation of women, both within our workforce and in leadership positions.

Insurance players are reporting a ratio of as high as over 25% of women in their total workforce. The change is visible in the leadership circle, with some companies reporting that their leadership team comprises over 15% of women.

Today, pivotal divisions within our organization: such as customer service, learning and development, recruitments, and branding—are led by talented women leaders.

Additionally, we've observed a notable increase in the representation of women in on-field roles like sales, traditionally dominated by men. This shift reflects the remarkable potential demonstrated by women employees, signalling an evolutionary change where women are increasingly growing in diverse roles.

Women leaders bring a distinct perspective and approach to problem-solving, marked by empathy, effective communication, and a collaborative spirit. It's these qualities that enable us to navigate complex challenges with resilience and creativity, driving innovation and growth in the insurance industry.

### **The gender diversity challenge**

However, the journey towards gender equality in the insurance industry is not without its challenges.

Despite the strides made in recent years, a gender gap persists, encompassing remuneration, career opportunities and leadership positions.

Industry players, acknowledging this reality, are now actively working towards closing the gender gap as a part of their commitment to fostering diversity and inclusion. Many organisations, such as ours, are encouraging women to aim for leadership roles by targeted initiatives for recruitment, training, and leadership development.

For example, our employee referral policy is customised to offer rewards if employees introduce women members into the organisation. Other policies like flexible work arrangements, parental leave policies and mentorship programmes are aimed at providing essential support to female employees across insurance companies. Such policies foster a supportive environment, where women feel empowered and thrive both professionally and personally.

As we celebrate International Women's Day, we need to take a moment to recognize and applaud the efforts of organisations in the insurance sector that are creating an equitable workplace thereby ensuring a more vibrant and sustainable future.

***(The writer is Sandhya Gadkari Sharma.)***

**TOP**

## HEALTH INSURANCE

### ***Govt launches pilot programme for cashless treatment of road accident victims - Bhaskar Live - 14<sup>th</sup> March 2024***

The Central government is launching a pilot programme to provide cashless treatment to the victims of road accidents in order to reduce the number of deaths caused by motor vehicles, according to an official statement issued on Thursday. The pilot programme, which has been developed under the aegis of the Ministry of Road Transport and Highways (MoRTH), is being initiated in Chandigarh and is aimed at establishing an ecosystem for providing timely medical care to the victims of road accidents, including during the 'golden hour'.

Victims will be entitled to cashless treatment up to a maximum of Rs 1.5 lakh per accident per person for a maximum period of 7 days from the date of the accident. The National Health Authority (NHA) will be the implementing agency for the pilot programme, in coordination with police, hospitals and the state Health Agency concerned.

The broad contours of the pilot programme are that it will be applicable to all road accidents caused by the use of motor vehicles on any category of road, the AB PM-JAY packages for trauma and polytrauma cases being co-opted, and claims raised by hospitals for providing treatment will be reimbursed from the Motor Vehicle Accident Fund. The programme will be implemented through an IT platform combining the functionalities of the eDAR application of the MoRTH and the Transaction Management System (TMS) of the NHA. The expansion of the cashless treatment facility to the entire country will be considered based on the outcome of the pilot programme, the statement added.

[TOP](#)

### ***Medical inflation driving up ticket sizes for retail health insurers - Business Standard - 12<sup>th</sup> March 2024***

The average ticket size of retail health insurance in India has increased by nearly 48 percent over 6 years due to elevated medical inflation and increased demand for higher coverage policies among policyholders.

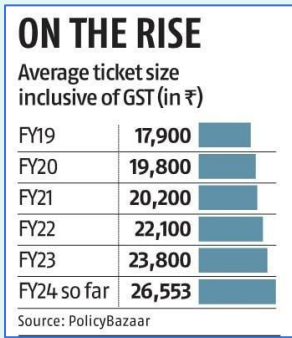
According to data by online insurance broker PolicyBazaar, the average ticket size of retail health insurance in India has increased to Rs 26,533 so far in FY24, up 48.22 percent from Rs 17,900 in FY19. This increase is attributed to a rise in medical inflation and increased awareness about health insurance among the public post the Covid-19 pandemic.

"The jump in average ticket size could be because of medical inflation in the country which is about 14 percent to 15 percent and the health insurers follow suit by increasing the premiums for health insurance policies. Secondly, more and more people are buying a longer term policy as it will cover long term," said Siddharth Singhal, Business Head - Health Insurance, PolicyBazaar. According to a recent report by insurtech Plum, India's medical inflation has reached 14 percent, posing a financial strain on individuals who bear their own healthcare expenses.

"One of the main factors contributing to the jump in average ticket size for health insurance is the rising cost of healthcare services, treatments, and medications. Also, the introduction of new technologies and treatments lead to higher healthcare service costs. As healthcare expenses increase, insurance premiums are adjusted to cover these higher costs, resulting in higher average ticket sizes. Similarly, greater utilisation of healthcare services, rise in the aging population lead to higher demand for healthcare services," said Bhaskar Nerurkar, Head- Health Administration Team, Bajaj Allianz General.

Voicing a similar opinion, Dhirendra Mahyavanshi, CEO and Co-Founder of Turtlemint said, "After the Covid-19 pandemic, more people are choosing health insurance plans with higher coverage. Customers are now more aware of the financial impact of unexpected health issues, and are prioritising getting better coverage to handle increased healthcare costs when they need it".

Meanwhile, the growing public awareness has prompted health insurers to increase the sum insured. According to an insurance official, the industry has introduced 'higher sum insured' offerings in the market ranging from Rs 2 crore to Rs 5 crore as well as 'unlimited sum insured' plans. Sum insured is the limit up to which a health insurer will pay for the medical expenses covered under the customer's policy. High sum insured allows individuals to avail high-end and expensive medical treatments without any limit.



According to Rakesh Jain, CEO, Reliance General, "The average sum insured, which used to be between Rs 2 – Rs 3 lakhs, 5 years ago has seen a nearly 300 per cent jump with more people opting for sum insured of Rs 10 lakhs and above." After Covid-19 pandemic, health insurance has dominated the market share of the overall Gross Direct Premium Underwritten (GDPI) of the non-life insurers overtaking the motor insurance segment.

As of January 2020, health insurance accounted for 26.5 per cent of the total premium, while motor insurance constituted 36.1 per cent. In comparison, as of January 2024, health insurance had risen to 37.72 per cent, while motor insurance dropped to 30.95 per cent of the overall market share. Going forward, insurers expect a moderation in health insurance premium rates on the back of actions taken to increase transparency and reduce fraud.

"Favourable regulations like Cashless Everywhere, which aims to reduce fraud and foster transparency between hospitals, insurers and standardisation of procedure rates, will result in a reduction in incremental costs, thereby finally resulting in a moderation of the premiums rate increases. However, this moderation will only happen if the number of individual policyholders see a healthy growth from the present number of nearly 5.3 crore," said Parthanil Ghosh, President Retail Business, HDFC ERGO General Insurance.

*(The writer is Aathira Varier.)*

**TOP**

### ***What to do when your health insurance coverage falls short? – Financial Express – 11<sup>th</sup> March 2023***

Health insurance serves as a vital safety net, offering financial protection against the ever-present risks of illness and injury. In India, where healthcare costs continue to rise, having adequate health insurance coverage is crucial for safeguarding one's well-being and financial stability. However, what happens when your existing health insurance policy fails to cover the specific illness or medical condition you may require coverage for?

It is essential to make sure that your policy safeguards your health concerns and at the same time protects you from uncertain medical expenses that you are unable to manage when the situation comes. Your policy should give you a peace of mind. That is why, let's delve into the intricacies of health insurance and explore strategies to address coverage gaps.

#### **A Shield Against Uncertainty**

Health insurance is a contractual agreement between an individual and an insurance provider, wherein the insurer agrees to cover a portion of the insured's medical expenses in exchange for a premium. The primary objective of health insurance is to mitigate the financial burden associated with healthcare services, including hospitalization, surgery, medication, diagnostic tests, and other related expenses.

By pooling risks and resources, health insurance enables you to access quality healthcare without facing exorbitant out-of-pocket costs, thus promoting timely medical intervention and improved health outcomes.

Adhil Shetty, CEO, Bankbazaar.com, says, "It is important to understand that coverage of your health insurance policy. You must scrutinise the policy's coverage comprehensively, ensuring it covers essential

medical services, hospitalisation expenses, and critical illnesses. Read the fine print, examining exclusions, limitations, and waiting periods to avoid unpleasant surprises during claims.”

“Assess the network of healthcare providers associated with the policy, ensuring convenient access to quality medical care when needed. Lastly, inquire about add-on benefits and customisation options to tailor the policy to your unique healthcare needs,” Shetty adds.

### **Access to Quality Healthcare**

The benefits of health insurance extend far beyond mere financial protection. It provides a safety net against unexpected medical expenses, shielding you and families from financial distress during times of illness or injury. With health insurance coverage, you gain access to a network of healthcare providers and facilities, ensuring timely medical care and treatment.

Additionally, many health insurance plans offer coverage for preventive care services, such as vaccinations, health screenings, and wellness programmes, promoting early detection and disease prevention.

### **Addressing Coverage Gaps**

Despite the comprehensive nature of health insurance, there may be instances where your existing policy falls short in providing coverage for a specific illness or medical condition. In such scenarios, consider the following strategies to address coverage gaps effectively:

**Review Your Policy:** Start by carefully reviewing the terms and conditions of your health insurance policy. Pay attention to the exclusions and limitations outlined in the policy document to understand the extent of your coverage.

**Explore Add-On Riders:** Some health insurance providers offer add-on riders or supplementary coverage options that can be purchased to enhance your existing policy. These riders may provide coverage for specific illnesses, critical illnesses, or additional benefits such as maternity care, dental care, or OPD (outpatient department) expenses.

**Disease-Specific Plans:** In cases where your existing policy does not cover a particular illness or medical condition, consider purchasing a disease-specific health insurance plan. These plans are designed to provide coverage for specific diseases or medical conditions, offering tailored protection against healthcare expenses related to those ailments.

**Alternative Coverage:** If traditional health insurance options do not meet your needs, explore alternative sources of coverage such as group health insurance through your employer, government-sponsored health schemes, or community-based health insurance programs.

It's essential to be proactive in addressing coverage gaps and ensuring comprehensive protection against unforeseen medical contingencies. By understanding your policy, you can address health insurance gaps effectively and secure peace of mind for yourself and your loved ones.

The writer is Sanjeev Sinha

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## ***Govt moves industry efforts set to transform healthcare insurance penetration among women experts – The Week - 11<sup>th</sup> March 2024***

Concerted efforts by the government and private insurance companies are expected to bring a sea change in healthcare and insurance penetration among women, which is extremely low at present, experts said. The Insurance Regulatory and Development Authority of India (IRDAI) has also been taking several measures to make health insurance products standardised, seeking to enhance coverage among all citizens, including women.

In line with IRDAI's ambitious vision of achieving "Insurance for All by 2047," the industry is striving to cater to diverse customer segments, ensuring comprehensive coverage and distribution. According to P

Nanda Gopal, Founder and CEO of the Insurtech platform Upsure, rising medical inflation is compelling the financially savvy to choose health insurance over other necessities. As general literacy and awareness among women increase, they would be more active in financial decision-making, he said. According to the National Family Health Survey India data, only about 30 per cent of women in India aged 15-49, were covered under health insurance between 2019-2021. Nanda Gopal stated there are multiple reasons behind the low insurance coverage.

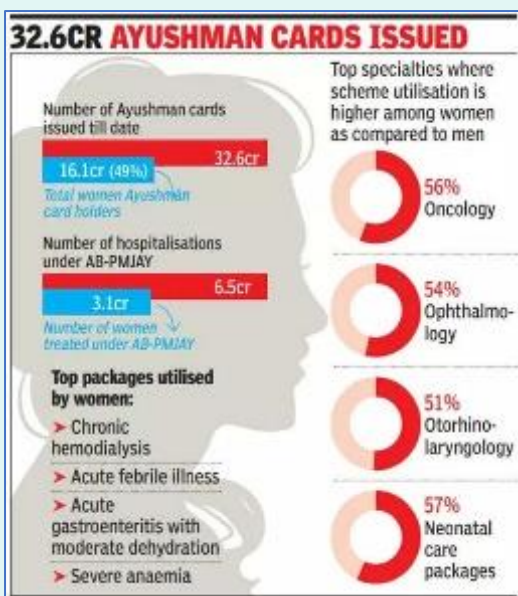
A recent survey undertaken by Future Generali India Insurance Company along with Unomer suggests that only one out of every five women (nearly 21 per cent) bought their health insurance policy independently and only one out of every three women (32 per cent) was aware of the coverage details of their health insurance. "I think the idea (of Insurance for All) is to make sure that your product covers every single cohort which is customized to every economic segment, every social segment, said Anup Rau, Managing Director and CEO, Future Generali India Insurance. "So, we thought that we would start over here. While we have got other innovative products, we thought we would start with the largest unaddressed minority in this country which is women by any metric," he said.

The company has introduced 'Health Powher' – a comprehensive policy to empower women and cater to their varied health needs. According to the FGII Survey, nearly 75 per cent of women believe that existing health insurance policies fall short of addressing women-specific needs. Close to 94 per cent of the respondents agree that having a comprehensive health insurance plan for women would increase participation in the purchase process.

There is a need for targeted awareness campaigns and education initiatives aimed at informing women about the importance of health insurance and equipping them with the knowledge to make informed financial decisions, said Sapna Desai, Chief Marketing Officer, Manipal Cigna Health Insurance. "It is essential to recognise and address common health issues that disproportionately affect women, such as breast cancer, cervical cancer, and hormonal imbalances. Health insurance is vital in providing financial support by covering preventive screenings, diagnostic tests, and treatment options for these conditions," she said.

**TOP**

**Women now account for nearly 48 percent of Ayushman hospitalisations - The Times of India - 11<sup>th</sup> March 2024**



Women account for nearly 48 percent of authorised hospitalisations under Ayushman Bharat-PM Jan Arogya Yojana (AB-PMJAY), data accessed by TOI show. Top officials in National Health Authority (NHA), implementing agency of the scheme, said that since its launch in 2018, 6.5 crore hospitalisations have been made under the scheme which involved treatment cost of Rs 81,979 crore. Of this, 3.2 crore hospitalisations for Rs 39,349 crore involved women.

Officials said scheme utilisation by women beneficiaries has been higher than that of men in 10 states/UTs - Meghalaya (68%), Arunachal Pradesh (57%), Chhattisgarh (56%), Mizoram (54%), Nagaland (53%), Jharkhand (51%), Tripura (51%) and J&K (50%). According to NHA documents, top specialties under PMJAY which were utilised more by women than men are - cancer (56%), ophthalmology (54%), otorhinolaryngology or ENT-related (51%), and neonatal care packages (57%).

"Enrolment under AB-PMJAY scheme is steered by thousands of ASHA and aangaenwadi workers across states/UTs. Women also constitute a significant percentage of healthcare providers at local units (AB-

Health Wellness Centres). This has helped increase utilisation of the scheme among women, who have traditionally lagged behind in health-seeking behaviour," a senior health ministry official said.

He added that another key change brought in by the scheme which helped increase women's involvement in healthcare scheme was individual enrollment. "Before ABPMJAY, Rashtriya Swasthya Bima Yojana or RSBY was used to provide health insurance coverage to the unrecognised sector workers belonging to the Below Poverty Line (BPL) category and their family members. Only one card was issued to each family, mostly the men who were the breadwinners. We realised this made women in such households dependent on the men to take them to hospital for treatment. However, in case of AB-PMJAY, individual Ayushman cards are issued to each member of families covered under the scheme which means now the women do not have to depend on anyone to seek treatment," the official, who did not want to be quoted, said.

Till date, NHA sources said, nearly 32 crore beneficiaries have been enrolled under the scheme and issued Ayushman cards. "Initially, in the first two years of the scheme's launch, only about 10 crore intended beneficiaries were issued Ayushman cards. In the last two years, since the ASHAs were involved, we have issued 20 crore such cards," said a source.

*(The writer is Durgesh Nandan Jha.)*

**TOP**

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### ***Indian Health Insurance Sector Will Be Bigger Than US Market By 2047: Industry Leaders – Businessworld – 9<sup>th</sup> March 2024***

Industry leaders and experts on Saturday said that India's insurance sector is set for exponential growth and could possibly surpass the US market by 2047.

Speaking at the Bangalore Chamber of Industries and Commerce (BCIC) Insurance Summit 2024, Geetanjali Kirloskar, CMD, Kirloskar Systems, and Chairperson, Toyota Tsusho Insurance Broker India, cited a projection that affluent households with annual incomes of over Rs 20 lakh that can afford a good comprehensive health insurance policy will go from 2.6 percent covering 37 million individuals to 11 percent in 2031, covering 160 million individuals and 26.3 percent in 2047 covering 437 million people based on purchasing power.

"India's health insurance market is expected to approach that of the US by 2031 and perhaps surpass it by 2047," she said. Kirloskar added that India's growth over the next three decades in a sustained pace will need manufacturing industry to grow 14-fold.

"It also calls for our industry to reinvent itself before big tech, armed with increasingly powerful artificial intelligence, disrupts the industry. With a commitment to governance and societal well-being, the Indian insurance sector has the potential to redefine its purpose, emerging as a vital catalyst for national progress. I believe the insurance industry could match the growth of the overall economy at the least," she added.

Meanwhile, G Srinivasan, Ex CMD, New India Assurance said that general insurance sector in the country could grow at about 18 per cent to 20 per cent for the next two decades until India reached global levels of insurance penetration.

"Currently the insurance penetration in India is among the lowest in the world. An average Indian spends hardly about Rs 900 on insurance, both life and nonlife put together and in general insurance probably only about Rs 200," he said.

Srinivasan noted that despite India's low insurance penetration, increasing disposable incomes and awareness could drive higher spending on insurance products in the coming years. Srinivasan stressed the importance of understanding insurance products and claims procedures, urging individuals to focus on value rather than solely on cost.

“It is important for individuals to make insurance work for them. For this they need to understand exclusions and obligations and must give maximum information to get risk better rated. Cost of insurance should not be the criteria for insurances but rather one should examine the product, the claim payment attitude and value adds in terms of risk management. It is also important to understand the claims procedure,” he added.

TOP

**MOTOR INSURANCE**

**Vehicle thefts in India up 2.5x in 2023; New Delhi tops list: Report – Business Standard – 14<sup>th</sup> March 2024**

Sure, you love your car. But if it is not parked in a secured place, it could be gone in 60 seconds! That’s because vehicle thefts in India have increased by 2.5 times in the calendar year (CY) 2023 compared to CY 2022. And New Delhi is witnessing the maximum number of thefts, reveals the ‘Theft & the City 2024’ report by Acko Digital Insurance. According to the report, New Delhi accounted for 80 percent of the passenger car thefts in India in CY2023. However, the capital city’s overall share of vehicle thefts has reduced from 56 percent in 2022 to 37 percent in 2023. The city continues to be the hub for vehicle theft in India, with 105 cases of vehicle theft reported every single day in 2023. “A vehicle is stolen every 14 minutes in the capital,” the report noted.



Animesh Das, chief executive of Acko General Insurance Company said, “The post-Covid increase in mobility has led to a rise in theft, primarily due to heightened parking issues. Recognising this trend, insurance companies have improved underwriting processes to address the evolving risks. These enhancements enable more accurate risk assessment and coverage customisation, resulting in a smoother claims process for policyholders.” Among other leading cities, the share of vehicle thefts in Chennai has doubled to 10.5 percent from 5 percent in 2022. On the other hand, Bengaluru has seen a marginal uptick in the share of vehicle thefts to 10.2 percent from 9 percent during this period.

The report highlighted that 47 percent of all stolen cars are Maruti Suzuki. And vehicles with the greatest demand and consequently, longer delivery timelines are most susceptible to thefts. Maruti Wagon R and Maruti Swift are the most frequently stolen cars in Delhi NCR, closely followed by Hyundai Creta, Hyundai Grand i10, and Maruti Swift Dzire. In 2023, bike thefts have been more widespread as compared to cars. Hero Splendor, Honda Activa, Royal Enfield Classic 350, Honda Dio and Hero Passion were the most stolen vehicles in India.

“The surge in vehicle ownership brings with it a rise in vehicle theft cases. Our second edition of the vehicle theft report brings insights and perspective into the issue after delving deep into 2,000 claims received in 2023. By understanding the underlying factors, our aim is to empower individuals with knowledge and promote heightened awareness on the importance of opting for the right insurance policy to safeguard themselves from unexpected situations,” Das says.

*(The writer is Aathira Varier.)*

TOP

**CROP INSURANCE**

**The transformative influence of technology on crop insurance in India - Krishak Jagat - 8<sup>th</sup> March 2024**

With the constant advancement of technology, the agricultural industry in India is going through a major transformation. Among the various changes, crop insurance is a key area that is seeing a remarkable shift. The use of technology has transformed the way insurance companies track and manage crop insurance using Remote Sensing, Satellite Imagery, Data Analytics, and more making it efficient and cost-effective.

This is a positive change for farmers, especially because in the past, they have encountered numerous difficulties related to insuring their crops. For example, the first-ever crop insurance in India was for cotton and was launched by the General Insurance Corporation (GIC) around 1972-73. Post that, while many insurance schemes were launched, it was still a difficult task to scale them up owing to the manual processes involved in enrolment and claim assessment, implementing such schemes is expensive and inefficient. Lack of transparency in the claim assessment process has been another major challenge in the past Schemes

However, with the infusion of technology, the landscape of crop insurance in India is undergoing a total makeover, resulting in improved accessibility and affordability. This is also evident from the government's effort to implement technology in crop insurance with schemes such as Pradhan Mantri Fasal Bima Yojana (PMFBY).

### **The Rise of Technology in the Crop Insurance Sector**

In recent years, technology has become a core part of end-to-end crop insurance products helping insurers and the government to implement a diverse range of tools and techniques to help farmers protect their crops. The intersection of actuarial science and technology is reshaping the landscape of crop insurance, heralding a new era of precision, efficiency, and sustainability. As agriculture faces evolving challenges, the integration of advanced technologies and actuarial methodologies has become instrumental in enhancing risk management and ensuring the resilience of crop insurance programs.

### **Satellite Technology for Crop Monitoring**

One of the key technological advancements in the crop insurance sector is the use of satellite imagery to monitor crop fields. Satellite-derived bio-physical parameters help detect vegetation and crop health status. Additionally, this technology aids in predicting climatic risks such as droughts, floods, and pests.

Leveraging satellite data, crop insurance companies gain a more precise analysis of the condition of crops both before and after losses. It allows them to make better and more profitable policies. This heightened accuracy enables them to formulate more effective and profitable insurance policies. Consequently, farmers and agribusiness consultants can leverage the benefits of crop insurance to enhance the quality of agricultural practices and safeguard production from potential losses. The data collected is compared with historical data categories in indices including Normalized Difference Vegetation Index (NDVI), Land Surface Wetness Index (LSWI), Synthetic Aperture Radar (SAR), Backscatter, Fraction of Photosynthetic Active Radiation (fAPAR), and more. This helps in increasing accuracy for crop monitoring and taking preventive measures for risk mitigation against extreme weather conditions and disasters.

### **Implementation of Yield Estimation System through Technology:**

Implementation of the Yield Estimation System through Technology (YES-TECH) under PMFBY since 2023 aims to bolster the precision and reliability of crop yield estimations essential for PMFBY. The launch of YES-TECH follows the successful implementation of a similar model in the State of West Bengal under the Bangla Sashya Bima (BSB) Scheme since 2020, which is a fully remote-sensing-based claim assessment model. BSB has been successful in enabling swift and accurate claim payments to farmers right after their losses when the claim amount is most needed by them to restart their agricultural practice.

By marrying technology-driven methodologies with conventional crop-cutting experiments (CCEs), YES-TECH seeks to refine the insurance claim assessment process. This strategy is anticipated to enable prompt and accurate compensation to farmers for crop losses, fostering increased participation in the scheme and bolstering the agricultural sector's resilience to adverse events.

As YES-TECH significantly relies on the satellite imagery data collected at granular levels, the quantity and quality of such data plays a huge role in the successful implementation of this initiative. The Sentinel-1 and Sentinel-2 satellites of the European Space Agency (ESA) are pivotal in crop insurance for supplying high-resolution spatial and temporal data. Sentinel-1, with its radar imaging, facilitates all-weather, day-and-night monitoring, ideal for observing crop growth and moisture levels. Whereas, Sentinel-2 contributes high-resolution optical imagery, crucial for evaluating vegetation health and

distinguishing crop types. Together, they provide unparalleled spatial resolutions (up to 20m for Sentinel-1 and 10m for Sentinel-2) and frequent revisits (every 12 days/5 days for Sentinel-1 and Sentinel-2, respectively), enhancing the precision of crop loss assessment efficiently and transparently. Access to Sentinel data is offered free of charge, promoting its extensive use in agricultural monitoring and insurance applications.

### **Implementation of National Weather Information Network & Data System**

Another major initiative of the Government of India is the implementation of the National Weather Information Network & Data System (WINDS) which aims to set up a national network of Automatic Weather Stations (AWSs) and Automatic Rain Gauges (ARGs) at granular levels to capture accurate weather data at real-time. This national data will have wide-ranging applications in the fields of crop insurance, sowing, cropping, harvesting, market planning, and providing timely crop advisories to farmers. Apart from this, the WINDS network will also nurture further research and development in other related fields for wider application and strategic utilization across multiple sectors of the economy.

**Usage of Unmanned Aerial Vehicles:** Unmanned Aerial Vehicles (UAVs) or Drones have emerged as valuable tools in assessing crop damage and estimating crop losses. Equipped with high-resolution cameras and sensors, drones can capture detailed images of agricultural fields, providing real-time information on crop health/damage. Insurers can use this information to accurately assess the extent of crop losses caused by natural disasters, pests, diseases, or other factors without physical inspections, which can be time-consuming and costly. Drones can cover a large area of farmland quickly and efficiently, capturing images from different angles and heights. By combining this data with satellite imagery and weather-based indices, complete crop health information products can also be developed.

### **Data Analytics For Faster Claim Settlement**

Data analytics has emerged as a game-changer in the crop insurance sector. Large volumes of data streams on crops are now available from various sources such as satellites, weather stations, and mobile applications. This makes it easier for insurers to check the correctness of data during the entire policy lifecycle from enrolment to loss assessment.

Insurers can now corroborate enrolment under crop insurance Schemes with satellite imagery data to identify cases of over-insurance or insurance of the wrong crop. Modern data analytics tools also provide a quick assessment of data to identify duplicate enrolments thereby further reducing over-insurance.

In the past, claim assessment relied only on manual crop-cutting experiments, which were prone to sampling and non-sampling bias. However, with the availability of extensive data on crop health indicators, it is now possible to develop more accurate and objective assessments of crop losses. This can be used to increase the insurance settlement process between insurers and farmers.

### **On Actuarial Techniques for Crop Loss Modelling**

Advanced statistical and computational methods are utilized in Actuarial Techniques for crop loss modeling to assess agricultural risks and damages. The entropy method, a non-parametric approach, analyses variability in RST-based data to assign weights to each RST parameter, attributing greater importance to parameters that introduce more information, thus offering a solid framework for insurance assessments without presuming a specific data distribution. Conversely, Machine Learning (ML) models, and other parametric models, exploit historical data and recognizable patterns to predict crop yields and losses with increasingly accurate outcomes over time. By leveraging a variety of data analysis techniques, these methodologies furnish sophisticated tools for crafting precise and adaptable crop insurance models.

### **Conclusion: What does the future hold?**

There has already been a rise in the number of technology-driven crop insurance initiatives by Insurtech players as well as the Indian government, showcasing the transformative potential of these advancements. For example, the Pradhan Mantri Fasal Bima Yojana (PMFBY) through YES-Tech focuses on providing affordable crop insurance to farmers by using technology such as remote sensing, satellite imagery, mobile apps, and more to accurately assess crop losses and provide timely compensation to farmers.

The government of India is also promoting insurance companies to launch new innovative products based on technology solutions under the PMFBY Sandbox. This would not only drive innovation but also offer a single source platform for farmers to access such products thereby making it easier to scale up these products.

As technology continues to evolve, the outlook for the future of crop insurance appears promising. Insurers are poised to provide more accurate risk assessments, faster claims settlement, and customized insurance products. For farmers, these developments translate into enhanced accessibility, affordability, and transparency within the insurance process. This, in turn, empowers farmers to manage risks more effectively, thereby stabilizing their income. Ultimately, these technological strides contribute to fostering sustainability in the Indian agriculture ecosystem and ensuring the livelihoods of farmers.

The writer is Mr. Siddesh Ramasubramanian.

TOP

## SURVEY AND REPORTS

### ***International Women's Day: Life insurance shields over 70% of urban Indian women, survey reveals – Live Mint – 9<sup>th</sup> March 2024***

The latest iteration of Max Life's prominent study, the India Protection Quotient Survey (IPQ), carried out in collaboration with KANTAR, the foremost marketing data and analytics company globally, highlights a significant increase in the ownership of life insurance products among women. The ownership has risen from 59% in IPQ 1.0 to a remarkable 73% in IPQ 6.0. Furthermore, working women have, for the first time, surpassed men in life insurance ownership, with 79% now holding life insurance plans.

According to the survey, financial protection levels among urban Indian women have achieved a milestone by surpassing the 40-point mark for the first time. This marks an increase from 33 to 41 points over the past six years. However, the financial protection levels of homemakers have experienced a slight decline, decreasing from 38 in IPQ 5.0 to 36 in IPQ 6.0, underscoring the importance of enhancing their financial well-being. Conversely, the protection quotient of working women has risen from 43 in IPQ 5.0 to 47 in IPQ 6.0.

Despite a positive shift in life insurance ownership, a considerable gender gap in financial preparedness remains. Men in urban India lead in financial protection with a score of 46 points, surpassing the overall urban India average of 45 points. The disparity in financial protection between men and women in urban India is largely attributed to a significant difference in life insurance awareness levels. Men exhibit a Knowledge Index of 64, while women trail behind at 54 points. According to IPQ 6.0, women's financial security stands at 64%, yet to rebound to pre-pandemic levels of 65%, as observed in the IPQ 1.0 study.

Prashant Tripathy, CEO and Managing Director, Max Life said, "As we celebrate International Women's Day, it is important to reflect on the financial readiness of women. The insights from the latest IPQ 6.0 survey underscore the remarkable strides women have taken in proactively securing their financial well-being through life insurance investments. However, the survey also sheds light on the enduring gender disparity in financial awareness. This requires intensive actions to empower women to assert control over their financial state. Hence, the collective call to action for the industry is to support the cohort with tailored solutions that help realize the inclusive vision of 'Insurance for All'."

According to IPQ 6.0, women in urban India exhibit a robust dedication to securing their families from life's uncertainties, steadily narrowing the gap with men. The current life insurance ownership for men stands at 76%, while women are at 73%. The once substantial difference of 9 percentage points observed in IPQ 1.0 (68% for men vs. 59% for women) has now diminished to just 3 percentage points.

The findings below underscore the change in financial readiness between men and women in urban India, as examined by India Protection Quotient 6.0:

Working women surpass urban India's men in financial protection: Recording a Protection Quotient of 47 points, working women are gradually surpassing men in financial preparedness, where men score 46

points in IPQ 6.0. While men maintain a life insurance ownership rate of 76%, the rising trend in women's ownership, reaching 79%, indicates a shift in gender dynamics regarding financial preparedness and responsibility. IPQ 6.0 exposes an 11-point discrepancy in financial protection between working women and homemakers: The study's results indicate a worrisome pattern in the financial readiness of urban Indian women who are employed versus those who are homemakers. The gap has expanded from a 5-point difference in financial protection between the two groups in IPQ 5.0 to an 11-point gap in the latest edition. Homemaker women now score 36 points in IPQ 6.0, influenced by a Knowledge Index of 47, while working women command a higher score of 64 points.

Term insurance ownership is spearheaded by working women, effectively narrowing the gender gap in awareness of term plans: According to the IPQ 6.0 survey, 35% of working women in urban India currently possess a term insurance policy, surpassing the ownership rate of 33% among men. Conversely, homemaker women lag with an ownership rate of 18%, indicating the need for focused interventions to enhance financial protection for this underserved group. Notably, half of homemaker women are now aware of term plans. The awareness level is equal for working women and men, both standing at 74% regarding term insurance plans. Urban Indian women are becoming more confident in the adequacy of their term coverage, as indicated by the IPQ 6.0 findings: The survey shows that 54% of women express confidence in the sufficiency of their term cover, marking a steady increase from 45% in the IPQ 5.0 study. Moreover, the importance attributed to coverage has risen from 59% in IPQ 5.0 to 62% in IPQ 6.0. Notably, only 1% of women are currently uncertain about the amount of corpus they require.

The data from IPQ underscores a notable pattern: working women exhibit greater financial prudence compared to men, consistently earmarking a larger proportion of their income for savings and investments. According to IPQ 6.0, urban India's working women allocate 42% of their income for savings, slightly surpassing men who invest 41% of their income. Despite their diligent saving habits, women also show a slight inclination towards allocating a higher percentage of their income, specifically 16%, for luxury expenses when compared to men. Attaining financial freedom in retirement emerges as the primary financial concern for working women: A substantial 68% of respondents express anxiety about retirement, underscoring the significance of retirement planning in the minds of women in the workforce. According to the IPQ 6.0 findings, working women exhibit higher concerns about sustaining lifestyle expenses at 66%, surpassing the corresponding figure for men at 63%. Moreover, working women are more apprehensive about income stability and job security than men, and they prioritize saving for their children's education and marriage to a greater extent than their male counterparts.

Working women demonstrate a heightened focus on health and fitness: The findings highlight that a notable 62% of working women actively participate in holistic practices like meditation, yoga, and therapy, surpassing the 59% engagement observed among men. Notably, women take the lead in embracing preventive measures for their health, with a greater likelihood of undergoing regular health check-ups. This proactive approach reflects their commitment to monitoring well-being and identifying potential health issues at an early stage.

*(The writer is Abeer Ray.)*

**TOP**

## **PENSION**

***EPFO gives relief to these EPF members from submitting joint declaration form - The Economic Times - 11<sup>th</sup> March 2024***

There is good news for some Employees' Provident Fund (EPF) account holders. The Employees' Provident Fund Organisation (EPFO) has issued a circular providing relief to certain EPF account holders from submitting a joint declaration form. Employers and employees are required to submit this form jointly for contributing to the EPF account on a basic salary higher than the current statutory wage ceiling of Rs 15,000 per month. The EPFO has issued a circular dated January 30, 2024, in this matter.

However, the circular specifically states that the relief from submitting the joint declaration form does not apply to those who have applied for the higher pension under the Employees' Pension Scheme (EPS). So those who have applied for the higher pension have to mandatorily submit the form. Remember, these EPF members would have already submitted the form while applying for higher pension under EPS.

### **EPFO relief applies to these EPF members**

The latest EPFO circular provides relief to certain EPF members who left employment or died before a specific date and certain existing members as well.

EPF members who left employment or died: The EPFO in its circular said that the relief from submitting the joint application form applies to those employees who have paid more than the statutory limit but left employment or died "till October 31, 2023". These EPF members are not required to submit the joint declaration form.

The circular states, "All such cases where the employees had already contributed on pay more than statutory limit and the employer had also paid administrative charges on such contribution made on pay more than the statutory limit but had left the employment or died till 31/10/2023, it is deemed that such cases had been allowed for contributing on pay more than the statutory limit so as to avoid hassles for the concerned stakeholders."

Radhika Viswanathan, Executive Director, Deloitte Haskins & Sells LLP, says, "For EPF members who left employment or died on or after November 1, 2023, the submission of the joint declaration form is mandatory if contributions to the EPF account are higher than the statutory limit." Existing employees: All EPF members who are already contributing on pay exceeding the statutory limit and their employers are paying administrative charges on the higher contributions, will not have to file the joint declaration form immediately.

Viswanathan says, "The EPFO circular will provide immediate relief to two categories of existing employees. The first category of employees is those who have joined the EPF scheme with basic salary below statutory wage limit (currently Rs 15,000 per month) and continued to contribute to the EPF account even when the basic salary exceeded Rs 15,000 per month over time. The second category is those employees who joined with a basic salary exceeding the statutory wage limit will have to submit the joint declaration form at the time of joining a new job."

While the EPFO's circular covers both these categories of employees, they are not required to submit the joint declaration form immediately.

### **EPFO's new joint declaration format**

The EPFO, in the same circular, has provided a new format for the joint declaration form for all EPF members.

Viswanathan says, "The EPFO circular has clarified that the joint declaration form must be submitted when an individual joins the EPF scheme for the first time and their basic salary exceeds the statutory limit (currently Rs 15,000 per month) to contribute (to the EPF account) on such (higher) basic pay. Further, it appears that an existing EPF member at the time of switching a job must also submit the joint declaration form with the new employer, provided their basic salary exceeds the statutory limit. The joint declaration form must be submitted every time an existing EPF member switches his or her job with basic pay exceeding the statutory limit."

### **What EPF member should do now**

The EPFO has started sending SMSes to the members stating: "Exciting news! EPFO has rolled out a new Joint Declaration functionality for its members. Easily update your details with this user-friendly feature. Check it out today! - Team EPFO". This gives an indication that even the existing members should file this joint declaration. Viswanathan says, "It is advisable for eligible EPF members to start submitting joint declaration forms to avoid any issues at the time of EPF claim processing in the future."

Any change in their job status will make the submission mandatory. The EPFO's January 30 circular applies to all new cases prospectively. So, employees who have joined the EPF scheme after this date must submit the form as soon as possible.

What are the EPF scheme rules?

According to EPF scheme rules, an employee will automatically be eligible to join the EPF scheme if his or her monthly basic salary does not exceed Rs 15,000. If the monthly basic salary of an employee exceeds Rs 15,000 at the time of joining the EPF scheme, the employer and employee must jointly submit the declaration form.

The EPF scheme rules were amended via a notification in August 2014 (effective from September 1, 2014). The statutory wage limit was hiked from Rs 6,500 to Rs 15,000 per month.

Further, a restriction was placed on who is eligible to join the EPS from September 1, 2014. An EPF member is eligible to join the EPS if, at the time of joining the provident fund scheme, the monthly basic salary does not exceed the statutory wage limit (currently Rs 15,000). If the basic salary of an employee at the time of joining the provident fund scheme exceeds the statutory wage limit, then he or she will not be eligible to join the pension scheme.

Under the EPF scheme, both the employer and employee make a matching contribution of 12% of their basic salary to the EPF account. The 12% contribution of an employee goes into the EPF account. This contribution is eligible for Section 80C deduction under the Income Tax Act. Out of the employer's 12% contribution, 8.33% contribution goes into the EPS. This EPS contribution is calculated at 8.33% on the basis of actual basic pay or a maximum basic pay of Rs 15000 in case the actual basic pay exceeds this limit.

Therefore, currently, Rs 1,250 (8.33% of Rs 15,000) is the maximum amount deposited from the employer's contribution to the pension account. The balance of the employer contribution, including 3.67%, is deposited to the provident fund account. The employer's contribution to the EPF account is not taxable at the contribution stage. However, no deduction under Section 80C is available for the employer's contribution to the EPF account.

*(The writer is Preeti Motiani.)*

**TOP**

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***EPFO issues SOPs for handling joint declaration application for higher pension under its Employees' Pension Scheme - The Economic Times - 11<sup>th</sup> March 2024***

The Employees' Provident Fund Organisation has issued standard operating procedures, listing the acceptable documents for correction in the employees' profiles while fixing timelines for handling the applications and enabling online tracking of application, under the joint declaration for higher pension being filed by subscribers of the Employees' Pension Scheme under EPFO. The move is aimed at establishing the authenticity of the member, reduce rejection of the joint declaration, and minimize fraud owing to the universal account number (UAN) identity change, it said. "It is observed that unregulated and non-standardization of processes has led to tinkering with member identities in certain cases leading to impersonation and fraud," EPFO said in a notification on Monday. As per the SOP, the applicant can submit an Aadhar card, PAN card, 10th or 12th marksheet and driving licence while applying for changes in its UAN profile.

While minor requests will have to be processed within seven days, major requests will have to be processed within 15 days of the receipt while those that have been escalated to a higher level will get additional three days. "If JD gets reverted back to the employer, then the request time will start once it is received back in the login of the concerned official," it said. As per the SOPs, at least two documents have to be submitted as a proof for minor changes, a minimum of three documents will be required with respect to the relevant parameters. According to EPFO, with the automated system getting mature, the member data has started to throw a number of anomalies in profiles leading to rejections, failures or

frauds. "As a result, genuine members have to go through a long channel for corrections. The claims settlement also faces certain difficulties across all offices due to various reasons related to data mismatch," it said, adding SOP has been framed to maintain the correct profile of the member, reduce rejection of the joint declaration, and minimize fraud owing to UAN identity change. However, the SOP document is expected to evolve further with time into a properly automated and regulated IT tool-enabled system.

The purpose of introducing SOPs is to delineate the procedure of receipt of joint declarations for the correction in UAN profiles by the members and employer and the method of corrections to be followed by the field offices.

*(The writer is Yogima Seth Sharma.)*

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## IRDAI CIRCULAR

<i>Circular</i>	<i>Reference</i>
First year premium of Life Insurers as at 29.02.2024	<a href="https://irdai.gov.in/web/guest/document-detail?documentId=4494770">https://irdai.gov.in/web/guest/document-detail?documentId=4494770</a>

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## GLOBAL NEWS

### ***Pakistan: SECP working on digitalisation in insurance industry – Asia Insurance Review***

The Securities and Exchange Commission of Pakistan (SECP) has been holding separate meetings with life and non-life insurance companies to seek their input on the digitalisation of the insurance sector in Pakistan. At the meetings, insurance commissioner Aamir Khan highlighted innovation, digitalisation and data accessibility as core objectives of the SECP's five-year strategic plan targeting an inclusive, innovative and sound insurance industry by 2028.

In its digitalisation plan, the SECP aims to launch an insurance policy finder and an auto insurance repository to facilitate policy tracking and enforce compulsory motor third-party insurance. In a statement, the SECP said that life insurers' representatives highlighted issues with existing regulations which hinder the digital distribution of insurance savings products. The representatives of non-life insurance companies emphasised the need to establish data repositories, implement various lines of compulsory insurance, and engage in collaboration and information sharing to enhance digitalisation in the insurance sector.

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### ***Indonesia: Health insurance claims expected to jump by double digits in 2024 - Asia Insurance Review***

Health insurance claims in the insurance industry increased in 2023 and the Financial Services Authority (OJK) forecasts that they will continue to climb this year. "If you look at this year compared to last year, health insurance is still continuing the trend of relatively high claim ratios," said OJK chief executive of insurance, guarantee and pension fund supervision Ogi Prastomiyono in a written answer sheet, according to the media organisation, Kontan.

This year, Mr Ogi said, various efforts will be made to reduce the high claim ratio, including asking insurance companies to strengthen anti-fraud systems and evaluate their products regularly. AAJI chairman Budi Tampubolon predicts that medical inflation will rise by double digits in 2024, considering that this was the situation in the last three to four years.

Life Insurance Association of Indonesia (AAJI) head of literacy and consumer protection Freddy Thamrin said that health insurance claims in 2023 were estimated at IDR20.83tn (\$1.33bn). This figure represents a sharp increase of 24.9% over 2022.

Mr Freddy explained that one reason for the surge in health insurance claims last year was medical inflation. He said this reflected hikes in the prices of health facilities, hospital treatment, medicines and various health tests. He said that appropriate steps need to be taken to overcome this problem. He added that AAJI would review collaboration with hospitals, evaluate products, premium amounts, and facilitate discussions among AAJI members.

He also said the life insurance sector supports OJK's signing of a memorandum of understanding with the Ministry of Health to strengthen the health ecosystem through quality health insurance products.

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### ***Australia: 16% of Aussies plan to cancel health insurance policies - Asia Insurance Review***

Over 3m Australians won't be renewing their health insurance this year, according to new research by Finder. The Finder survey of 1,070 Australians found that 16% of Australians admit they plan to cancel their health insurance policy in 2024. Thirty-eight per cent plan to stick with the same health insurer, while 15% will switch if they find a better deal.

More women (18%) than men (14%) plan to part with their cover. Young Australians are most likely to abandon their health coverage. One in four (25%) of Gen Z and 19% of millennials are planning to dump their private health insurance by the end of the year. There's one main reason behind these intentions: Health insurance is expensive.

Fifty-eight per cent of Australians told Finder that price was the most important factor when deciding on a health insurance provider. It's also a reason for people leaving in droves. The cost of health insurance has increased by 204% since 2000, according to Finder's analysis. This is more than double the rate of inflation over the same period (86%). A \$1,000 per year policy would now cost \$3,038.

To put this in context, health insurance premiums have risen slightly less than residential house prices, which have grown by 276% since 2002.

#### **Fewer young people taking out cover**

Despite the introduction of the lifetime healthcare loading a few years ago, older people still tend to take out insurance at a higher rate than younger Australians. Forty per cent of the insured population are over 60. Only 6% are aged between 20-39 and 24% are aged 40-59. Although health insurance is community-rated – meaning you don't pay more based on your age and health – older people are more likely to need healthcare. This places more pressure on the system which in turn drives premiums up.

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### ***Asia Pacific: Mixed growth trends in life insurance market driven by shifting market dynamics - Asia Insurance Review***

Growth is set to pick up for life insurance business in some markets in the Asia Pacific while other markets are affected by interest rates, says S&P Global Ratings (S&P).

In a report titled "Asia-Pacific Insurance Sector Trends — Returning To Fundamentals As Undercurrents Unfold", S&P says that increased insurance awareness post-COVID, managing savings needs amid moving interest rates, a still-wide protection gap, and ageing demographics are driving insurance demand,

#### **Profitability**

At the same time, high rates are benefitting reinvestment yields and better risk-return parities. Easing reserve provisions and the focus on protection insurance are supporting life insurers' ROA.

However, shifting monetary policies by major central banks are driving foreign exchange movements and costlier hedging (particularly for Japan and Taiwan). Meanwhile, New Zealand's peers' ROA reflects its low level of savings products.

Interest rate trajectories across the region are expected to drive higher reinvestment yields and discount rates for reserving.

Expectations of several Asia-Pacific P&C insurance markets over the next 12 months include:

Market/Credit Trend	What S&P Global Ratings expect over the next 12 months
Australia/ Stable	<p>Profitability of disability income insurance to deteriorate after two strong years.</p> <p>Higher claims frequency due to mental health problems and difficult workplace conditions.</p> <p>Return on equity will likely improve progressively as unrealized bond losses unwind.</p> <p>Solid rate rises in recent years to moderate on renewals.</p>
Hong Kong/ Stable	<p>The pace of premium growth will moderate following the pent-up demand from mainland Chinese visitors. However, interest rate differentials between Hong Kong and China will continue to attract mainland Chinese visitors' demand for saving-type policies.</p> <p>Earnings remain sensitive to capital market obstacles; High interest rates to help ease reserve provisions and improve reinvestment yields.</p>
Japan / Stable	<p>Profitability will be stable in fiscal 2024(year ending March 2025)underpinned by mortality/morbidity gains. Expansion of interest margins will continue, while hedging costs for investments in foreign currency will continue to weigh on profitability.</p> <p>Premiums will grow moderately. Japanese yen-denominated savings policies will attract more demand with a gradual rise in interest rates. This will mitigate the risk of the declining popularity of foreign currency (US\$/A\$) denominated savings policies. Demand for protection policies should remain stable.</p> <p>Appetite for acquisitions will remain strong in overseas and non-insurance businesses. Such M&amp;A activities will help sustainable growth, despite possible one-off financial hits. Capital is likely to be supported by lower asset-liability mismatch risk.</p>
Korea / Stable	<p>Profitability will improve modestly in 2024; high domestic interest rates to support reinvestment yields and reduce the burden of reserve provisioning. This also helps with asset-liability management for insurers with legacy high-yield guarantee products.</p> <p>Premium growth will remain low given high penetration. Life insurers will focus on sales of protection policies rather than savings and annuities to enhance their profit margins. S&amp;P estimates premium growth was 2%-3% in 2022 and 2023, after adjusting for a one-off increase in sales of single-premium savings policies in 2022.</p> <p>Investment volatility could rise due to sizeable exposure to loans or securities with alternative investment features.</p>
Malaysia / Stable	<p>Malaysia's strong economic growth conditions, rising health and financial awareness, and improving demand for protection-linked and health products should sustain premium growth in 2024.</p> <p>Favourable profitability potential supported by high interest rates, product offerings with low guarantees, and affordable life policies.</p> <p>This further supports the sector's healthy capitalization along with substantial allocation to fixed-income securities, which moderate investment volatility.</p> <p>Rising medical costs and cautious spending preferences could moderate growth and earnings momentum.</p>
New Zealand / Stable	<p>Profitability to improve in 2024 with ongoing premium rate increases and rising bond valuations. This should offset the rising claims trend emerging in 2023.</p>

Slowing economy and premium rate inflation could increase lapses due to affordability concerns.  
Higher claims frequency could emerge from mental health problems and difficult workplace conditions.

Source: S&P Global Ratings - "Asia-Pacific Insurance Sector Trends — Returning To Fundamentals As Undercurrents Unfold"

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**APAC: Gross premium growth in P&C insurance sector slows - Asia Insurance Review**

Insurers in APAC are expected to see P&C insurance premium growth slow as premium rate hikes moderate except in Japan and Thailand, S&P Global Ratings (S&P) has said.

In a report titled "Asia-Pacific Insurance Sector Trends — Returning To Fundamentals As Undercurrents Unfold", S&P said that P&C premium growth has been forecast to stay above 4% through 2025 for most markets in the region.

Earlier premium rate hikes were in response to high claims inflation.

Combined ratios to stabilise

Combined ratios are stabilising as COVID-related losses run off, according to S&P.

Regular reviews of pricing assumptions are conducted to support improving performance as insurers cope with lingering claims inflation and higher reinsurance costs. Extreme weather events could prompt insurers to review underwriting guidelines. New Zealand was hit by two severe catastrophe events in early 2023.

Expectations of several APAC P&C insurance markets over the next 12 months include:

Market/Credit Trend	What S&P Global Ratings expect over the next 12 months
Australia / Stable	Underlying return on equity, excluding unrealised gains or losses on investments, to stabilise at 12%-13%. Earnings to benefit from higher premium rates, offsetting higher claims and reinsurance costs. Premium rate hikes to slow while earnings to benefit from higher fixed-income earnings. Sharper focus on technology as a risk and price differentiator. Reinsurance capacity to support underwriting growth.
Hong Kong / Stable	Competitive pricing and rising exposure to natural catastrophe risk to pressure underwriting results. A dependence on investment income would heighten the sector's earnings sensitivity to asset risks. Growing demand for electric vehicle insurance and government-initiated non-motor coverage to drive overall growth, despite the slowing economy undermining momentum.
Japan / Stable	Moderate premium growth likely due to premium rate hikes for auto and fire insurance in 2024, as well as favourable growth in specialty lines. Underwriting profit may continue to be pressured by claims inflation, reinsurance costs, as well as increasing catastrophe losses. While insurers plan premium rate hikes in auto and fire insurance upon renewals, the effect on underwriting profits will lag. ROE for major non-life insurance groups to be supported by business diversification, particularly profits from overseas business. Capitalisation will likely remain stable due to market risk reduction while shareholder returns increase.

South Korea / Stable	<p>Combined ratio to gradually improve on premium adequacy enhancement and tighten claims control in the long-term business. These factors will offset pressure from auto premium cuts, claims inflation and higher reinsurance costs.</p> <p>Premium growth may slow to modest levels as rate hikes on medical indemnity policies are offset mainly by modest auto premium cuts in 2024.</p> <p>Investment volatility could rise due to sizeable exposure to loans or securities with alternative investment features.</p>
Malaysia / Stable	<p>Premium growth to reflect strong economic conditions, given accelerated construction activities benefiting property, construction all-risk and engineering lines, modest motor sales and improving flood coverage awareness.</p> <p>Sector likely to sustain underwriting profits supported by transition to risk-based pricing approach within motor and fire lines and insurers' ongoing efforts toward fraud management.</p> <p>Increasing flood occurrences, spare part costs and competitive environment could squeeze underwriting margins.</p>
New Zealand / Stable	<p>Premium growth will continue to be robust as insurers raise premium rates to tackle claims inflation and offset higher reinsurance costs.</p> <p>Earnings hit by two natural disasters in 2023 that generated record claims numbers; gross impact lessened by reinsurance.</p>
Singapore / Stable	<p>Overall sector growth dragged by motor line amid government policy to target near-zero vehicle growth rate and muted price increases in a competitive market.</p> <p>Growth in the construction sector and major infrastructure projects will prop up demand for property, workers' compensation and engineering insurance. The health segment would benefit from regulations to enhance medical insurance for foreign workers.</p> <p>Underwriting margins to drop slightly, but remain higher than pre-pandemic levels, with increased reinsurance costs, sustained pressure on the motor line and modest premium rate increases.</p>
Taiwan/ Stable	<p>Premium rate rises that drove the sector's direct premium growth in 2023 may continue throughout 2024, albeit to a lesser extent. Stable new car sales, insurance demand amid Taiwan's gradual GDP growth and the return of travel coverage will also support the sector's overall growth in 2024.</p> <p>Underwriting profits should return to the historical norm in 2024 following the sector's pandemic losses in 2022 and partial losses in 2023. Increasing risk awareness and risk pricing are persistent throughout the industry.</p> <p>Capital strength remains strong relative to its risks. Catastrophe risk remains well-covered by adequate reinsurance treaties.</p>
Thailand / Stable	<p>Growth in insurance demand is likely in 2024 as Thailand's economy accelerates with more national infrastructure projects in the pipeline.</p> <p>Underwriting profits should continue to trend at historical levels in 2024, with increased risk awareness after losses during the pandemic.</p> <p>Capitalisation at industry level remains healthy. Catastrophe risk remains crucial given Thailand's vulnerability to climate change.</p>

Source: S&P Global Ratings - "Asia-Pacific Insurance Sector Trends — Returning To Fundamentals As Undercurrents Unfold"

TOP

## ***Indonesia: General insurance market grows by 15% to nearly US\$7bn in 2023 - Asia Insurance Review***

The non-life insurance market posted a 15.3% jump in premium income to IDR103.86tn (\$6.7bn) in 2023, according to the General Insurance Association of Indonesia (AAUI). This growth was supported largely by the engineering insurance branch.

AAUI deputy chair for statistics and research Trinita Situmeang said, "Premiums rose by 15.3%. In line with our expectations in the third quarter of last year. This was indeed above our expectations because, until the third quarter, several business lines had contracted. But it turned out the full-year growth was good." The highest premium growth of 63.4% was chalked up in the engineering branch, followed by credit insurance (56.2%) and surety coverage (32.4%). In terms of market share, the top three branches were property, credit and motor insurance.

Property insurance continued to contribute the most to the P&C market with premiums totalling IDR26.49tn in 2023. However, the property insurance branch only grew by 1% in 2023 when compared to 2022. The credit insurance business generated premiums of IDR22.34tn, surging by 56.2% compared to 2022. AAUI assessed that the growth in credit insurance was due to increases in new credit and corporate financing. Auto insurance premiums reached IDR19.49tn in 2023, up by 7.4% year-on-year.

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## ***Australia: Govt aims to standardise more Nat CAT definitions - Asia Insurance Review***

The Treasury has started a consultation exercise on standardising natural hazard definitions and reviewing standard cover for insurance contracts, says assistant treasurer and minister for financial services Stephen Jones. In a statement, he says that the "government is working to improve insurance affordability as more severe weather events contribute to higher costs. As these events intensify and become more frequent, it's also important consumers know exactly what they are covered for."

The Treasury has released a consultation paper and seeks feedback on natural hazard terms that should be standardised and potential reform options for the standard cover regime. Currently, the only standardised natural hazard definition is flood. This was legislated in 2012. The Treasury will now consider standardising definitions for three other natural hazards: fire, storm, and stormwater and rainwater runoff.

### **Insurers' response**

The Insurance Council of Australia (ICA) says that it welcomes the government's initiative as it aligns with ongoing efforts by insurers to improve customer outcomes by improving transparency and consumer understanding of insurance. Standardised definitions would mean that all insurers use the same definition for a particular event in their insurance policies. ICA CEO Andrew Hal said, "We acknowledge there is more to be done to improve consumer understanding of policies, and standardised definitions for fire, storm and stormwater and rainwater runoff may assist with this."

Separately, the ICA has commenced discussions with insurers about the possible adoption of standardised definitions for maintenance and wear and tear exclusions in policies. Any adoption of standardised maintenance and wear and tear exclusion definitions by insurers through this process would be subject to obtaining required regulatory approvals.

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## ***Hong Kong: Insurance market sees gross premiums dip by 1.1% in 2023 - Asia Insurance Review***

The Insurance Authority (IA) has released provisional statistics of the Hong Kong insurance industry for 2023, showing a decrease of total gross premiums by 1.1% to HK\$549.7bn (\$70.3bn) over 2022.

### **Long term business**

Total revenue premiums of in-force long-term business were HK\$482.4bn in 2023 (decreased by 1.8% over 2022), mainly comprising HK\$423.4bn of individual life and annuity (non-linked) business (increased by 2.6%), HK\$23.6bn of individual life and annuity (linked) business (decreased by 16.8%), as well as HK\$29.3bn of retirement scheme business (decreased by 34.3%). This outcome was largely attributable to isolated transactions of retirement scheme business that took place in 2022. Meanwhile, the total claims and benefits paid to policyholders amounted to HK\$332.4bn (increased by 11.6%).

New office premiums (excluding retirement scheme business) of long-term business were HK\$181bn (increased by 34.2%), made up of HK\$169.4bn from individual life and annuity (non-linked) business (increased by 41.8%) and HK\$11.2 bn from individual life and annuity (linked) business (decreased by 25.1%).

### **General business**

Total gross and net premiums of general insurance business in 2023 were HK\$67.3bn (increased by 4.1%) and HK\$43.3bn (increased by 2.7%) respectively, against which total gross claims of HK\$32.1bn (increased by 6.8%) were paid. The overall underwriting profit went down from HK\$4.2bn to HK\$0.8bn. On direct business, the gross and net premiums were HK\$49.2bn (increased by 4.5%) and HK\$34.3bn (increased by 3.4%) respectively.

The gross premiums of accident and health business reached HK\$18.9bn (increased by 13.2%), driven by a surge in demand for travel insurance and group medical business. Motor vehicles business and property damage business reported gross premiums of HK\$5.2bn (increased by 5.1%) and HK\$6.1bn (increased by 6.5%) respectively. The growth was partially offset by a drop in gross premiums of pecuniary loss (comprising mortgage guarantee) business to HK\$3.3bn (decreased by 21%) due to the lukewarm property market.

### **Underwriting result of direct business**

Direct business generated an overall underwriting profit of HK\$0.1bn (decreased by 95.4%), with the net claims incurred ratio advancing from 58.1% to 64.1%. This reflects mainly the negative performance of accident and health business, property damage business and pecuniary loss business caused by the emergence of latent medical claims and full resumption of economic activities after the pandemic, the extreme weather conditions in September 2023 and reserve adjustment for reverse mortgage insurance. Nonetheless, a confluence of the same factors is unlikely in 2024.

In reinsurance inward business, the gross and net premiums were HK\$18.1bn (increased by 3.1%) and HK\$8.9bn (increased by 0.2%) respectively. The growth in gross premium came from property damage business and accident and health business, partly offset by the shrinkage of general liability business and pecuniary loss business. As the net claims incurred ratio rose from 44.6% to 55.8%, the overall underwriting profit declined 61.7% to HK\$0.7bn.

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## ***Cambodia: Regulator sounds out ways to increase market penetration - Asia Insurance Review***

The Cambodian government has a long-term goal of increasing the insurance penetration rate in the country to 5.5% by 2030. It would also be desirable for insurance density to hit \$135 a person, according to Insurance Regulator of Cambodia director-general Bou Chanphirou. Speaking at a recent event hosted by AmCham Cambodia, with the theme “Leading the Way: The Future of Bancassurance”, Mr Chanphirou said that with insurance penetration in Cambodia currently standing at 1.14%, there are both opportunities and challenges in the sector, reported The Khmer Times.

“One of the problems we have noted is a lack of public awareness of the need for insurance. So we need to step up efforts on education and financial literacy. Another issue is the limited channels of distribution for insurers. These need to be expanded,” Mr Chanphirou said.

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## COI Training Programs

Sr. No.	Program Name	Program Start Date	Program End Date	Details	Registration Link
1	Basics of Reinsurance	15-Apr-24	16-Apr-24	<a href="#">ClickHere</a>	<a href="#">Register</a>
2	Challenges in Fighting Fraud - Motor OD Insurance	18-Apr-24	19-Apr-24	<a href="#">ClickHere</a>	<a href="#">Register</a>
3	Sample survey data of RBI and Predictive Analysis for Insurance Industry	18-Apr-24	18-Apr-24	<a href="#">ClickHere</a>	<a href="#">Register</a>
4	Impactful Selling Strategies	18-Apr-24	19-Apr-24	<a href="#">ClickHere</a>	<a href="#">Register</a>
5	New Trends in Health Insurance	24-Apr-24	24-Apr-24	<a href="#">ClickHere</a>	<a href="#">Register</a>
6	Fire and Property Insurance	25-Apr-24	26-Apr-24	<a href="#">ClickHere</a>	<a href="#">Register</a>
7	Role of Govt. and Insurance companies in Micro and agricultural insurance	26-Apr-24	26-Apr-24	<a href="#">ClickHere</a>	<a href="#">Register</a>
8	Bancassurance in General Insurance	29-Apr-24	30-Apr-24	<a href="#">ClickHere</a>	<a href="#">Register</a>
9	Labour Laws for Corporates	30-Apr-24	30-Apr-24	<a href="#">ClickHere</a>	<a href="#">Register</a>

## Certificate Courses offered by COI

### CC1 - Certificate Course in Life Insurance Marketing

#### Course Structure -

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

### CC2 - Advanced Certificate course in Health Insurance

#### Course Structure -

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

### CC3 - Certificate Course in General Insurance

#### Course Structure -

Particulars	Details
Duration of the course	3 months (on weekends)
Mode of Teaching	Virtual Training - COI, Kolkata

<b>Total hours of Teaching</b>	100 hours
<b>Exam pattern</b>	MCQ pattern
<b>Target Group</b>	Fresh graduates/Post Graduates, Broking Companies, Insurance Companies, Freelancers
<b>Fees for the course</b>	Rs. 14,160 /- (Rs. 12,000/- + 18% GST)

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

#### **Course Structure -**

<b>Particulars</b>	<b>Details</b>
<b>Course Date</b>	14 <sup>th</sup> May 2024 – 16 <sup>th</sup> May 2024
<b>Duration of the course</b>	3 Days
<b>Mode of Teaching</b>	Virtual Training sessions
<b>Total hours of Teaching</b>	15 hours for online classes
<b>Exam pattern</b>	MCQ pattern
<b>Target Group</b>	Employees working in Fraud cells/ Claims Department/ Audit functions of the company
<b>Fees for the course</b>	Rs. 10620/- (Rs. 9,000/- + 18 % GST)

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

### **Post Graduate Diploma in Collaboration with Mumbai University**

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

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

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

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

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