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INSUNEWS - WEEKLY E-NEWSLETTER

9TH SEPTEMBER – 15TH SEPTEMBER 2023

QUOTE OF THE WEEK

"The man who does not read books has no advantage over the one who cannot read them."

- Mark Twain

Insurance Term for the Week

SUBROGATION

Subrogation - situation where an insurer, on behalf of the insured, has a legal right to bring a liability suit against a third party who caused losses to the insured. Insurer maintains the right to seek reimbursement for losses incurred by insurer at the fault of a third party.

Subrogation Clause is a section of insurance policies giving an insurer the right to take legal action against a third party responsible for a loss to an insured for which a claim has been paid.

INSIDE THE ISSUE

INSURANCE INDUSTRY

The Indian insurance sector: Building on two decades of achievement – Hindustan Times – 14th September 2023

As a provider of risk-mitigating services, and a supplier of capital for long-gestation investments, a mature insurance sector is critical for a well-functioning economy. Two decades of insurance reforms, which progressively enhanced the policy and regulatory environment and ushered in independent regulation, private participation and foreign capital, have created a sound insurance sector in India. With only six state-owned companies in 2000, we today have 57, mostly private, insurers. Premiums rose 20-fold from ₹46,000 crore in 2000-01 to ₹9 lakh crore today.

The transformation was led by a regulator empowered by removal of limiting hardwired statutory provisions that enabled a focus on ease of entry with undiluted stress on fit and proper qualification and capital adequacy. Regulations which progressively promoted outcomes over prescriptiveness, enabled innovative business practises and products within a framework stressing financial prudence and consumer protection. Steps like use-and-file and the recent expense of management regulations are key milestones in this quest for arm's length regulation, along with measures like an open distribution architecture, de-tariffing, regulatory sandboxes, and a technological emphasis through regulations for digital distribution, e-insurance, cyber-security and tele-medicine. The digital emphasis was invaluable during Covid and led to enduring changes in business practices.

Additional measures like policy dematerialisation, access enhancement through Bima Sugam, Bima Vahak, and Bima Vistar are on the anvil. Envisaged legislation promises enhanced ease of entry, regulatory empowerment for permitting new intermediaries with potentially innovative business models, composite licenses for life and health business, and provision of services incidental to insurance and other financial products by insurance entities.

However, notwithstanding significant achievements, gaps remain. These include low insurance penetration, with limited spread to rural areas and smaller cities. Certain risks are un-insurable or insurable partially at prohibitive premiums. Cyber-attack and data breach risks, important in the digital age, are inadequately addressed. While steps like coverage of medical tele-consultation and pre-existing conditions like diabetes, hypertension etc., and standard demystified health and travel policies have been initiated, gaps remain in covering chronic conditions, specialised care, and mental disorders. While schemes like PMSBY and PMJJBY have drawn in weaker sections, further awareness about essential covers, customer rights, and uninsurable risks is needed. Investment regulation could consider globally prevalent approaches like portfolio risk-based capital provisioning for freer investment choices, to better achieve goals like long-term capital availability. Promoting reinsurance must also be a priority.

Recent initiatives and those on the anvil, reveal the regulator's intent to address these gaps. The pandemic-induced boost to consumer awareness and demand, especially in the life and health space, and the digital thrust, are also key conducive factors. However, going forward, certain key qualitative dimensions associated with past initiatives, merit renewed emphasis.

As the most efficient regulatory tool available, promoting competition by upholding the right to do business through flexible entry norms, must remain a priority. This would facilitate entry of innovative and disruptive service providers, and encourage further digitisation, to attain the potential afforded by technology. Regulations must remain outcomes focused. Core regulatory concerns like solvency and propriety at the corporate and product level, consumer protection, product and business innovation, fair competition etc. must be upheld through frameworks that achieve these desired goals through minimalist, least onerous and non-prescriptive approaches that allow managerial discretion. Regulations must be audited for a clear nexus with these objectives and be suitably eased on failing the test.

The fundamental insurance principle of the viability of large, diverse insurance pools at reasonable premiums must be promoted for universal inclusion and affordability. The incentive for leaving out those at higher risk, must be moderated by encouraging insurers to distinguish between self-acquired controllable and natural uncontrollable risks in individuals, and penalise the former rather than the latter. This could go hand in hand with more refined actuarial pricing practices, and mechanisms like iterative re-calibration based on observed performance of insurance pools and post facto sharing of surpluses with consumers.

A level playing field across service providers is the key to fair competition. Barring exceptions like incentivising rural services or higher costs in certain lines or regions or special circumstances of small new insurers, regulations must not favour particular business models or products, and should enable competition based on attributes and efficiencies inherent in them. This would allow superior USPs to succeed, disrupt, and elevate the insurance eco-system. For a level playing field, the State and the regulator must remain facilitators at arm's length from service provision. Examples like UPI, a digital public infrastructure that exploded opportunity for private service providers, merit emulation. In this context, an initiative like Bima Sugam should be a neutral platform with uniform access for all, without exclusivity over other channels.

Given the distribution-centric nature of insurance and the limited success of direct to customer services, overcoming distribution deficiencies is essential for translating the huge available underwriting capacity into sector growth. Towards this end, distribution intermediaries must be given their rightful voice.

Over time, with corporate agents being allowed multi-company work, followed by individual agents being allowed work as point-of-sale persons for intermediaries or as agents for stand-alone health insurers and motor insurers, the distinction between brokers with extensive service obligations towards customers and agents with such obligations borne on the company, has been greatly diluted, notwithstanding concerns regarding free-riding and obscuring of the boundaries without passing on the wide-ranging duties of brokers onto agents. While this was presumably done to address distribution bottlenecks, it adversely impacted life and general insurers, and pushed them towards brokerage-based distribution. Bottlenecks in qualifying new agents have compounded the problem. New mode distributors like aggregators have their own misgivings regarding lack of a level playing-field and non-recognition of legitimate distribution costs.

Thus, the interest of innovative and effective distribution merits ease of entry and a level playing field in terms of rights, obligations, and commercial terms across channels, including on customer on-boarding issues like access to centralized e-KYC, Insurance Information Bureau, Vaahan database and repositories. This would allow undistorted choices to insurers, taking cost-effectiveness, efficacy, and service quality across distribution channels into account. The expense of management initiative would support this objective. Concerns, especially on the life side, regarding expenses still being irrationally segmented and contingent on the product mix, could be addressed. The sub-broking model, successfully used in stock broking, could be encouraged, including in tandem with aggregator platforms. Distributor understanding of customer needs and risks must be used in underwriting, claims settlement, product development, and value-added services, to better serve customers. Managing General Agents, prevalent overseas, could be considered.

Mis-selling by distributors arising from inadequate accountability and conflicted situations like selling to vulnerable bank customers, could also be addressed through better disclosures, display of commissions on policies, etc. and third-party checks. Addressing misaligned distribution incentives could improve persistence of life policies. Suitable redressal mechanisms could address concerns regarding delayed claim settlement and wrongful denials.

Clearly, with the right policies the insurance sector in India can overcome shortcomings and build significantly on its substantial achievements.

The writer is Anup Wadhawan

TOP

Robotic Surgeries May Not be Fully Covered - The Economic Times (Bangalore edition) 14th September 2023

When Arun Jalan, a 66-year-old retiree, opted for a robotic radical prostatectomy, he had expectations of a precision surgery and quick hospital discharge. Little did he know that the costs of the procedure, although much less elaborate from a traditional surgery, would leave him in shock. After submitting his claims, he was told by the National India Insurance Company that it would only cover 25 percent of the sum assured. Jalan's, however, isn't an isolated case of disappointment with the insurer. While robotic surgical technology is gaining popularity for its minimally invasive approach and faster healing times, policyholders often find themselves facing unexpected limitations while submitting claims. Robotic surgery involves the use of a robotic surgical system, which assists the surgeon in performing precise and minimally invasive procedures and is commonly used for intricate surgeries, such as those involving tissue removal around the brain, large blood vessels, heart surgeries, joint replacements, cancer removal and treatments for critical organ-related cancers, among others. Insurers are mandated to cover robotic surgeries as modern treatments, either with or without sub-limits, according to the Insurance Regulatory and Development Authority of India (IRDAI) Health Regulations of 2019. As of now, robotic surgery does not constitute a substantial proportion of insurance claims data due to its emerging status. Insurers are cautious and tend to impose caps, either as a percentage of the sum assured or as fixed sub-limits.

"The rationale behind these caps is the uncertainty surrounding the costs of such emerging technology," explained Prasun Sarkar, Chief Actuary, ICICI Lombard. "By imposing such limits, insurance companies are looking to provide policyholders affordable premiums with cost certainty for this evolving landscape of robotic surgery expenses. Though many companies like ICICI Lombard do not have such sub limits against such surgery expenses". Insurers say that putting caps brings certainty to the costs associated with robotic surgeries, which can vary significantly from one hospital or healthcare provider to another. "Robotic surgeries can be expensive, and thus, capping is necessary to maintain affordability in pricing," explained Sanjay Datta, former head of underwriting at ICICI Lombard. Insurance companies are still modifying the insurance plan based on their experience.

TOP

Inflation biggest concern for Indians, only 6% sufficiently insured: study – Business Standard – 12th September 2023

Increased costs of daily consumption items, and rising medical and education costs are the key concerns amongst Indians, according to a study conducted by SBI Life. The Financial Immunity Study 3.0 surveyed 5,000 respondents across 41 cities in India and uncovered critical insights. A sizable proportion of 43 percent of consumers now consider inflation as their crucial concern in today's economic climate whereas last year increasing costs of daily items were rated as the lowest concern last year for consumers. In 2023, 35 percent of surveyed consumers have voiced concerns about increasing expenses of education. There has also been a significant rise in mental health concerns and stress. In order to brace themselves for these challenges, at least 52 percent of those surveyed have some form of investments, savings and insurance. This allocation is rationed with 17 percent towards savings, 16 percent towards financial assets, 11 percent towards life insurance, and 8 percent towards health insurance policies.

To achieve financial security and have multiple sources of income, the majority of Indians are investing in mutual funds and equities while managing expenses effectively (49 percent), creating secondary sources of income (41 percent), purchasing or increasing life as well as health insurance coverage (37 percent) and purchasing gold (35 percent). Indians in their 20s rated their financial immunity to be relatively lower, with an average score of 6.6/10. This age group prioritises fulfilling their immediate desires and wants. Their investments tend to be short-term and high-risk, with returns intended for wish fulfilment and travel aspirations. “Although 68 percent of surveyed consumers believe that they are sufficiently insured, only 6 percent of consumers are in fact sufficiently insured under their current insurance policies,” the report said. To be sufficiently insured, experts believe that an insurance policy must provide 10 to 15 times the annual income of the household as coverage. Example: A consumer with an annual salary of Rs 10 lakh must have a minimum life insurance cover of Rs 1 crore. When asked about the reasons for the lack of appropriate coverage, the main reason cited by most was a shortage of funds On the other hand, those in their 30s displayed a greater emphasis on financial planning and insurance, resulting in the highest average score of 7.2/10 among the groups. Surprisingly, people in their 40s reported a lower financial immunity score compared with those in their 30s with a score of 6.9/10, suggesting missed opportunities given that insurance ownership is far more economical if purchased in the 20s rather than later.

Amongst surveyed consumers, a significant majority of 75 percent indicated that they possessed some form of insurance coverage. Savings plans emerged as the most popular policy amongst surveyed consumers with 50 percent owning a savings plan. The popularity of savings plans can be attributed to their tax savings benefits and the assurance of guaranteed returns upon maturity.

At least, 39 percent owned term insurance policies, while 28 percent held child plans, making them the second and third-most owned insurance policies, respectively. The survey also revealed that a staggering 47 percent of consumers had surrendered or not renewed their policies within the last five years. Despite the undeniable significance of insurance, nearly 50 percent of consumers revealed a tendency to prematurely surrender their policies, despite the intended long-term nature of such commitments. Another crucial driver behind this phenomenon is the sudden need for funds, revealed the study. People often choose to surrender their policies to reduce premium expenses when faced with an urgent need for liquidity. During our consumer study, it was observed that almost a fifth of the consumers chose to surrender their insurance policies due to urgent financial requirements. Nearly 80 percent of consumers rely solely on employer-provided insurance policies. "However, it is observed that 96 percent of employees covered solely under employer-provided insurance coverage are underinsured. This discrepancy arises due to employers adopting a one-size-fits-all approach, primarily based on an employee's seniority, while overlooking the personal details of the employee’s life that would ensure appropriate coverage," noted the study.

The writer is Sunainaa Chadha

TOP

Many Indians' intent to buy insurance doesn't lead to action: Report – Business Standard – 11th September 2023

Indian consumers realise the significance of insurance for financial security but there is a gap between their intent and action, said a report on Monday.

As many as 97 per cent Indians agree that life insurance coverage must increase over the years but it does not translate into action, said the report, ‘Demystifying the Indian Consumers’ Illusions: 2023’, SBI Life Insurance conducted in partnership with Deloitte.

On average 52 per cent of the annual income of Indian consumer households is allocated for financial security. Out of that amount, 17 per cent is allotted for savings, 16 per cent towards financial assets, 11 per cent for life insurance and just 8 per cent for health insurance.

The coronavirus pandemic prompted consumers to improve their financial security, but as the impact of the disease recedes rising inflation and living cost have again become a concern, said the study conducted in 41 cities among more than 5,000 respondents.

As many as 80 per cent respondents acknowledged the role of life insurance in achieving financial immunity. Even respondents who do not have insurance, 71 per cent of them acknowledged the significance of having a policy.

Intention to secure coverage does not convert into action because of misconceptions like that mere ownership of insurance policy guarantees protection, policies can be forfeited in the event of fund shortage, investment in financial instruments provides better security, ownership of assets and savings can work as a replacement for life insurance, and employer-provided insurance cover is sufficient.

As many as 68 per cent of consumers who own insurance policies believe that they are sufficiently insured. However, as per experts only 6 per cent of them are in fact sufficiently insured. The consumer attributes lack of funds as the key reason for lack of adequate coverage.

Similarly, 47 per cent of consumers said they have not renewed their policies in the last five years as they had invested in other financial assets or savings as a means to ensure financial security without giving due consideration to the expenses in case of financial and medical emergencies.

As many as 68 per cent of consumers considered employer-provided insurance sufficient for their needs. “However, it is observed that 96 per cent of employees covered solely under employer provided insurance coverage are underinsured,” said the report.

The lack of insurance and inadequate coverage are significant tasks for the insurance industry to narrow the existing gaps between intention and action. Meanwhile, there are consumers willing to purchase life and health insurance policies in the next five years. “Approximately 46 per cent plan to buy life insurance and 39 per cent intend to purchase health insurance within the next year.”

The report noted that the government, regulators, decision-makers, corporations, and institutions must take an active role in addressing the gap and encourage citizens to obtain adequate insurance coverage for their financial immunity. Additionally, social media can also help to encourage the sentiment among the younger generation.

A comprehensive customer education strategy that explains the difference between insurance and investment options ensuring availability of simplified insurance products with affordable premiums among others can play a pivotal role in increasing financial literacy, enhancing insurance awareness, and driving higher adoption rates for consumers.

The writer is Aathira Varier.

TOP

UK, India agree pensions and insurance partnership – Eastern Eye – 11th September 2023

BRITAIN and India have agreed to launch a partnership to boost cross-market investment by the insurance and pension sectors, the Treasury said on Monday (11).

It said the UK-India Pensions and Insurance Partnership would support the growth of the sector in both countries, focusing on knowledge sharing, growing bilateral investment and diversifying risk.

The agreement follows the 12th UK-India Economic and Financial Dialogue attended by the chancellor of exchequer Jeremy Hunt and the Indian finance minister Nirmala Sitharaman in New Delhi.

Planned actions include the facilitation of pension fund delegation visits to each country and deepening knowledge-sharing on regulatory reforms in the insurance and pension sectors in the two countries.

It also involves the sharing of UK expertise to support the development of GIFT City – India's international financial services centre – as a reinsurance hub.

"We welcomed the growing presence from UK financial institutions and look forward to further cooperation across all asset classes with a particular focus on green finance," a joint statement by Hunt and Sitharaman said.

The writer is Chandrashekar Bhat

TOP

INSURANCE REGULATION

IRDAI chairman says Bima "Trinity" to be implemented soon – Asia Insurance Review – 14th September 2023

The Bima "Trinity", comprising Bima Sugam, Bima Vahak and Bima Bima Vistaar, will be a reality soon, IRDAI Chairman Debasish Panda has said.

He was speaking at the Global Fintech Fest held on 5-7 September in Mumbai, according to local media reports.

Bima Sugam is an insurance portal that was supposed to go live on 1 January 2023 but has been postponed. The online portal will be a one-stop shop for all insurance-related queries, policy purchases, claim settlement and insurance advice.

Bima Vahak is an initiative by the IRDAI for insurers to reach the last mile. Bima Vahaks are the insurance intermediaries who will sell and renew insurance policies and make claim requests completely online through Bima Sugam. Each Gram Panchayat (village or cluster of villages) will have a Bima Vahak who will sell and service simple life and general insurance products. Bima Vahak intends to form a women-centric insurance distribution channel.

A Bima Vahak will work with only one life insurer, one general insurer and one health insurer and is permitted to collaborate with the state-owned Agriculture Insurance Company of India.

Bima Vistaar is a social safety net scheme that offers affordable, accessible and comprehensive insurance coverage to the rural population.

Mr Panda said that there is an urgent need to step out from metro cities and focus more on the villages, blocks and districts to make insurance for all by 2047. Working towards this goal, the Bima Trinity has been conceptualised and it will play a key role, he said.

Furthermore, the IRDAI has rolled out a plan in which insurance companies are assigned the responsibility to increase insurance penetration at the state or union territory level. Each insurance company has to adopt a state for this purpose, Mr Panda said.

TOP

LIFE INSURANCE

Create a UPI-like moment in the insurance sector: Former LIC Chairman M R Kumar – The Economic Times – 14th September 2023

Awareness about insurance has grown in the last 40 years but not to the extent desirable, and phygital should be used for it, Kumar said at the ETBFSI NXT 10 Insurtech Summit 2023.

Insurance should leverage the technology stack fully to push products and look to create a UPI-like moment for the sector, experts said The regulator and insurance industry is looking at UPI-like in the industry, MR Kumar, former LIC chairman, said delivering the special address at ETBFSI NXT 10 Insurtech Summit 2023.

"In August UPI transactions crossed 10 billion. The insurance industry has to see a UPI-like moment. A lot of things have happened in the last 15 years, smartphones, affordable internet access," he said.

Insurance is not a kind of product that is bought but it has to be sold. People are getting used to the idea of buying insurance but it takes a huge effort, he said.

Stressing on the need to deploy phygital for selling insurance, he said awareness has grown in the last 40 years but not to the extent desirable. "We have tech but not awareness," he said.

Stating that there are 40 lakh agents for spreading insurance, Kumar said, "We need bionic agents. Our insurance agents need to be superman, batman and they should have the tools with them to help them sell insurance products."

Technology stack

Ajay Prakash Sawhney, former secretary, Ministry of Electronics and IT, said that Aadhaar was the foundational stack and the government has invested in the core database and technologies. UIDAI has open APIs and services are offered by an ecosystem built around the core database of public digital platform. "It is like Kamdhenu, which gives you results year after year."

"UPI has further strengthened the banking sector in many ways, there were already accounts, payments, and various ways of depositing. All of that has become far, far simpler, almost frictionless, for merchants it is a zero cost transaction while it is convenient for customers," Sawhney said delivering the keynote address on 'Expanding insurance with technology - A digital public infrastructure perspective'.

He said the cost of acquisition of customers in the insurance sector is unexpectedly high. "What UPI has done for a new-age player is bring low-cost services to a vast number of people."

UPI has grown exponentially, bringing absolute convenience into our pockets and our mobile phones. "Has it shattered the banking sector? No. Instead, UPI has strengthened it in many many ways," he said.

On ONDC (Open Network of Digital Commerce), he said it is representing the next generation of nationwide initiatives. "ONDC comes not from the core idea of platforms but from the core idea of networks," he said.

TOP

IndiaFirst Life launches single premium plan – The Economic Times – 13th September 2023

IndiaFirst Life Insurance Company has launched a single premium product with a life of 15 to 30 years that aims to provide a cumulative return ranging from 6.3% to 6.7% over many interest rate cycles.

Despite the plan being available from 5-30 years period, the company is focused on selling plans with tenures of 15 years and above to avoid competition with bank fixed deposits as large part of its sales comes from banks including Union Bank of India, Bank of Baroda.

The IndiaFirst Life Guaranteed Single Premium Plan — a nonlinked, non-participating, individual, single premium savings plan offers policy-holders guaranteed returns over up to 30 years. It is aimed at people who want to save for retirement and legacy planning.

The writer is Shilpy Sinha.

TOP

Max Life Launches SEWA Plan, Introduces Max Fit Wellness App – Businessworld – 12th September 2023

Venturing into health and wellness sector, Max Life Insurance launched the Secure Earnings & Wellness Advantage Plan. This offering integrates life insurance, savings, and health benefits, addressing evolving consumer needs. It further encompasses services like hospitalisation, surgeries, critical illnesses, and disability, along with special discounts for women and transgender customers, promoting financial inclusivity.

According to the official statement by the company, customers gain access to the Max Fit wellness app, which encourages a disciplined and healthy lifestyle. Registering on the app entitles users to a 5 per cent premium discount, while wellness boosters earned through healthy habits are provided along with the maturity benefit.

According to the India Retirement Index Study, 59 per cent of Indians prioritise health in retirement planning, reflecting a growing awareness of holistic well-being. SEWA is designed to offer a unique blend of financial security and health advantages in response to shifting consumer preferences.

Prashant Tripathy, Managing Director & CEO of Max Life, stated, "SEWA is a unique product that combines the benefits of health, security, and financial stability. A product of innovation based on deep consumer insights, SEWA is a testament to Max Life's dedication to contribute towards a healthier, financially secure India." SEWA offers two tailored variants, Elite and Lite, catering to diverse financial and healthcare preferences. The Elite variant allows premium payments over a limited period, providing benefits like death coverage, fixed hospitalization benefits, and a lump sum payout upon survival. The Lite variant involves regular premium payments over 20 or 30 years, offering death benefits, hospitalisation coverage, and a guaranteed return of 105% of premiums at the chosen term's end.

TOP

Pramerica Life Insurance launches a new age ULIP solution tailored for new generation's financial ambitions – APN News – 11th September2023

Life Insurance, one of the leading provider of life insurance solutions, has announced the introduction of its latest offering, 'Pramerica Life Super Investment Plan (UIN: 140L088V01)'. The newly launched plan is one of the most flexible Unit Linked Insurance Plans (ULIPs) in India, meticulously designed to align with the dynamic lifestyle and financial ambitions of today's generation.

On the occasion of the launch Mr. Pankaj Gupta, MD & CEO of Pramerica Life Insurance, said, "Modern India is aspirational and is looking out for new age life insurance products that support changing lifestyles and aspirations. Pramerica Life Super Investment Plan is designed to cater to modern financial aspirations while providing a safety net to customers and their families through life insurance cover. This is one of the most flexible ULIPs in India and also comes with 6 high potential investment funds including Pramerica Nifty Midcap 50 Correlation Fund."

Unlike traditional insurance plans, the uniqueness of this plan lies in the bouquet of features it offers.

- To suit varied needs the plan comes with an option to choose from two investment strategies and 6 high potential funds including the Industry-first Pramerica Nifty Midcap 50 Correlation Fund.

- It offers zero premium allocation charge in all years which allows policyholders to grow their wealth faster.

- To further enhance the fund value, the plan offers Persistency Additions and Persistency Booster at specific intervals during the policy term.

- With flexibility of unlimited switches and premium re-directions between fund options, this plan helps to take advantage of market movement or change the risk preference at no additional cost.

- It also offers Return of Mortality and Waiver of Premium Charges on survival of the Life Insured till the end of the Policy Term.

TOP

Bajaj Allianz Life Dynamic Asset Allocation Fund Now Open to All Investors NFO period from 11th to 25th September, 2023 – The Hans India – 11th September 2023

Bajaj Allianz Life, one of the leading private life insurers in India, launches a unique fund proposition in the ULIP segment today. Bajaj Allianz Life's Dynamic Asset Allocation Fund offers customers the opportunity to allocate between equity and debt, dynamically. The benchmark index is Crisil Dynamic Asset Allocation Index (45% Equity, 45% Debt and 10% Liquid). The NFO period for Dynamic Asset Allocation fund ends on 25th September 2023.

The asset allocation (between debt and equity) of the fund will be more dynamic/active in nature. It is based on an in-house quantitative model with limited qualitative input from the fund manager and aims to optimize risk-return. This investment strategy will help to minimize volatility and downside risk during market corrections. For example: In a scenario, when market valuations get more expensive, the fund will reduce equity exposure.

Alternatively, with more attractive market valuations, it will increase equity exposure. The asset allocation range of the fund will be as follows: Equity and Equity related instrument: 10%-90%; Debt and Debt related instrument: 10%-90%; Money market instrument: 0%-80%. Sampath Reddy, Chief Investment Officer, Bajaj Allianz Life Insurance, said on the launch, "Having been a part of the industry for over three decades, I have observed that a common challenge retail investors face is managing asset allocation independently, depending on changing market conditions or outlook.

We are pleased that Bajaj Allianz Life's Dynamic Asset Allocation Fund, a significant addition to our ULIP offerings, will enable investors to seamlessly move their funds in line with market trends. This feature aims to provide customers with peace of mind by dynamically handling asset allocation through a proprietary quantitative model and insights from fund managers. With a disciplined approach, the fund empowers investors on their path to achieving life goals."

Why invest in Dynamic Asset Allocation Fund Customers can consider some of the key points while investing in the Bajaj Allianz Dynamic Asset Allocation Fund: Dynamic Asset Allocation Management: Retail investors often struggle to adjust their asset allocation in response to shifting market conditions. This fund offers a solution by employing a proprietary quantitative model and removing the complexity of timing equity-debt allocation changes by a policyholder. There would be limited engagement of the Fund Manager (on the asset allocation mix) due to quantitative model-based investment approach. This approach will also help investors to follow a disciplined approach towards asset allocation and reduce individual behavioural biases. Optimize Risk and Return: The investment strategy not only seeks growth but also aims to minimize volatility and protect against downside risks during market corrections. By following this strategy, the fund endeavors to shield investors from excessive market fluctuations, providing a level of stability that can be especially appealing during uncertain times. Significant traction from investors for the strategy: In the mutual fund industry, Dynamic Asset Allocation funds (also known as balanced advantage funds) have gained significant traction from investors because they are getting the right advantage at the right time of the market. For more information, please visit the website: https://www.bajajallianzlife.com/ About Bajaj Allianz Life Insurance Bajaj Allianz Life Insurance is one of India's leading and fastest growing private life insurers. The company is a partnership between two powerful and successful entities in their own right – Bajaj Finserv Limited, one of India's most diversified non-banking financial institution and Allianz SE, one of the world's leading asset manager and insurer. The Company commenced its journey in 2001, and today delivers its promise of Life. Goals. DONE through innovative value-packed insurance products that are backed by a robust tech and digital eco-system. Bajaj Allianz Life Insurance continues its journey of transformation through its products and tech-enabled state-of-the-art services to enhance customer delight. Bajaj Allianz Life now serves over 2.82 crore individual customers and many more through its Group plans. The Company has a large distribution network of 503 (as on 30th June 2023), branches and over 1,31,743 agents (as on 30th June 2023), a comprehensive set of trusted partners, and its proprietary sales channels (online and offline). Bajaj Allianz Life Insurance manages Assets

Under Management to the tune of over Rs. 95, 317 crores (as on 30th June 2023) with the Individual Claim Settlement Ratio of 99.04% and a Solvency Ratio of 516%. (Disclaimer: The above press release comes to you under an arrangement with Business Wire India and PTI takes no editorial responsibility for the same.).

TOP

SBI Life Insurance study uncovers India's financial preparedness crisis – The Hindu Business Line – 10th September 2023

A study by SBI Life Insurance, conducted in collaboration with Deloitte, highlights a concerning gap in the financial preparedness of Indian consumers.

The Financial Immunity Study 3.0, titled "Demystifying the Consumer's Illusions," surveyed 5,000 respondents across 41 cities in India and uncovered critical insights.

Key findings

Some of the key findings of this study are that 71 per cent of uninsured respondents recognize the absolute necessity of insurance for achieving 'Financial Immunity'.

As many as 83 per cent of insured individuals acknowledge the critical role of insurance in attaining financial resilience.

Despite 68 per cent believing they are adequately insured, only 6 per cent have sufficient coverage.

Shockingly, 47 per cent of insured individuals surrendered their life insurance policies in the last five years.

'Call to action'

Mahesh Kumar Sharma, MD & CEO of SBI Life Insurance, emphasized the urgent need for a paradigm shift in how financial preparedness is perceived. "It's a matter of great concern that 80 per cent of consumers acknowledge insurance's pivotal role in financial security, yet a staggering 94 per cent remain inadequately covered", he said.

"The study is more than just a report; it's a call to action".

Sharma said that every individual deserves the opportunity to build resilience against life's uncertainties. Together, we can bridge the gap between perception and reality, and truly empower individuals to achieve 'Financial Immunity'."

He emphasized the stark contrast between perception and reality and called for empowering individuals to achieve true 'Financial Immunity.'

SBI Life Insurance aims to demystify financial illusions and equip individuals with knowledge and solutions to fortify their financial foundations. This initiative seeks to bridge the gap between perception and reality, ensuring financial security in an uncertain world.

Amidst a world reshaped by unforeseen challenges, the study unveils a stark reality that the Indian consumer's perception of financial preparedness is often clouded by illusions that could have dire consequences leading them or their family members to have inadequate financial protection amidst life uncertainty.

Other key findings
The study noted that the key concern of consumers has shifted from medical expenses to inflation and the rising cost of living.

As many as 37 per cent of consumers equate Financial Immunity with 'having multiple sources of income' and 41 per cent claim that having a 'secondary income' can strengthen Financial Immunity. Also 52 per cent of Indian households' income allocation is focused on building Financial Immunity, by investing funds in savings, investments, life insurance, and health insurance schemes.

Nearly 80 per cent consumers rely solely on employer-provided insurance policies.

Financial immunity calculator
Taking the concept of Financial Immunity to the masses, SBI Life has also launched a free to use 'Financial Immunity Calculator' which captures consumers' profiles and current financial assets to provide personalized assessment of their Financial Immunity Score.

The score acts as a reminder that preparing today fortifies the foundation for tomorrow. The 'Financial Immunity Calculator' also provides valuable suggestions on how individuals can bridge identified gaps in their financial preparedness.

The writer is KR Srivats

TOP

Postal Life Insurance policy: When can you surrender PLI policy, how to surrender and more – The Economic Times – 8th September 2023

The Department of Posts has prescribed Standard Operating Procedure (SOP) in order to expedite the process of settlement of Surrender claims for postal life insurance policies. The department issued the SOP via an Office Memorandum dated September 5, 2023.

The Department of Post also informed the waiver on default fee on revival of a lapsed PLI/RPLI policy upto November 30, 2023.

When can you surrender PLI policy
A policy can be surrendered only if it has been in existence for at least three years and is still in force at the end of the month in which the surrender application is submitted. Note that only a policy in force (active policy, not lapsed) can be surrendered.

How to surrender PLI policy
The policyholder must submit a surrender claim form along with the consent form and any necessary supporting papers, to any Post Office counter or PLI CPC of HO. The consent form

must clearly state that the surrender value specified in the surrender quote is acceptable to the policyholder and that once paid, the policy cannot be recovered.

In case policyholder is medically or abroad
If a policyholder is unable to attend the Post Office due to medical reasons or because he or she is outside India, he or she may appoint any person as a messenger to submit the surrender application along with the requisite documentation. A messenger can only be appointed if he or she is an adult, literate, of sound mind, and not insolvent.

How to calculate surrender value
According to the OM, "It is further informed that Surrender value is calculated on reduced sum assured/paid up value. Paid up value = No of premium paid/total number of premium payable x sum assured. Surrender Value is equal to Surrender Factor x (paid up value+ proportionate bonus)"

- Policies that can be surrendered
- Whole Life Assurance (Suraksha and Gram Suraksha),
- Endowment Assurance (Santosh and Gram Santosh),
- Convertible Whole Life Assurance (Suvidha and Gram Suvidha) and
- PLI Joint Life Assurance (Yugal Suraksha).
- Policies that cannot be surrendered
- Anticipated Endowment Assurance (Sumangal and Gram Sumangal),
- 10-year RPLI Anticipated Endowment Assurance (Gram Priya) and
- Children Policy (Bal Jeevan Bima and Gram Bal Jeevan Bima).

The following documents are required to be submitted along with the Surrender Claim Form:

Sl.	List of Documents	Cash Policy	Pay Policies
1	Surrender Claim Form (format at Annexure-I)	Yes	Yes
2	Consent of the policyholder to the effect of that the policyholder is agreed upon receiving the calculated surrender value	Yes	Yes
3	Original Policy Bond/Duplicate Policy Bond or Letter of Indemnity* (Format at Annexure- II)	Yes	Yes
4	Self-Attested copy of ID and Address proof of the Policyholder (list of Documents acceptable as ID and Address proof is given in Annexure-III)	Yes	Yes
5	Cancelled Cheque for Bank mandate or Self Attested copy of POSB passbook	Yes	Yes
6	Self-Attested Document of Credit, if any**	No	Yes
7	Premium Receipt Book ***	Yes	No
8	Loan Receipt Book#	Yes	Yes

The writer is Sneha Kulkarni

TOP

AU Small Finance Bank and Bajaj Allianz Life Insurance enter into strategic partnership – The Hindu Business Line – 8th September 2023

AU Small Finance Bank (AU SFB), a small finance bank, and Bajaj Allianz Life Insurance, a private life insurer, has entered into a strategic partnership.

This collaboration will empower AU SFB's customers to gain access to Bajaj Allianz Life's comprehensive suite of life insurance products, thereby addressing their imperative need for financial security.

Uttam Tibrewal, Executive Director of AU Small Finance Bank and Tarun Chugh, MD and CEO, Bajaj Allianz Life Insurance signed the agreement and announced their strategic partnership.

Through this partnership, the bank aims to leverage technology-based solutions for its customers through wide variety of life insurance products offered by Bajaj Allianz Life Insurance.

AU SFB has a distribution network comprising 1,038 touchpoints spanning 21 States and 3 Union Territories.

Larger customer base

Speaking on the partnership, Tarun Chugh said, "This partnership will make our value-packed and innovative life insurance products available to a significantly larger customer base across the 1038 touchpoints of the bank. I am confident that our collective promise of 'customer first' will lead to a long-term and successful partnership as we enable many more life goals, together."

Uttam Tibrewal said, "As we expand our financial offerings in the bancassurance segment, our goal was to partner with a life insurance partner that can complement our products and aid customers in financial planning.

Through this partnership, new and existing customers of the bank can now choose from Bajaj Allianz Life's retail products including term, savings, retirement, and investment products.

This will help them achieve their life goals in a planned manner. Furthermore, the life insurer will also work closely with the bank to offer seamless service options to the customers. This includes response on queries using WhatsApp, ChatBot on AU digital platforms, along with well-trained bank staff managing the life insurance business.

The writer is KR Srivats

TOP

How LIC pension policyholders can submit digital life certificate – The Economic Times – 8th September 2023

The Life Insurance Corporation of India's (LIC) Individual Pension Plan (IPP) annuitants and LIC staff pensioners can get an Aadhaar-based digital existence life certificate, according to the LIC website.

These pensioners can conveniently submit their life certificate online by downloading the LIC Jeevan Saakshya mobile app instead of going to a LIC branch to do so.

The deadline for submitting a life certificate is generally November 30 each year.

According to the LIC website, here is how one can get a digital life certificate using the LIC Jeevan Saakshya App:

Step 1: Download the LIC Jeevan Saakshya App https://play.google.com/store/apps/details?id=com.lic.dl&hl=en_IN&gl=US
Step 2: Provide Aadhaar card and policy details online
Step 3: Capture Selfie
Step 4: Enter the OTP you receive from Aadhaar and verify. You can now view the image of your digital life certificate.

Additionally, there is a "Facilitator" option for submission, which enables users other than annuitants and staff pensioners to help them submit the certificate.

Steps when applying through facilitator
Step 1: Provide information of the facilitator
Step 2: Provide Aadhaar card and policy details of annuitant/ pensioner
Step 3: Verify OTP sent to the registered mobile number
Step 4: Capture Annuitant's/Pensioner's photograph

LIC offers these three pension plans most suited for senior citizens and those planning a secure future, so that you never give up on the best things in life.

- LIC's Jeevan Akshay - VII
- LIC's New Jeevan Shanti
- LIC's Saral Pension

What is DLC?
A biometrically enabled digital service for retirees is called a "Digital Life Certificate" (Jeevan Pramaan). This facility is available to pensioners of the federal government, state governments, Employees' Provident Fund Organisation, and any other government entity whose pension disbursing institution is operational for DLC.

Pensioner will receive a text message on his or her mobile device with the transaction id upon successful submission of the digital life certificate. Pensioners can use this transaction id to download a computer-generated life certificate for their records at jeevanpramaan.gov.in.

If a pensioner prefers, physical life certificates will still be received from them.

The writer is Sneha Kulkarni

TOP

GENERAL INSURANCE

The cyber-insurance vision is failing for ransomware attacks in India – Forbes India – 12th September 2023

There is a fast-growing market for cyber-insurance in India, if not the fastest-growing market within the Indian insurance industry. The amount of yearly cyber insurance coverage companies in India usually buy today (as of 2023) ranges from $1 million (small companies) to $200 million (large IT service providers), and it is growing at a CAGR of 35 percent for the past three years.

To shield against the adverse impacts of client moral hazard and imperfect information on their organisational cyber-posture, the usual form of cyber-insurance contracts accompanies short policy periods, relatively low policy limits, and dynamic repricing. However, these cyber-insurance market practices are increasingly being called into question with the advent and rapid rise of cyber-extortion-based ransomware attacks on the Indian IT/OT industry (that are getting increasingly sophisticated over time).

According to annual studies by Trend Micro and Palo Alto Networks, India experienced about 11 percent of the total of around 14,983,271 global ransomware threats in 2022, making it the second most ransomware-targeted country in Asia. In this article, we identify three major but different ransomware attack types that are sourced from ransomware-as-a-service (RaaS) markets (a primary source of launching ransomware attacks) in India. For these attack types, we provide insights into how and why cyber-insurance products are evolving the way they are to manage the cyber risk arising from the former. The main takeaway is that the traditional form of cyber-insurance for non-ransomware attack contracts in India does not apply to ransomware attacks. Moreover, ransomware-targeted cyber-insurance solutions do not serve its primary vision of helping improve organisation cyber-security governance—only help in cyber-loss mitigation. This starkly contrasts traditional cyber-insurance products that act as a control solution to improve organisational cyber-security governance and mitigate cyber losses.

The first type of ransomware attack involves criminal software coders offloading (the main characteristic of the RaaS business) the "breaking and entering" part of the victim cyber-extortion process to third parties who share the eventual ransom proceeds with the coders (e.g., as was in the case of the Telangana and AP power utility, the BSNL, and SpiceJet ransomware attacks). The coders do not grasp third-party execution quality control, where the third parties might not even have the technical knowledge at times to help victims restore their systems post-ransom payment. As a result, the cost to the victim of restoring systems is often far higher than the ransom itself. The Indian cyber-insurance market response to such cyber-attacks is extreme hardening, with very few cyber-insurers willing to sell ransomware coverage products with stringent security conditionality, i.e., hardly promoting security as governance—in contrast, only promoting cyber-loss mitigation in their product advertising. Such Cyber-insurance products primarily connect victim clients to effective ransomware resolution services. As a result, victims often pay the ransom as part of the cyber-insurance contract policies as the low-cost option instead of only resorting to extremely costly ransomware resolution services without insurance. The outcome is a cyber-insurance market focused on cyber-loss mitigation rather than cyber-security governance.

The second type of ransomware attack evolved because of the weaknesses of the first type. In other words, ransomware criminals are

1. Becoming more 'thoughtful' and professional over time in providing recovery response services,
2. Strengthening their cryptography to decrypt victim files (because IT breach responders often share off-the-shelf decryption keys publicly) and
3. Generating ransom amounts that are industry—and criticality-specific—An example is critical infrastructure being thumped larger ransoms compared to relatively societally less critical enterprises.

Examples of such attacks in India have been the UHBVN, the AIIMS New Delhi, and Haldiram's ransomware attacks. The result is that cyber-insurance markets to manage such ransomware cyber-attacks are fuelling and showcasing four salient characteristics:

1. They pay the ransoms.
2. They manage the adverse outcome of cyber-attacks by providing breach response services that bring back businesses online.
3. Provide services to improve organisational resilience to ransomware attacks.
4. Buy breach response expert services in bulk so that the pricing applied to cyber-insurance clients is significantly lower (but profitable enough for the cyber-insurer) compared to the scenario in which the client would independently approach a breach response expert without cyber-insurance.

Insurance markets to manage such ransomware are primarily focused on cyber-loss mitigation rather than improved organisational cyber-security governance.

The third type of ransomware attack evolved because of two reasons:

1. Organisations are slowly coming to grip with relatively simpler forms of ransomware attacks via the use of multifactor authentication (MFA) and efficient backup processing mechanisms, and
2. Attackers wanted to significantly raise the multi-party reputation and liability risks for the victim organisations.

Subsequently, these attackers spend more time exploiting critical and sensitive data within organisations (and of supply chain suppliers) and put a hefty ransom on them, attaching a credible threat of the failure to pay leading to a leak of such information in public and the darknet. Examples of such attacks include those launched through Lockbit, Conti, and Kaseya ransomware groups in Maharashtra. This has led to a double-edged sword for cyber-insurers and their clients. On the one hand, minimising liability risk via quick payments increases ransom risk; on the other hand, minimising ransom risk via refusal to pay high ransoms increases the liability risk from releasing very sensitive organisational and supply chain data. Add to this the third-party moral hazard due to the disbanding and reformation of existing ransomware groups that do not guarantee that ransom payment will not result in future sales of such sensitive data. It is precisely in such cyber-attack scenarios that the cyber-insurance agencies have:

1. Either withdrawn from offering cyber-insurance.
2. Formally excluded providing coverage for nation-state-sponsored cyber-attacks.
3. Tightened the security controls needed by potential clients before offering a cyber-insurance solution.

Consequently, the cyber-insurance capacity has decreased in the non-stand-alone market and contributed to their high prices. The outcome is a sparse cyber-insurance market for ransomware attacks focused on profit maintenance and cyber-loss mitigation without an eye on improving organisational cyber-security governance.

Ranjan Pal (MIT Sloan School of Management, USA), Marsha Rodrigues (Christ College, India), Bodhibrata Nag (Indian Institute of Management Calcutta, India)

TOP

Travel policy: Tailor sum insured to destination country's healthcare costs – Business Standard – 12th September 2023

With the festival season approaching, many Indians are preparing for international vacations. While they are likely to expend significant time and effort on crafting the perfect itinerary, and selecting ideal destinations, flights, and accommodations, travellers often overlook the importance of carefully choosing a travel insurance policy. Instead, they may unthinkingly accept whatever plan their travel agent includes with their package. This lack of scrutiny could prove costly if any mishap occurs while they are abroad. The sum insured must be adequate. “If you are travelling abroad, especially to a country with higher healthcare costs, buy a higher sum insured,” says Rakesh Goyal, director, Probus Insurance Broker.

At the same time, avoid over-insuring yourself. “You may go for a relatively lower sum insured if you are visiting a country whose medical costs and exchange rate are relatively lower,” says Naval Goel, founder and chief executive officer (CEO), PolicyX. Other factors that should go into determining the sum insured include the duration of the trip, your age, whether you are travelling alone or with your family, and whether your family members or you have pre-existing health conditions. Choose a higher sum insured if you are going on a long trip, and if your age is above 45. The plan must cover loss of luggage, flight cancellations, loss of important documents, and medical costs (including Covid-19 coverage). “If you plan to carry expensive items such as jewellery, electronics, etc., then enquire about the available add-on covers,” says Goel.

Not all travel policies cover adventure sports. Goel suggests that if you plan to indulge in such activities, you should find a plan (or one with a rider) that covers these activities. Also, consider buying coverage for emergency trip extensions and home burglary. Many policies don’t cover pre-existing ailments and complications arising from them, after-effects of a recent surgery, and so on. “Ensure that your pre-existing conditions are covered by the policy even if it means paying a higher premium. Failing to do so could result in significant out-of-pocket expenses abroad,” says Goyal.

Most policies come with caps or sub-limits for specific coverages. These reduce the effectiveness of the policy considerably. “Ensure that the full sum insured is usable,” says Goyal. If that is not possible, choose a policy whose limits are not overly restrictive. Many travellers accept a plan from their travel agent without checking the parameters mentioned above. Travel agents are not insurance experts and are not well-placed to provide guidance on the right policy for you. “Travel agents may have tie-ups with only a limited number of insurers, so you won’t get an opportunity to compare a large number of plans and prices,” says Manas Kapoor, business head-travel insurance, PolicyBazaar.

According to Goel, the policy offered by a travel agent could be basic, with a limited sum insured and many exclusions, whereas you may require a comprehensive cover. Instead of buying from your travel agent, consider visiting the portal of a leading insurance aggregator. Compare various policies, their features and prices. These portals even allow you to customise a plan according to your requirements. Avoid purchasing, and being charged for, add-ons that you don’t need. “An add-on cover for adventure sports is infructuous if the traveller does not intend to participate in such activities,” says Kapoor.

Some intermediaries charge their customers for providing basic assistance services such as helping with the claims process or providing emergency support. Kapoor says insurers and their distributors typically provide these services without levying any cost. Finally, declare all pre-existing ailments with complete transparency at the time of purchase. “Failure to declare these conditions can lead to denial of claim,” says Kapoor.

The writer is Karthik Jerome

TOP

Non-life insurer’s gross written premium falls 3.74% in August – Financial Express – 9th September 2023

Gross written premium of the non-life insurance industry fell 3.74% year-on-year (y-o-y) in August to Rs 23,558.25 crore as India’s two specialised insurers posted slump in growth of premiums during the month.

Agriculture Insurance Company of India (AIC) and ECGC witnessed a y-o-y decline of 69.18% and 16.08%, respectively, in August 2023, according to the data released by the General Insurance Council on Friday. AIC’s premium had witnessed a 59.06% y-o-y decline to Rs 611.46 crore in July.

Significantly, the monthly growth rate of the sector, excluding the two specialized insurers, stood at 14.18% y-o-y.

For August, the premium underwritten by general insurance companies posted an increase of 12.8% y-o-y at Rs 19,290.70 crore as against Rs 17,101.72 crore for the same period last year. Premium for standalone health insurers increased by 25.65% y-o-y to Rs 2,590.88 crore from Rs 2,061.96 crore in August last year.

Firm such as PSU insurer and New India Assurance, which is the market leader in the non-life insurance space, saw a y-o-y rise of 2.63% in its premium underwritten to Rs 2,310.59 crore during August 2023. Premiums for United India Insurance and National Insurance grew 6.85% y-o-y and 13.05% y-o-y at Rs 1,295.70 crore and Rs 1,344.55 crore, respectively, during the month.

Among major general insurers in the private sector, for HDFC Ergo’s gross written premium went up by 9.17% y-o-y to Rs 2,257.64 crore, while for ICICI Lombard General Insurance it grew 16.06% y-o-y at Rs 1,941.29 crore in August. Bajaj Allianz General Insurance and Tata AIG General Insurance saw their premiums increase by 64.27% and 26.05% at Rs 1,677.87 crore and Rs 1,106.01 crore, respectively. However, premium for SBI General Insurance fell by 16.94% y-o-y at Rs 1,246.48 crore, respectively.

Notably, gross written premium for the non-life insurance sector grew 13.82% y-o-y in July.

The writer is Mithun Dasgupta

TOP

Mumbai's Lalbaugcha Raja takes insurance policy worth Rs 26.54 crore – The Times of India – 9th September 2023

The countdown to Ganeshotsav has begun in right earnest for the festival falls barely ten days later September 19. Most large idols are being brought from the workshops to their pandals this weekend September 9-10.

The crowd puller idol of Lalbaugcha Raja is carved on site so there is no 'aagman' (arrival) procession.

This season, the Lalbaugcha Raja Ganeshotsav Mandal has taken insurance worth Rs 26.54 crore from New India Assurance. The policy covers risk by fire, theft, accident, stampede, terrorism and
poisoning by prasad. It spans a duration of August 24 to October 23.

Mandal treasurer Mangesh Dalvi gave the break-up, "Of Rs 26.54 crore, Rs 12 crore is towards personal accident cover for devotees, trustees, registered executives and volunteers, residents and staff including security personnel and watchmen. In the event of a mishap, each victim is liable to receive up to Rs 5 lakh. All those who have been given an identity card of the Lalbaugcha Raja mandal will be considered eligible."

Dalvi said, "A further sum of Rs 5 crore is towards third party liability, including poisoning by prasad. Rs 2.5 crore covers damage to the set, all mandaps and the main gate, while Rs 7.04 crore insures the ornaments and valuables worn by the deity or placed in the mandap."

The mandal has paid a premium of Rs 5.40 lakh for this cover.

The insurance cover is marginally higher than Ganeshotsav 2022 when Lalbaugcha Raja had taken a policy worth Rs 25.6 crore from the same insurer and paid a premium of Rs 5.2 lakh.

Meanwhile, Lalbaug-Parel witnessed a grand spectacle Saturday as a floating crowd of approximately one lakh people gathered for the 'aagman sohala' (arrival) of the Chinchpokli Cha Chintamani from sculptor Vijay Khatu's workshop in Byculla to its pandal.

Assistant commissioner of police (ACP) Kalpana Gadekar said, "This is the largest 'aagman' procession not just in Mumbai but entire Maharashtra. Nearly 1 lakh to 1.25 people joined at various locations from Bakri Adda to Chinchpokli. We had held 4-5 meetings with the mandal to ensure peace and order."

Arvind Chandanshive, senior inspector of NM Joshi Marg police station, said a small crowd of 3,000 was present at the starting point near Arthur Road Jail but numbers swelled as Chinchpokli bridge approached.

The writer is Bella Jaisinghani

TOP

Dasara Elephants, Staff Covered Under Rs. 1.98 Crore Insurance – Star of Mysore – 8th September 2023

The Mysuru Dasara festival of 2023 has commenced in grand fashion, marked by the ceremonial arrival of elephants, the centrepiece of this celebrated event. The festivities have ignited tremendous enthusiasm, signalling the commencement of a month-long extravaganza.

This year, the prestigious role of leading the Jumboo Savari procession has been entrusted to Captain Abhimanyu, featuring a spectacular assembly of 14 elephants, including the distinguished Abhimanyu himself. Among these, 10 are male elephants and 4 are female elephants, all of which have obtained official permission from the Forest Department to participate.

In a thoughtful measure to safeguard against unforeseen risks, a comprehensive temporary insurance policy has been enacted, covering 14 Dasara elephants, 14 Mahouts, 14 Kavadis, 6 specialised Mahouts, the responsible Range Forest Officer (RFO), Deputy RFO, Veterinarian, in-charge assistants and other support staff overseeing the welfare of the elephants.

Accidental damage covered

This insurance policy carries a total value of Rs. 1.98 crore and is in effect from 30.08.2023 till 30.10.2023. The Forest Department has paid a premium of Rs. 56,781 (including GST) to the insurance company as per the Government norms.

Male elephants are insured for a substantial sum of Rs. 5 lakh each, while female elephants are covered for Rs. 4.5 lakh each. Moreover, elephant caretakers, including Mahouts and Kavadis, as well as special Mahouts, cooks, officers, and other associated staff, have each been provided insurance coverage of Rs. 2 lakh.

In the event of any accidental damage to public property during the Dasara festivities, including rehearsals within the Mysore Palace premises and on city streets, an insurance coverage of Rs. 50 lakh will apply. According to the agreement, the claims must be settled within three days, in case of any untoward incidents reported. The insurance policy, administered by New India Assurance Company, encompasses Rs. 50 lakh for the 10 male elephants, Rs. 18 lakh for the 4 female elephants, Rs. 50 lakh for property loss (public liability) and Rs. 68 lakh for the 42 staff members (each insured for Rs. 2 lakhs), amounting to a total of Rs. 1,98,00,000. This policy remains in effect until the elephants return to their forest camps outside Mysuru.

Training begins

Training for the initial batch of Dasara elephants has already commenced, led by Howdah Elephant Abhimanyu. During the initial phase of training, the elephants paraded majestically inside the Mysore Palace yesterday.

The route included roads leading to Kodi Someshwara Temple, Trinayaneshwara Swamy Temple, Gayathri Devi Temple, Varahaswamy Temple, Karikallu Thotti, Brahmapuri Gate and Kote Anjaneyaswamy Temple.

The elephants completed four rounds around the Palace. They will march along the Jumboo Savari route, proceeding from the Palace through K.R. Circle, Sayyaji Rao Road, Government

Ayurveda Hospital Circle, Old RMC Circle, Bamboo Bazaar, Moulana Abul Kalam Circle (Highway Circle), concluding at the Torchlight Parade Ground in Bannimantap from today morning as part of their routine training.

TOP

HEALTH INSURANCE

Will your newborn baby be covered under your company health insurance policy with maternity benefit? Check if you need to act – The Economic Times – 15th September 2023

If you are a young couple thinking of having children, a critical decision to make is whether you should go for maternity cover with your personal health insurance policy or not. If you take a policy with maternity cover, the premium will be higher. If you go without maternity cover, you will have to bear the entire expenses yourself, unless you have a corporate health policy that covers maternity. However, the most critical issue will be coverage of newborn children which you must check before planning your family. We explain how maternity cover works in a health insurance policy and how to decide if you should buy a health insurance policy with maternity cover?

Critical health coverage for the newborn
Good number of corporate health plans may not offer maternity benefit. Even the ones that do, they may not offer insurance cover to newborns or the cover that they offer may not be adequate. Even if you have a personal health insurance policy that does not have maternity benefit, it will not help in the case of new born. If you want to buy a new individual health plan for the new born, you will have to wait as most insurance companies offer financial protection to newborns only when they are older than 90 days.

Family floater plans, which is without maternity cover, have provision to add new member but even that may not help.

These plans typically allow addition of a new member only after 90 days of the delivery within the same sum insured but for an additional premium. So you must check if you need to have a personal health insurance plan with maternity benefit that offers protection to the new born baby.
Does a maternity cover ensure a newborn gets health cover even before the 90-day period?

"There are two types of health insurance plans with maternity coverage in a retail policy. One is where the insurance company pays the delivery expenses, and the other is where the delivery expenses and the newborn baby is also covered at no extra cost from day 1 until day 90. This plan would cover expenses for any kind of complications, postnatal care, ICU charges, etc. It is recommended to buy a cover that provides both for newborn expenses and for delivery expenses," says Siddharth Singhal, Business Head-Health Insurance, Policybazaar.com.

Any personal health insurance policy that offers maternity cover usually covers childbirth and all related complications.

"Maternity cover provides coverage towards expenses related to pregnancy and childbirth, such as the cost incurred during hospitalisation, pre/post-delivery, room rent charges, and any other pre/postnatal complications for the mother and her baby. Irrespective of the delivery being a caesarean section or a natural delivery, expecting mothers can avail of these benefits under their health insurance policy," says Bhaskar Nerurkar, Head-Health Administration Team, Bajaj Allianz General Insurance.

Maternity cover in retail health insurance policy usually comes with a considerable waiting period. So, check the fine print of the policy before buying the policy. "The usual waiting time for such policies start at 4 years but companies are now bringing it down to as low as 9 months. It is always advisable to seek a maternity health insurance policy well in advance," says Indraneel Chatterjee, Co-Founder of RenewBuy.

Personal health insurance plans also offer additional coverage. "Some plans also cover the mandatory vaccinations of the newborn baby for up to 90 days, as recommended by the Pediatrics Association of India," says Nerurkar.

Health Insurance Policies with Maternity Benefit

Insurer	Plan Name	Premium	Maternity Benefit sub limits, waiting period	Sum Insured for new born baby (Age: 0-90 days)
Star Health and Allied Insurance	Star Comprehensive	Rs 18,361	Normal Delivery - Rs. 30,000 C-Section - Rs. 50,000 Waiting period of 24 months	Rs. 1 lac.
Star Health and Allied Insurance	Star Women Care	Rs 18,012	Rs. 50,000 Waiting period of 24 months	Rs 2.5 lacs
Reliance General Insurance	Health infinity (More Cover)	Rs 65,419* (For 3 years)	Option of waiting period of 1 year and 2 year & sum insuredof Rs. 1 lakh & Rs. 2 lakh	Upto maternity sum insured selected either 1 L or 2 L both for Mother and Child Care rider
Manipal Cigna Health Insurance	Prohealth Prime Advantage	Rs 24,458	Rs. 1 lakh sum insured available for Delivery, Waiting Preiod of 36 months	Rs 1 lakhwithin maternity limit of 1 lac

Insurer	Plan Name	Premium	Maternity Benefit sub limits, waiting period	Sum Insured for new born baby (Age: 0-90 days)
Niva Bupa Health Insurance	Health Premia	Rs 28,676	Rs. 60,000 Waiting Period of 24 months	Rs 10 lacs
TATA AIG General Insurance	Medicare Premier	Rs 21,861	Rs. 60,000 if it is a girl child Rs. 50,000 if it is a boy child Waiting period of 48 Months	Upto Rs. 10,000/- additional Sum insured for any complication in delivery
Aditya Birla Health Insurance	Activ Fit preferred	Rs 15,474	Normal Delivery - Rs. 40,000 C-Section - Rs. 60,000 Waiting period of 36 months	No additional Sum insured for new born
Care Health Insurance	Joy Tomorrow	Rs 29,132 (for 5 lakhs Sum Insured)	Rs. 50,000 Waiting period of 9 months	Upto additional Rs. 50,000 from the date of delivery till day 90

Premium and benefits for 2 Adults of age 27 years (Male) and 25 years (Female) with Sum Inured of 10L and located in Delhi,
*Mother and Child Care rider added which is only available in a 3year tenure policy, hence the premium mentioned is of 3 years including the rider with a waiting period of 1 year and 1L sum insured of maternity cover
Source: www.policybazaar.com

Premium of health insurance policies without maternity cover

Insurer	Plan Name	Premium (Rs)
Niva Bupa Health Insurance	ReAssure 2.0 Platinum	Rs 11,694
Care Health Insurance	Care supreme	Rs 10,592
Star Health Insurance	Star Comprehensive	Rs 11,476
Aditya Birla Health Insurance	Activ Fit Plus	Rs 7,506
HDFC Ergo	Optima Secure	Rs 14,460
Reliance General Insurance	Health Infinity (more time)	Rs 9,626

For a 27-year-old male and 25 year old female, non-smoker, sum insured of Rs 10 lakh living in a metro city
Source: www.policybazaar.com

How to evaluate your corporate health plan for maternity coverage

If a person has a **corporate health insurance** policy with adequate maternity cover, it is better to avoid duplication by buying an individual or family floater plan. However, not all corporate plans tick all the right boxes. In many cases, buying a personal health insurance policy may be a better option. If you have a corporate plan, evaluate it before taking a call.

Need to check if corporate plan includes maternity cover: Employees who have a corporate health insurance coverage are likely to have maternity coverage as well; however, it needs to be thoroughly checked before taking a decision. "Maternity benefits are generally made available at the discretion of employers. They may or may not choose to include it in their corporate health plan," says Nerurkar.

Corporate plans have sub-limit restrictions: Even if a corporate plan has maternity coverage, it may offer very little help due to restrictions. "Generally, the insured will be subjected to sub-limits and co-payments. So the plan might not meet one's medical needs. On the basis of one's requirement, it is always necessary to check the coverage limits under a corporate health plan," says Nerurkar.

You need to check the features of the corporate health plan to make sure there is adequate coverage. "Usually, a corporate health plan provides Rs 25,000–35,000 as delivery expenses. Whereas, in a retail health insurance plan, which you can buy for yourself, the sum insured can go up to Rs 2 lakh," adds Singhal. A personal health plan may offer much higher maternity coverage to handle any eventuality. "A retail health insurance plan has no sub-limits and is lifelong and renewable," says Singhal.

Better to supplement coverage with own plan: A personal health plan can be helpful when the corporate plan seems to have inadequate maternity coverage. "Corporate policies may have limitations or restrictions on maternity coverage, so you might want to supplement this with an individual or family floater plan," says Singhal. This will ensure that you are best prepared to deal with any complications during the childbirth. "A retail health policy, either individual or family floater, can always act as a shield just in case there are any complications or medical situations in the family," says Singhal.

Helps you accumulate no-claim benefit: If a person uses the corporate plan and does not use the individual plan, it can lead to accumulation of no-claim benefits. "Consumers can also avail no-claim benefit from the family floater plan, if they have both family floater and corporate policies and keep claiming for settlements from their corporate policy," says Chatterjee.
Offer continued coverage during job changes: Corporate plans will not work when a person leaves the company. "If a person changes a job, then he or she is covered through the family floater policy during the transition period. The only major difference is the premium, which has to be borne by the policyholder in case of family floater," says Chatterjee.

Which policy to use first in case both spouses have corporate health cover: If husband and wife both have separate corporate plans, which one should be used first? "Look for information based on a high claim amount, more benefits, fewer coverage limits, deductibles, and any exclusions. This will help you know which plan should be used first. One should definitely go for a plan where there is no room rent cap and no particular sub-limit on maternity," says Singhal.

Clubbing of higher expense in two corporate policies: If the expense is higher than the sum insured of one corporate health policy, can these plans be clubbed for a delivery or post-delivery treatments? "If the expenses are higher, these two plans can be combined. From one policy, the policyholder can pay via cashless mode. The rest of the amount can be paid via the spouse's corporate plan via reimbursement mode," says Singhal.

Individual vs family floater plan: Which works better with maternity cover?
Individual health plans do come with maternity cover, but a family floater plan typically offers higher coverage for a similar premium and is more beneficial, especially for maternity coverage. "Family floaters cover the entire family, including maternity costs, making it convenient. The premiums are also cheaper than taking two individual policies. If one is planning to start a family soon, a family floater with maternity benefits is a great plan that provides comprehensive coverage," says Chatterjee.

The higher coverage of a family floater plan can help in case of an eventuality. "Maternity cover in a family floater can provide adequate coverage for pregnancy, hospitalisation as well as take care of the newborn's expenses. One should carefully understand his or her family requirements and the financial capability before choosing any of the plans," says Chatterjee.

If you are value-conscious, a family floater plan will work better. "Whenever a couple plans to start a family, it is crucial to consider the overall cost of maternity care, which can be substantial. If you compare the premium costs of family floater plans with maternity coverage to the cost of an individual plan plus the out-of-pocket expenses associated with maternity care, the family floater plan can definitely provide better value," says Singhal.

Some plans offer maternity coverage only when you buy a family floater plan. "Many health insurance companies provide maternity benefits only if you and your spouse are covered by the same insurance plan," says Singhal.

Should you buy add maternity cover despite a corporate health policy?
If a person has a stable job with an adequate corporate health insurance cover with maternity benefit that covers new born baby also, avoid having a personal health plan with maternity cover. Otherwise, it is better to have a personal health insurance plan with maternity cover for better protection. "An important point to understand here is that corporate insurance policies can only act as a backup plan because the coverage amount is low and the employer might change the terms and conditions at any time. There's also a risk of the policy being seized if the policyholder switches jobs or loses the job, as the policy only lasts until the date of employment. Thus, it's always recommended to have a personal health insurance policy to secure your financial well-being," says Singhal.

The writer is Naveen Kumar

TOP

Table explaining health insurance plans offered by various companies – Business Standard – 14th September 2023

If you are considering buying health insurance for yourself or your family, consider this table by Policybazaar.com. It lists key features of schemes and their premium rates.

For a 30-year-old male, non-smoker, sum insured of Rs 10 lakh living in a metro city

Insurer Name	Key Features of Insurers	Plan Names under each Insurer	Premium Annually
Niva Bupa Health Insurance	Unlimited Restoration of cover	Health ReAssure	11
	No room rent limit	Health Companion	11
	Lock the Clock and carry forward unutilized sum insured up to 5x	Health ReaAssure 2.0 Platinum+	12
Care Health Insurance	7x sum insured in 5 years	Care supreme	11
	Unlimited Restoration of cover	Care Plus	12
Star Health Insurance	Comprehensive plan with everything covered	Star Comprehensive	11
	Mid term inclusion of wife and child	Young Star Silver Plan	7
	Unlimited Restoration of cover	Star Health Assure	12
	Women centric plan	Women Care	12
Aditya Birla Health Insurance	No room rent limit	Activ assure Diamond	9
	upto 100% discount on renewal premium	Activ Health Platinum Enhanced	10
	Day 1 coverage	Activ Health Platinum Enhanced (Diabetes)	19
	Day 1 coverage	Activ Health Platinum Enhanced (Asthma)	14
	Day 1 coverage	Activ Health Platinum Enhanced (Hypertension)	21
	2x coverage on 1st claim from day 1	Activ fit plus	8
Bajaj Allianz General Insurance	No room rent limit	Individual Health Guard - Gold	12
	No claim bonus	Bajaj Health Guard - Platinum	14
Manipal Cigna	90 days PED waiting period for Diabetes, BP and Asthama	Prime - Active	11
	OPD cover up to 50k	Prime – Advantage	13
	Unique switch off benefit	Prime – Protect	11
HDFC Ergo	2X coverage from Day 1	Optima Secure	16
	Sum Insured doubles after 2 years		
TATA AIG	Global coverage	Medicare	12

	Global coverage along with OPD and dental cover	Medicare Premier	14
Reliance General Insurance	1 additional month coverage	Health Infinity (more time)	10
	additional 3L Sum Insured	Health Infinity (more cover)	10
	Global coverage	Health Infinity (more global)	10
	Additional 30% discount available	Health Gain	8

TOP

Narayana Health looks forward to IRDAI approval for insurance business by end of 2023 – CNBC – 14TH September 2023

Bangalore-based multispecialty hospital chain Narayana Hrudayalaya Ltd or Narayana Health has taken significant strides towards diversifying its portfolio by submitting an application to the Insurance Regulatory and Development Authority of India (IRDAI) for its bundled insurance plans.

This strategic move aims to bridge the gap between healthcare services and insurance, bringing more comprehensive and integrated solutions to patients and healthcare customers.

Viren Shetty, the Executive Vice-Chairman of Narayana Health, in an interview with CNBC-TV18, said that the group is soon expecting the approval for its insurance business, to be started by the end of the calendar year 2023.

Narayana Health's vision of an integrated healthcare and insurance system is a promising development in the Indian healthcare industry. It has the potential to redefine how healthcare services are accessed and financed.

“Our idea for health insurance is one that combines a huge amount of healthcare services on one end, as well as providing a plan that covers comprehensive health care,” Shetty said.
This approach represents a paradigm shift in the way healthcare and insurance are traditionally perceived and offered.

While the timeline for IRDAI approval remains contingent on regulatory processes, he said, “This calendar year is the hope but more likely it will be by the time we are ready to roll this out by the end of the fiscal year or sometime next calendar year.”

Additionally, the integration of healthcare services and insurance can contribute to better health outcomes. Patients may have access to a wider range of preventive and diagnostic services, resulting in early detection and treatment of health issues. This proactive approach aligns with Narayana Health's mission of promoting overall well-being and longevity.

The company has recently launched a new logo and is currently engaged in a rebranding campaign with the aim of consolidating all its portfolios under a single name, a shared mission, and a common purpose. According to Shetty, this rebranding effort involves bringing all the hospitals under the Narayana brand, promoting unity.

Founded by Dr Devi Shetty, a well known heart surgeon, Narayana Health has a network of 24 hospitals across India at present. This includes several multispecialty hospitals, 7 heart hospitals and a couple of eye hospitals.

TOP

Star Health launches UPI QR code-based payments for policy purchase and renewals – The Times of India – 14th September 2023

Star Health and Allied Insurance on Thursday announced the launch of UPI QR code-based payment option for purchasing policies and renewals.

According to a statement, all essential payment details, including the premium amount, are pre-fed into the QR code, simplifying the payment process and eliminating the need for manual premium amount entry.

With a simple scan of the customized code, customers can make payments within a few seconds, ensuring a hassle-free, error-free and efficient experience.

Anand Roy, MD & CEO, Star Health & Allied Insurance, said, "This initiative reaffirms our commitment to adopting the latest in payment technology. With this development, we empower all our customers to embrace a new era of insurance transactions."

Kunal Kalawatia, chief of products, NPCI, said UPI has gained significant popularity as one of the most preferred modes of payment in the country, owing to its convenience and wide acceptability.
"The seamless, efficient and secure payment choices offered through UPI will undoubtedly pave the way for a digitized insurance ecosystem in India. With financial inclusion at the forefront of the nation's economic agenda, the integration of UPI will make the process of policy renewal and purchases more accessible, thereby, further propelling the penetration of the insurance sector in India."

The writer is Yogesh Kabirdoss

TOP

Now, people can download Ayushman health card from mobile app – The Indian Express – 14th September 2023

In an effort to ensure that all beneficiaries under the Ayushman Bharat insurance scheme get their “golden card” for cashless treatment, the government has created an Ayushman app to get the card within minutes on mobile phones.

The application can be downloaded from any app store.

The app is part of the Ayushman Aapke Dwar 3.0, one of the three prongs of the Ayushman Bhav initiative, launched by President Droupadi Murmu from Gujarat on Wednesday.

It is dedicated to the celebration of Prime Minister Narendra Modi's birthday. The other two components of the initiative are Ayushman Mela and Ayushman Village.

According to Health Ministry officials, beneficiaries will be able to log on to the platform with their mobile number, check whether they are eligible by using an Aadhaar number or family ID, and complete their e-KYC on the platform to get a digital copy of the card.

The app can be used by beneficiaries who already have the card to get a copy.

"With this initiative, India will write a new chapter in making healthcare affordable and accessible," Murmu said after launching Ayushman Bhav in Gandhinagar.

Murmu applauded the goals to further facilitate access of Ayushman cards, generate ABHA digital account IDs, and raise awareness about vital health schemes. She also praised health camps to be organised under Ayushman Mela, which, as per the government's plans, will see 1.6 lakh health and wellness centres across the country conduct weekly health camps to screen people for non-communicable diseases, TB and providing services such as routine immunisation.

The initiative launched on Wednesday will continue year-round, Union Health Minister Mansukh Mandaviya, who joined the event virtually from Delhi, said.

He said: "The Prime Minister has given utmost importance to the service of humanity and nothing can be a better demonstration of this than his commitment to improving the healthcare services in the country. Earlier people had to travel long distances to avail super-specialty services — now these services will be offered at the level of CHCs itself."

The Ayushman Village initiative will recognise the efforts of villages that achieve 100% registration of Ayushman Bharat beneficiaries, 100% registration for Ayushman Bharat digital accounts, villages that have screened their people for TB and put 100% patients on treatment.

The writer is Anonna Dutt

TOP

Campaign to provide health services to every intended beneficiary will help achieve universal health coverage Prez – The week – 13th September 2023

Optimum delivery of health schemes to every intended beneficiary, including those in the last mile, will lead to achieving the goal of Universal health coverage, President Droupadi Murmu said on Wednesday.

Launching the 'Ayushman Bhavah' campaign, Murmu said it is a comprehensive nationwide healthcare initiative that aims to provide saturation coverage of healthcare services in every village and town in the country.

"I have been told that multi-ministerial approach is being taken to implement the programme. To achieve such a big target everyone's cooperation is critical," the president said.

"No person should be left behind and no village should be left behind i.e. 100 per cent people can avail health services. This goal will make our country successful in achieving the objective of Universal health coverage in true sense," the President said.

The prime minister has given central importance to Mahatma Gandhi's idea of 'Antyodaya' in his activities. This campaign to provide health services to the last person in the last village is inspired by the ideal of 'Antyodaya', the president said.

The president noted that during the G20 meeting members nations put forth a clear road map for the G20 2023 action plan for accelerating progress on the sustainable development goals.

"The government of India has set localised sustainable development goals in order to achieve the UN's SDG 2030. Under this, a major focus is on development works at the rural level," she said.

Village panchayats that successfully saturate the health schemes will earn the prestigious title of 'Ayushman Gram Panchayat' or 'Ayushman Urban Ward,' symbolising their dedication to equitable healthcare provision, she said.
The campaign, which has been launched on Tuesday, will be implemented during the 'Seva Pakhwada' starting from Prime Minister Narendra Modi's birthday on September 17 and continue till October 2, Union Health Minister Mansukh Mandaviya said.

The campaign is a collaborative effort spearheaded by gram panchayats in coordination with the Department of Health, other government departments, and local elected bodies in rural and urban areas.

"Its core objective is to extend comprehensive healthcare coverage to every village and town, transcending geographical barriers and ensuring that no one is left behind," the minister said.

This synergistic approach aims to saturate coverage of health services through its three components -- Ayushman-Apke Dwar 3.0, Ayushman Melas at Health and Wellness Centres (HWCs) and Community Health Centres (CHCs) and Ayushman Sabhas in every village and panchayat.

Through the Ayushman Apke Dwar 3.0, initiative the government aims to provide Ayushman cards to remaining eligible beneficiaries enrolled under the PM-JAY scheme, ensuring that more individuals have access to essential health services.

Ayushman Melas at HWCs and CHCs will facilitate the creation of ABHA IDs (Health IDs) and issuance of Ayushman Bharat Cards. They will also offer early diagnosis, comprehensive primary health care services, tele-consultation with specialists, and appropriate referrals, Mandaviya said.

Under the Ayushman Sabhas, gatherings in every village and panchayat will play a pivotal role in distributing Ayushman cards, generating ABHA IDs, and raising awareness about vital health schemes and disease conditions, such as non-communicable diseases, tuberculosis. sickle cell disease, as well as blood donation and organ donation drives.

The Ayushman Bhavah campaign is aligned with the vision of creating 'Healthy Villages' and 'Healthy Gram Panchayats,' laying the foundation for achieving Universal Health Coverage in the country.

TOP

New health campaign 'Ayushman Bhav' to mark PM Modi's birthday – The Times of India – 12th September 2023

The health ministry will introduce a nationwide campaign called 'Ayushman Bhav' on September 17, coinciding with PM Narendra Modi's birthday.

The aim of the campaign, to be run for a fortnight, is to reach out to intended beneficiaries of government programmes being run under the aegis of Ayushman Bharat, officials said.

According to sources, the campaign will be launched by President Droupadi Murmu on September 13, but on ground activities will start on September 17. "Several activities have been planned to enhance healthcare accessibility and awareness during the fortnight ending on October 2," health minister Mansukh Mandaviya said.

The campaign is going to have three key components: 'Ayushman Apke Dwar' for creation and distribution of Ayushman card to all remaining eligible beneficiaries; 'Ayushman Mela' at the level of health and wellness centres and community health centres; and 'Ayushman Sabha' to create awareness about various healthcare schemes and services at village/ward level.

All field-level health staff along with Aanganwadi workers have been roped in to spread awareness about the campaign and mobilise people. Ayushman Bharat was launched to achieve the vision of Universal Health Coverage (UHC).

According to the National Health Authority, which has been entrusted with the implementation of the scheme nationally, this initiative has been designed to meet Sustainable Development Goals (SDGs).

Under the scheme, the government has announced creation of 1.5 lakh Health and Wellness Centres (HWCs) by transforming the existing sub centres and primary health centres. Another important undertaking is to provide health cover of Rs 5 lakh per family per year for secondary and tertiary care hospitalisation to over 12 crore poor and vulnerable families (approximately 55 crore beneficiaries).

The writer is Durgesh Nandan

TOP

SBI General Insurance's new health cover to offer unlimited 'refills' – The Times of India – 11th September 2023

SBI General Insurance has launched a health insurance plan where the policyholder can 'refill' the sum insured if a claim uses it up. The plan also allows policyholders to obtain 3x insurance coverage for severe illnesses through a 'multiplier.'

The 'Super Health Insurance' coverage includes 27 standard and seven optional coverages. Four plans under the product offer a wide range of sum insured options, ranging from Rs. 3 lakh to Rs. 2 crore, and buyers can choose a policy tenure from one to three years.

"This flagship health insurance product also includes new-age features like wellness coverage, including the 'Walk Healthy Benefit' feature. This allows customers to accrue health benefits by achieving a step goal on a dedicated app, leading to a reduction of up to 30 percent on their renewal premium," said Anand Pejawar, whole-time director SBI General Insurance.

The "ReInsure Benefit" or the refill of the sum insured feature is available unlimited times in various forms from the first claim. A multiplier benefit of three times the sum insured is available for sum insured amounts of Rs. 15 lakh and above. A multiplier of two times is available for sum insured amounts between Rs. 3 lakh to Rs. 10 lakh.

SBI General has established a dedicated health vertical that offers unique need-based health products and handles claims with an in-house model.

Other features include an enhanced cumulative bonus (ECB), which will be applied at 50% of the base sum insured of the immediately preceding policy year for each claim-free policy year.

Additional benefits include a claims shield benefit that will assist with payments towards non-medical expenses, commonly described as consumables by hospitals.

The writer is Mayur Shetty

TOP

SBI General Insurance launches 'Super Health Insurance', a comprehensive health insurance product – Equity Bulls – 11th September2023

SBI General Insurance, one of India's leading general insurers, today announced the launch of 'Super Health Insurance' a comprehensive health insurance product. The product is designed to ensure that customers have an extensive health care policy that meets all health care needs and enables them to alleviate the financial burden associated with hospitalization and medical expenses.

The policy provides an extensive range of coverages, which includes 27 standard coverages and 7 optional coverages. There are 4 plans under the product which offers wide range of sum insured options ranging from Rs. 3 Lacs to Rs. 2 crores, and the policy tenure can be opted from one to three years. This product is designed to cater to a broad spectrum of customers, including individuals from all income groups, from lower income to NRIs.

Mr. Anand Pejawar, Whole-time Director, SBI General Insurance, said, "At SBI General, we have been committed to provide our customers, access to quality healthcare through our comprehensive health insurance solutions. In-line with this mission, we have accelerated our focus by building a dedicated health vertical which not only offers unique need-based health products but also services the claims with in-house model. As a part of this accelerated focus, we are glad to launch Super Health Insurance, a health insurance product with best-in-class coverages & features. Under 'Super Health Insurance', our endeavour is to offer the "ReInsure Benefit" i.e. refill of Sum Insured, for an unlimited number of times in various forms from 1st Claim itself."

"Besides these, this flagship health insurance product also has some new-age features like, wellness cover that includes 'Walk Healthy Benefit' feature which allows customers to accrue health benefits by achieving a goal of steps on a dedicated app and thereby receive a reduction of up to 30% on their renewal premium", he added.

Some of the exclusive covers of Super Health:
- ReInsure Benefit - Refill of sum insured unlimited times during the policy tenure which is activated with the first payable claim itself incase one is short of coverage for related/unrelated illnesses/injuries

- Health Multiplier feature which will enable the Sum Insured for listed serious illnesses to be increased by a 3(three) times* multiplier

Enhanced Cumulative Bonus (ECB) - This will be applied by 50% of the Base Sum Insured of immediate preceding Policy Year in respect of each claim free Policy Year.

- Claims Shield Benefit will help with payments towards non-medical expenses (commonly known as consumables) during the hospitalization

- Annual health check-up from Day 1#

- Outpatient (OPD) cover# (including diagnostics and pharmacy expenses)

- Supporting a medical treatment abroad cover# (for listed 16 major illness)

Shares of State Bank of India was last trading in BSE at Rs. 591.55 as compared to the previous close of Rs. 583.45. The total number of shares traded during the day was 884258 in over 18967 trades.

The stock hit an intraday high of Rs. 592.30 and intraday low of 585.35. The net turnover during the day was Rs. 521685428.00.

TOP

Karnataka Govt rolls out health, accident insurance to gig economy workers – Deccan Herald – 11th September 2023

More than two lakh platform-based gig economy workers in the state, who are known to work under tight delivery deadlines putting their safety at risk, will now be eligible for government-funded life and accidental insurance with the state government rolling out "Karnataka State Gig Workers Insurance" scheme.

In his budget presentation this year, Chief Minister Siddaramaiah had announced that the state government would ensure Rs 4 lakh insurance to gig workers. Accordingly, the government has rolled out the insurance where a worker will be eligible for Rs 2 lakh life insurance and an equal amount of accidental insurance. The government plans to bear the entire expense from its end.

Delivery personnel employed with food and grocery delivery apps, courier platforms and the like, will be eligible for the scheme. Drivers of private transport apps will not qualify for this as the government runs a separate insurance scheme meant for commercial drivers, sources in the Labour department specified.

The Karnataka State Unorganised Workers' Social Security Board will be the nodal agency for its implementation as the gig workers are categorised under unorganised labour sector. Based on NITI Ayog 2022 data, the government has pegged the number of gig workers in the state at 2.33 lakh. It is estimated that there are 80,000 workers in Bengaluru alone. "However, we believe there are far more workers than this number," an official in the Labour department said.

A government order in this regard stated that it was the government's responsibility to extend aid to the families of these workers in case of their death or disability owing to an accident.

Workers interested in availing of the insurance can apply on the Seva Sindhu portal. "Once they apply, they will be registered as part of a formal database and we will get the exact number of workers in the state," the official added.

According to the government guidelines, gig workers who are between 18 and 60 years, those who do not fall under the tax bracket and those who are not at present availing of either PF or ESI benefits are eligible for the insurance.

As per the scheme terms, family members will be entitled for Rs 2 lakh life insurance in case of the employee's death. In case of accidental death, they will get both life and accidental death insurance amounting to Rs 4 lakh. In addition, a worker is also eligible to claim a hospital reimbursement of Rs one lakh. The accident insurance covers accidents even while off duty, as long as the person is still working as a gig worker, the order stated.

However, the insurance does not cover death by suicide or if the person is inebriated at the time of death, among other related specifications.

The writer is Shruthi H M Sastry

TOP

Why India must put a premium on affordable healthcare for its citizens – Business Standard – 10th September 2023

Health care is one of the largest and most crucial sectors of the economy, and has witnessed leaps of advance over decades. However, in tandem, the pace of medical inflation has also soared rapidly, making health care unaffordable. To bridge the gap between health care and its affordability, health insurance is a lifeline for millions of families. To put it in perspective, more than 90 million people spend more than 10 percent of their total expenditure on healthcare. Not just this, the recent Sustainable Development Goals National Indicator Framework Progress report said that the proportion of households spending 10-25 percent of their total expenditure on health care has also gone up since 2018.

Fortunately, despite the growing costs, health insurance in India continues to be more affordable than in global economies. In developed markets like the US, Japan or Germany, healthcare expenditure constitutes 10-12 percent of gross domestic product (GDP) as opposed to India, where it stood at 2.1 percent in FY23. If the premiums are adjusted against the purchasing power parity, health insurance is still highly affordable considering India's per capita income. The cost for tertiary care or procedures requiring advanced medical procedures like organ transplant or neurosurgery can range anywhere from Rs 8 lakh to Rs 24 lakh. Besides, the cost of treatment has been steadily on the rise, especially in the past five years. In Tier-I cities, the average claim size for infectious diseases grew by 168 percent during FY18-23. The pandemic has also led to a rise of 112 percent in average claim size for respiratory diseases in this period. Besides this, out-of-pocket healthcare expenditure can run as high as 70 percent. The NITI Aayog pointed out in a 2021 report that around 30 percent of the population is bereft of any kind of health insurance to cover medical costs.

Lifelong renewability: All health insurance plans now come with lifelong renewability. The insurer cannot reject your renewal unless there's any kind of fraudulent activity. As one ages, the risk of chronic diseases goes up and it gets more difficult to be covered under health insurance. However, if you already have health insurance, you don't have to watch out for waiting periods, pre-existing diseases or any other restrictions.

Regulatory initiatives: The authorities continue to empower the insurance ecosystem with forthcoming initiatives and regulatory support for every industry stakeholder. Schemes like Ayushman Bharat and Pradhan Mantri Bima Yojana are just a few examples where the government's efforts have made insurance more accessible and affordable, especially for lower income groups. Additionally, regulatory reforms and introduction of guidelines to standardise insurance products have increased transparency and consumer confidence. Affordability through customisation: Inflation has impacted every category of medical expense, including doctor consultation, surgery costs, consumables, and diagnostics, resulting in heavier bills for all. To address this, insurers now provide comprehensive coverage for various diseases and medical procedures, ensuring that policyholders pay only for what they genuinely require. For instance, you can opt for outpatient department (OPD) coverage which provides for expenses other than hospitalisation too. This flexibility increases affordability and helps individuals choose plans that suit their financial capabilities. Most importantly, insurers are constantly building high sum insured policies at affordable premiums now, offering high protection within budget.

Technological integration: Technology has revolutionised the insurance industry. Digital platforms are making health insurance accessible and transparent. It has helped streamline processes and bring about better operational efficiency, thereby reducing administrative costs and passing on the affordability to consumers. Increasing the application of analytics can be used to solve key issues like understanding the risk associated with products and providing utility products to customers so that they obtain maximum value from their purchases. As we continue to witness innovation in the health insurance sector, it is imperative for stakeholders to collaborate and build a robust ecosystem that ensures a healthier and financially secure future for every Indian.

The writer is Yashish Dahiya

TOP

MOTOR INSURANCE

Transporters body launches programme to give insurance cover to drivers – The Times of India – 15th September 2023

A leading transporters organisation launched a programme on Thursday to provide accident and medical insurance cover to truck drivers at nominal cost and also to provide 24X7 help for preventing official harassment, besides offering roadside legal aid.

Launching the programme named Highway Heroes+, the All India Transporters Welfare Association (AITWA) said nearly 10,000 drivers have got the Highway Heros+ cards at a nominal cost of barely Rs 1,000 per annum.

In most cases, the logistics and transport companies have got these cards for their drivers. Women truck drivers will get these cards without any premium.

The programme was launched by special secretary (logistics) in the commerce ministry, Sumita Dawra.

The AITWA said the drivers having these cards will get accident insurance up to Rs 5 lakh, personal accident hospitalisation up to Rs 1.5 lakhs, and temporary total disability (TTD) of 1% of the sum assure every week, up to a maximum of 100 weeks.

As per the organisation, the drivers will also have access to 24X7 helpline for getting aid in case of any official harassment and will also get roadside legal aid. They will also get quick access to emergency services including ambulances, toll booths, and police stations.

Moreover, such drivers will also get loan up to Rs 25,000 with zero interest and no processing costs.
"By promoting truck drivers as national heroes, the Highway Heroes+ Initiative seeks to change how society views them," the AITWA said.

The writer is Dipak K Dash

TOP

Kotak General Insurance Offers a Range of Add-on Coverage in Car Insurance Portfolio – The Economic Times – 14th September 2023

Kotak General Insurance is one of India's leading insurance providers in the car insurance portfolio. Recognising the diverse needs of its customers, the company offers a range of add-on coverage in car insurance to provide more comprehensive car protection for owners. In today's fast-moving world, owning a car has become more than just a mode of transportation; it's an investment. However, with the increasing uncertainties on the road, protecting that investment has never been more critical.

Kotak General Insurance has always been at the forefront of providing innovative and customer-centric insurance solutions and add-on coverage of their car insurance offerings acknowledges their commitment to their policyholders.

The add-on coverage options are offered to empower customers with the flexibility to tailor their car insurance policy. Whether it's enhancing personal accident coverage or protecting against third-party liabilities, Kotak General Insurance's offerings provide a range of choices.

Key features of the add-on coverage options provided by Kotak General Insurance:
Depreciation cover: Depreciation cover or zero depreciation cover add-on ensures that policyholders receive the full value of their car parts during repairs without considering depreciation. It's especially beneficial for those who have recently purchased a new car.

Daily car allowance: Kotak General Insurance provides a daily car allowance, as one can receive a daily allowance for a set number of days while the car is being repaired.

Roadside assistance: Kotak General Insurance now offers 24/7 roadside assistance to help policyholders in emergencies like towing, repairs and more, ensuring they are never left stranded.

Engine protection: This add-on covers damage to the engine and its components, which can be costly to repair or replace.

Return to invoice (RTI) cover: In case of total loss or theft of the insured car, this add-on ensures that the policyholder receives the original invoice price of the car.
Consumables cover: The consumables add-on cover provides coverage for the expenses incurred in replacing or replenishing consumable items that are damaged during an accident.

Loss of personal belonging: A loss of personal belonging add-on coverage, is an optional insurance add-on that Kotak General Insurance provides for the loss or damage to personal items inside the vehicle.

Tyre protection cover: A tyre protection cover add-on, is a type of insurance or extended warranty provided by Kotak General Insurance for damage or repairs to vehicle's tyres.

Speaking about add-on coverage options At Kotak General Insurance, it is believed that being a partner in customer's journeys ensures that they have the right coverage for their unique needs. The company's add-on coverage options provide the flexibility that customers deserve. Kotak General Insurance is committed to delivering innovative solutions that protect what matters most to them. Kotak General Insurance has streamlined its commitment to customer-centricity that extends beyond just offering add-on coverage options. Whether someone is a new car owner looking for the best coverage or an existing policyholder seeking to enhance protection, these add-on coverage options offer a solution to the specific requirements.

About Kotak General Insurance Kotak Mahindra General Insurance Company Limited (Kotak General Insurance) is a 100% subsidiary of Kotak Mahindra Bank Ltd. Kotak General Insurance was established to service the growing non-life insurance segment in India. The company aims to cater to a wide range of customer segments & geographies offering an array of non-life insurance products like Motor, Health, Home etc. As a practice, the company seeks to provide a differentiated value proposition through customised products and services leveraging state of art technology and digital infrastructure. For more information on Kotak General Insurance's car insurance portfolio and add-on coverage options, please visit Kotak car insurance.

TOP

Existing rules on mandatory insurance cover, helmets on 2-wheelers applicable to electric vehicles: Delhi HC – The Telegraph – 14th September 2023

The Delhi High Court Thursday said existing rules on mandatory insurance cover, wearing of headgear on two-wheelers and penal action for non-compliance are already applicable to electric vehicles.

The high court directed the Delhi government to continue ensuring that the subsidy offered by the government for electric vehicles registered in the national capital is being disbursed in a timely manner.

The Delhi High Court Thursday said existing rules on mandatory insurance cover, wearing of headgear on two-wheelers and penal action for non-compliance are already applicable to electric vehicles.

The high court directed the Delhi government to continue ensuring that the subsidy offered by the government for electric vehicles registered in the national capital is being disbursed in a timely manner.

The high court's order came while dismissing a public interest litigation (PIL) seeking directions to the authorities to make insurance cover compulsory for electric two-wheelers in accordance with the provisions of the Motor Vehicle Act.

The PIL also sought the court's direction to the authorities for mandatory wearing of helmet on all types of electric motorcycles and scooters.

A bench of Chief Justice Satish Chandra Sharma and Justice Subramonium Prasad said the PIL was filed solely on the basis of two news reports and the claims, allegations and issues raised by the petitioner largely remain unsubstantiated and that such "frivolous PILs", instead of enabling access to justice, actually hinder it by "wasting precious judicial time".

"Had there been some due diligence exercised and research done on the part of the petitioner, it would have been apparent that the issues raised by the petitioner in the instant PIL have already been addressed through relevant statutes, rules and notifications," the bench said in its judgment.

It said the doctrine of PIL has been developed by courts through various judgments to address issues of public interest and to aid those who have been caused public injury or whose fundamental rights have been infringed and grievances have gone unnoticed.

"However, it is often seen that frivolous PILs are filed before the courts which cause significant delays in disposing of cases of genuine litigants with legitimate grievances.

“While this court is cognisant of the purpose for which the doctrine of PIL has been developed, it must also ensure that persons do not abuse the liberal rules pertaining to PILs and waste precious judicial time of this court,” the bench said.

The court advised the petitioner to exercise necessary diligence and restraint before filing such PILs in the future.

Petitioner Rajat Kapoor, an advocate, submitted in his plea that under Section 146 of the MV Act, it is compulsory for a person to obtain an insurance policy against third party risk caused by the use of a motor vehicle.

He contended that the provision does not cover EVs and that the Delhi Electric Vehicles Policy, 2020 covers a variety of issues pertaining to EVs. However, the same does not cover the issue of insurance policy to be obtained in respect of EVs by those wishing to use them.

Delhi government additional standing counsel Anuj Aggarwal told the court that the subsidy offered for EVs registered in the national capital is being duly disbursed in a timely manner on a priority basis.

Aggarwal submitted the term “Battery Operated Vehicles” is defined under Rule 2(u) of CMV Rules and, therefore, EVs are covered under the MV Act and the rules framed thereunder.

“As the relevant provisions of the MV Act and Central Motor Vehicles (CMV) Rules are already applicable to EVs, specifically pertaining to mandatory insurance cover, wearing of headgear on two-wheelers and penal provisions for non-compliance of the provisions, this court is of the opinion that no orders or directions are required to be passed in this respect,” the bench said.

It said similarly, as the Union of India has already prescribed standards to be followed by manufacturers for batteries to be used in battery operated vehicles/ EVs, there is no need for any orders or directions to be passed by this court.

TOP

Reassess policy allowing LMV license holders to drive commercial transport vehicles, SC tells Centre – The Economic Times – 14th September 2023

The Supreme Court on Wednesday asked the Ministry of Road Transport and Highways to take a fresh look at its policy of allowing holders of a light motor vehicle (LMV) license to operate commercial transport vehicles such as taxis.

The case in question is an appeal filed by insurance companies against a division bench order of the apex court in 2017, which ruled that holders of LMV licenses should be allowed to operate transport, or commercial vehicles, as long as the vehicles did not exceed 7,500 kg in unladen weight.

The bench hearing the appeal referred the matter to a five-judge constitution bench, which is currently hearing the matter. The next hearing has been set for November 22.

Insurance companies have argued that allowing LMV license holders to operate transport vehicles raises safety concerns. The motor vehicles law provides for a transport, or commercial, endorsement that such license holders can take to drive commercial vehicles. However, industry executives have said that getting a transport license is a “cumbersome task” for a driver because of various complexities such as having to renew it every five years.

The constitution bench of Chief Justice DY Chandrachud and Justices Hrishikesh Roy, PS Narasimha, Pankaj Mithal and Manoj Misra said during the latest hearing that any decision in this matter “must await policy considerations”. It added that the constitution bench will take the matter up once the central government has conveyed its stand to the court, asking the government to conclude the review process within two months.

During Wednesday’s hearing, the bench also underscored the issue of livelihoods of commercial drivers being impacted. It specifically pointed out that the matter of road safety had to be balanced with the social purpose of the law. “You have to see if this causes hardships. We cannot decide social policy issues in a constitution bench…it has to be done at a policy level,” Chief Justice Chandrachud said.

On August 22, ET had reported that the Supreme Court case has multiple stakeholders, including drivers, fleet operators and cab aggregators worried, as a reversal of the 2017 ruling could hurt them.

The Tamil Nadu Urimai Kural Driver Trader Union, a group representing 2,250 drivers in the southern state, had filed a petition on July 16 to join the case, arguing that any decision that asks drivers to apply for and get a commercial endorsement from the regional transport offices would “render such cab drivers unworkable and inoperative”.

Fleet operators had said earlier that if drivers are asked to get transport endorsements on their licenses, it could create a short-term supply issue for cab aggregator platforms such as SoftBank-backed Ola and its rival Uber. They have therefore urged the court to have a moratorium of 1-2 years should it rule that the drivers need an additional commercial endorsement.

TOP

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10 Tips for Negotiating Better Rates During Car Insurance Renewal – Financial Express – 10th September 2023

Amidst the bustling streets of India, where road conditions remain uncertain and traffic takes on a chaotic nature, obtaining car insurance transforms from a mere legal obligation into a judicious choice.

Car insurance is not a one-time commitment. It’s an ongoing responsibility as your policy has a validity period. Usually, it’s just one year. When the policy expires, you must renew it to continue to benefit from the coverage. Renewing your car insurance on time ensures you remain covered against potential risks without interruption.

How to negotiate better rates at renewal

Car insurance renewal doesn’t necessarily mean accepting the rates offered without question. When it’s time to renew your car insurance, you have the opportunity to not only ensure you have the right coverage but also to potentially lower your premiums. Here are some valuable tips to help you negotiate better rates during your car insurance renewal:

Assess the Period of TP & OD Cover: It's essential to review your expiring policies carefully, as the Third-Party (TP) and Own Damage (OD) covers may not always coincide. Understanding these dates is crucial for sound financial planning and comprehensive protection, as it can help you avoid gaps in coverage or overpaying due to divergent renewal dates, thus ensuring your insurance remains effective and cost-efficient.

Evaluate Add-Ons: Assess your unique requirements and determine if any supplementary coverages are essential. These extra protections can deliver comprehensive coverage and minimize substantial expenses you might face when making a claim.

Engine Protect for Flood-Prone Areas: Residing in flood or inundation-prone areas makes engine protection coverage essential for vehicle owners. This add-on guarantees that in the event of water-related damage, your vehicle's engine is fully covered. Without it, repairing or replacing a damaged engine due to flooding can result in costly out-of-pocket expenses. Engine protection coverage provides peace of mind and financial security in such vulnerable environments, ensuring that you won't be burdened with significant repair or replacement costs in the aftermath of a flood or inundation.

Usage-Based Policies: Some insurers offer usage-based policies that take into account your driving behavior and mileage driven. If you are a safe and infrequent driver, this option can lead to lower premiums.

Road-Side Assistance: This is a critical feature that can be a true lifesaver during emergencies. It's imperative to confirm that your insurance policy includes this invaluable service. Road-side assistance ensures that you're never left stranded on the road, regardless of the predicament you find yourself in. Whether it's a flat tire, a dead battery, running out of fuel, or any other unexpected issue, this service dispatches professional help to your location promptly. It not only provides convenience but also enhances safety by swiftly addressing problems, especially in unfamiliar or hazardous situations.

Garage Network: Check if your insurer has a wide network of authorized garages. This can make repairs and claim settlements more convenient.

Insurer's Claim Settlement History: Research your insurer's claim settlement history. Look at factors like the aging of cases, Turnaround Time (TAT), and pending claims status. A reputable insurer with a swift claims process is more reliable in times of need.

Self-Inspection Feature: Choosing insurance policies that incorporate self-inspection during the claims process can greatly enhance the overall experience. This feature streamlines and simplifies the claims process, making it considerably hassle-free. With self-inspection, policyholders can use their smartphones or other devices to document and share images and videos of the damage directly with the insurance company. This eliminates the need for an insurance adjuster to physically visit the location, which can often be time-consuming and inconvenient.

Deductible Options: Understand the trade-off between lower and higher deductibles. A higher deductible can lead to lower premiums, but it means you'll pay more out-of-pocket in case of a claim.

Preserve No-Claim Bonus (NCB): Avoid making small value claims if possible, to preserve your No-Claim Bonus (NCB). Accumulating NCB can significantly reduce your premiums over time.

Renewing your car insurance is a chance to make sure you have the best coverage and save money. By using these tips and checking your policy carefully, you can get a good deal and feel secure knowing you're protected without spending too much. Renewing your car insurance on time is like a safety net for unexpected events on the road. These tips help you get a fair price. It's important to understand your policy, think about what you need, and compare options. Spending a little time doing this is worth it to keep your car and wallet safe.

TOP

MVD piloting lower premiums for 'model' drivers – The Indian Express – 9th September 2023

Are you someone who abides by traffic laws and has a track record of safe and secure driving? If a motor vehicles department (MVD) proposal is anything to go by, you stand to gain a substantial discount on your vehicle's annual insurance premium. On the flip side, drivers who are implicated in traffic offences and severe crimes on the road will face substantially higher premiums.

The MVD has already held preliminary discussions with top officials of leading insurance companies. It will soon approach the General Insurance (GI) Council, a representative body of general insurers, and the Insurance Regulatory and Development Authority of India (IRDAI) with the proposal, which would recognise 'model' drivers in a measure intended to boost safety on roads.

"A meeting with the GI Council and IRDA will be convened to reduce the insurance premium amount for drivers who follow road rules. We also propose to increase the premiums for frequent violators. We are awaiting data from the health department before holding the discussion. Most probably, the move will be implemented without much delay as the preliminary talks ended on a positive note," said transport commissioner S Sreejith, who has been deputed by the government to hold talks with insurers.

He said the cancellation of vehicle registration certificates (RCs) and non-renewal of insurance for vehicles used in serious crimes are also under consideration.

"If we analyse heinous crimes in the state, the involvement of vehicles is more than 75%. Vehicles are more likely to be involved in crimes such as murder and kidnapping, and other criminal offences. If we cancel RCs and direct insurance companies against renewing insurances, we would also be able to reduce crime to some extent. We recently cancelled the RCs of two vehicles that were used for criminal activity," the commissioner said.

He said the government is also in discussion with insurance companies about setting apart some of their profits for the well-being of people involved in accidents. The transport commissioner added that AI-enabled drone cameras will be employed to ensure road safety.

The writer is AnilKumar T

TOP

CROP INSURANCE

Centre all set to revive shrimp crop insurance scheme after three decades – The Indian Express – 14th September 2023

The Union government will formally revive the shrimp crop insurance scheme, nearly three decades after it came to a halt. This is set to benefit lakhs of coastal shrimp farmers. Parshottam Rupala, Minister of State for Animal Husbandry, Dairying and Fisheries, will make a formal announcement regarding this in Gujarat on Thursday.

Public sector insurance firm Oriental Insurance Company Ltd has curated the insurance product for the government, with technical help from the Central Institute of Brackish-water Aquaculture. The estimated business is pegged at over Rs 1,000 crore.

The old shrimp crop insurance policy of Oriental was discontinued in 1995-96 following a widespread viral disease hit the industry and a huge number of farmers applied for claims. "Rupala will make an announcement on the participation of another public sector insurance company, National Insurance Company Limited, in the shrimp crop insurance scheme," said a senior official close to the development.
Shrimp farming is labelled as a risky venture since crustaceans are prone to diseases such as white spot disease, white faeces syndrome, white tail disease, loose shell, slow growth and mortality syndromes. This makes the banking and insurance institutions tread cautiously.

Indian shrimp farming is dominated by small and marginal farmers. Over 1.5 lakh farmers, who individually own an average of 2-3 ponds each, are engaged in growing shrimp over approximately one million hectares. Farmers face huge obstacles in raising working capital, credit and insurance. But despite this, India had emerged as a major exporter of shrimp to the US and China.

Though India had seen about 430 per cent growth in shrimp production in the past decade, the COVID-19 pandemic has brought down the production to 6,50,000 MT.

Subsequently, Ecuador replaced India in shrimp exports to China. "To take the growth further, the sector needs institutional support like insurance," said the official.

The writer is Jitendra Choubey

TOP

Haryana Govt steps in after no to insurance cover by firm in seven 'Cluster 2' districts – The Tribune – 11th September 2023

A day after the government asked banks to refund the premium of farmers who got their crops insured this kharif season, following an insurance firm refusing to implement the scheme in 'Cluster 2', comprising Hisar, Jind, Ambala, Gurugram, Karnal, Mahendragarh and Sonepat, the government has assured the farmers that the Agriculture Department will insure the crops if the firm does not provide cover under the Pradhan Mantri Fasal Bima Yojna (PMFBY).

A letter by the Adviser, Department of Agriculture and Farmers Welfare, to the convener of State-Level Bankers Committee on September 10 stated that the Agriculture Insurance Company, which was allotted Cluster 2, had denied to implement the scheme. "In this regard, you are requested to instruct all bank branches to refund the farmers' premiums with immediate effect."

Sources said the firm had withdrawn from implementing the insurance scheme due to a pending court case. Nearly 70,000 farmers have been affected due to this decision.

Dayanand Dhaka, a farmer activist, said would lose cover due to the non-implementation of the insurance scheme. "We have already paid the premium as per the terms of the PMFBY, and now it is the responsibility of the firm or the government to ensure the cover," he said.

Criticising the government, Congress leader Kumari Selja said: "The farmers are feeling cheated as they paid the premium months ago. Now, that they have suffered crop losses and are entitled to claims, they are being refunded the premium," she said.

Agriculture Minister JP Dalal, however, assured the farmers today that the government would extend cover to those who had not been covered under the PMFBY.

The agriculture department also withdrew an earlier letter regarding the refund of insurance premium.

Letter on premium refund withdrawn

- On July 25, the government notified the implementation of PMFBY for kharif crops covering Haryana, which is divided into three clusters for paddy, maize, bajra, cotton and moong
- July 31 was the last date for the payment of insurance premium
- On September 10, the agriculture department directed banks to refund the premium to farmers, but a day later, this direction was withdrawn

TOP

As Punjab battles floods year after year, experts push for crop insurance – The Indian Express – 11th September 2023

After two devastating floods that struck several districts of Punjab following heavy rainfall in July and August, the state government announced compensation of Rs 6,800 per acre for paddy crop loss. However, the amount fell woefully short of addressing the harsh reality on the ground. Some farmers estimated their losses at Rs 70,000 per acre. They argued that the flood's impact extended far beyond the loss of seedlings.

It also affected the timely resowing of crops or, in some cases, prevented re-plantation due to stagnant water in their fields. These floods exemplified that farmers' plight was not an isolated incident but part of a recurring pattern caused by unpredictable weather, changing climate, and the constant risk of natural disasters.

Even during the Rabi season, farmers faced significant losses to their wheat crops in the past two years. In 2022, a sudden rise in temperature in March, a month before harvesting, led to grain shriveling, resulting in farmers facing losses of 5-6 quintals per acre. In 2023, unseasonal rains during the wheat harvesting period damaged crops over a large area. These incidents underscore the pressing need for Punjab to establish a comprehensive crop insurance policy that at least give a semblance of certainty in an uncertain era. The Indian Express explains the current status of Crop Insurance Policy in the state:

Has Punjab ever implemented the Pradhan Mantri Fasal Bima Yojana (PMFBY)?
Punjab government sources said the state has never made any efforts to implement the scheme, which was launched in February 2016. Even neighboring Haryana also adopted it recently. Under the PM Fasal Bima Yojana, 40 per cent of the insurance cost is shared equally between the central and state governments, with farmers contributing the remaining 20 per cent. For instance, in Haryana, paddy insurance costs Rs 96,371 per hectare and farmers are required to pay Rs 1,927.42. For cotton and maize crops, the insurance amount is Rs 98,595 and Rs 49,421 per hectare, and farmers contribute premiums of Rs 4,929 and Rs 988 per hectare, respectively.
Why has Punjab not adopted this policy?

Successive Punjab governments have rejected the central policy, arguing that it is not suitable for the state. They have pledged to introduce their own crop insurance policy, but as of now, no such policy has been implemented.

Experts contend that Punjab's conditions differ from those of other states that face significant losses due to drought and other factors. Punjab's farmers manage to protect their crops even in drought-like conditions, thanks to the presence of over 15 lakh tube wells and free power supply to these tube wells. However, the absence of an insurance policy leaves them vulnerable to extensive losses.

Is there a need for crop insurance in Punjab?
Experts said that Punjab, once recognised as the "Granary of India" and lauded for its Green Revolution, now requires a well-structured crop insurance policy. Such a policy would provide farmers with the security they need, offering financial support during times of crisis and enabling them to rebuild their livelihoods without falling into crippling debt. Additionally, it would promote sustainable farming practices and risk mitigation, making Punjab's agriculture more resilient in the face of climate change, as emphasised by a senior professor at Punjab Agriculture University (PAU), Ludhiana.

What is the way forward?
Experts suggest that rather than adopting the central PMFBY, the state government should design its own insurance policy in collaboration with government insurance companies. Also if there is no claim of insurance by the farmers then farmers should get some bonus for their contribution. This approach will not only provide security to farmers but also create employment opportunities while minimising the risk of fraud.

Experts added that central government's participation in supporting Punjab's crop insurance policy is also needed, given the state's pivotal role in producing grains for the nation over the past five decades. As agriculture may be a state subject but Union ministry of consumer affairs, food and public distribution purchase grains from the state.

Apart from crop insurance, a robust disaster management fund should be available to compensate farmers promptly in an event of crop loss due to natural or weather-related calamities, in case of farm related accidents of farmers or farm workers, loss of live stocks, said experts.

"While government compensation is insufficient in the face of extensive losses, the burden of insurance policies should not weigh heavily on farmers. Implementing a well-structured crop insurance policy will provide a safety net for Punjab's farmers, protecting them from the unpredictable forces of nature," said Jagmohan Singh, general secretary of BKU (Dakuanda).

The writer is Anju Agnihotri Chaba

TOP

Reinsurance

PB Fintech explores venturing into reinsurance – Asia Insurance Review – 12th September 2023

PB Fintech, which operates insurance and credit aggregator platforms like PolicyBazaar and PaisaBazaar, is looking to diversify its business.

Sources told CNBC-TV18 that the insurance aggregator has held informal conversations with the regulator, IRDAI, to understand the reinsurance market and its prospective business foray into it. The company has also been working with working with legal experts on its entry into reinsurance.

The sources also point out that PB Fintech would look to start its reinsurance business by itself without a foreign or domestic partner. At a later stage, it would explore the possibility of attracting investments from a foreign or an Indian partner in its reinsurance business, reported CNBC-TV18.

Meanwhile, PB Fintech has clarified that it has no plans to become a direct insurer or apply for any such license since it would be a conflict of interest with its insurance partners. "We constantly endeavour to work with and support our insurance partners in product and proposition development and will continue to do so," according to an exchange filing on 8 September 2023.

The reinsurance market in India could be an interesting opportunity, unlike direct insurance which is a crowded market, reported BQ Prime, quoting the investment bank Morgan Stanley.

TOP

Majority of Indian consumers believe employer-provided insurance is adequate, but most are underinsured: Study – The Economic Times – 14th September 2023

Indian consumers acknowledge the significance of insurance for financial security but often fail to take action on this awareness. According to the report titled 'Demystifying the Indian Consumers' Illusions: 2023,' conducted by SBI Life Insurance in collaboration with Deloitte, a striking 97 percent of Indians agree that life insurance coverage should increase over time. However, this intent often doesn't translate into action.

Around 80 percent of respondents acknowledged the role of life insurance in achieving financial immunity. Even among respondents without insurance, 71 percent recognised the importance of having a policy.

However, good intentions often don't result in action due to misconceptions, such as believing that merely owning an insurance policy guarantees protection, thinking policies can be forfeited in case of fund shortage, believing that investments in financial instruments offer better security, assuming that ownership of assets and savings can replace life insurance, and trusting that employer-provided insurance coverage is sufficient.

The report reveals that, on average, 52 percent of Indian households' annual income is allocated to financial security. Within this allocation, 17 percent goes to savings, 16 percent to financial assets, 11 percent to life insurance, and just 8 percent to health insurance.

The study, conducted in 41 cities with over 5,000 respondents, noted that the COVID-19 pandemic prompted consumers to prioritise financial security. Yet, as the pandemic's impact diminishes, concerns about rising inflation and living costs have resurfaced.

Insufficient coverage

Despite 68 percent of consumers believing that employer-provided insurance is sufficient, the report highlights that a staggering 96 percent of employees who rely solely on employer-provided insurance find themselves underinsured. Lack of funds is cited as the primary reason for insufficient coverage.

Additionally, 47 percent of consumers mentioned that they haven't renewed their policies in the last five years because they had invested in other financial assets or savings to ensure financial security, without considering potential expenses in cases of financial and medical emergencies.

Although 68 percent of consumers considered employer-provided insurance adequate, the report reveals that 96 percent of employees solely covered by employer-provided insurance are underinsured.

Potential for growth

Addressing the gap between intention and action in insurance coverage is a significant challenge for the insurance industry. However, there is potential for growth as the report highlights that consumers are willing to purchase life and health insurance policies in the next five years, with approximately 46 percent planning to buy life insurance and 39 percent intending to purchase health insurance within the next year.

The report emphasises that government, regulators, corporations, and institutions need to play an active role in bridging this gap by encouraging citizens to obtain adequate insurance coverage for financial security. Furthermore, leveraging social media can help promote this sentiment, especially among the younger generation.

A comprehensive customer education strategy, including explanations of the differences between insurance and investment options, simplified insurance products with affordable premiums, and other initiatives, can play a pivotal role in increasing financial literacy, raising awareness about insurance, and driving higher adoption rates among consumers.

TOP

INSURANCE CASES

Alcohol consumption no ground to reject health insurance: Consumer court – Deccan Herald – 14th September 2023

A consumer court in the city recently ruled that alcohol consumption cannot be used as a ground to deny a reimbursement claim under a legitimate health insurance policy.

The ruling stems from a case involving an insurance company's refusal to reimburse a policyholder under a valid health insurance scheme.

BS Jaisimha, a resident of Nagavara Palya, filed a complaint with the Bengaluru Urban 4th Additional District Consumer Disputes Redressal Commission on December 3, 2021, alleging that Reliance General Insurance Company had provided deficient service by rejecting his claim for reimbursement amounting to Rs 2,55,876 for his hospital expenses.

Jaisimha had paid an annual premium of Rs 26,091 in 2020 for a health insurance policy that remained valid till May 16, 2021. This policy, with a coverage of Rs 3,00,000, provided medical emergency coverage for both him and his wife.

On April 23, 2021, Jaisimha was admitted to a private hospital in the city due to five episodes of hematemesis (vomiting blood). After three days of hospitalisation, he was billed Rs 2,55,876. However, his insurance claim was rejected by the company, forcing him to cover the entire expense.

During the court proceedings, the company's advocate attributed Jaisimha's condition to his history of alcohol consumption, citing it as a basis for claim rejection, according to the company's terms of exclusion.

However, the court ruled that alcohol consumption is a common lifestyle choice and does not automatically render people ineligible for health insurance.

In this case, no concrete evidence has been provided to substantiate that Jaisimha was an alcoholic.

The court concluded that the company had rejected the complainant's claim on weak grounds, constituting a deficiency of service.

Final figures
It ordered the company refund the claim amount of Rs 2,55,876 with an 8% interest, to be calculated from the date of claim rejection until payment.

Additionally, the company was directed to pay Rs 5,000 for deficiency of service, Rs 5,000 for the pain caused, and Rs 5,000 as litigation costs, all within 45 days from August 11.

The writer is Udbhavi Balakrishna

TOP

Ahmedabad Hospitals' Body Warns Health Insurer Against Payment Rejections, Delays – Vibes of India – 13th September 2023

Ahmedabad Hospitals and Nursing Homes Association (AHNA) has written to health insurer, Star Health and Allied Insurance, threatening to discontinue the cashless facility unless a host of issues are resolved by October 15.

This drastic move by the association follows a spate of claim rejections by the company, that too after initial approvals. Other issues include, delays in clearing payment dues, charges fixed by the companies that hospitals deem 'unsustainable' and even delisting of hospitals from the company's networks.

Star Health says it has received the communication from AHNA but rules out any disruption of insurance claim payouts for policyholders.

"As of now, there is no imminent discontinuation of cashless facilities at any of the member hospitals of AHNA. We are in talks with member hospitals and are confident of addressing their genuine concerns within the next few days while also clarifying our stand," a top official of Star Health and Allied Insurance said. The company offers cashless facilities at 14,500 hospitals across India.

Currently there aren't any signs of the cashless facility being discontinued as insurers and third-party administrators (TPA) say they are striving to meet the goal of 100 percent cashless settlement within the next couple of months as suggested by Insurance Regulatory and Development Authority of India (IRDAI).

Insurance experts say such issues get resolved once hospitals and insurance companies come to an understanding. "Both hospitals and insurance companies are interdependent. Policyholders need insurance coverage for costly procedures. Once a hospital is blacklisted, it doesn't remain blacklisted forever," they said.

But Star Health isn't the only entity in the line of fire. AHNA had, on August 7, 2023, asked the Gujarat Government to clear pending dues worth Rs 650 crore arising from the Mukhyamantri

Amrutam Yojana (MAY) and Pradhan Mantri Jan Arogya Yojana (PMJAY). Failing to clear the dues would force hospitals "to stop services to patients under these schemes," AHNA had said.

In January 2023, the State Anti-Fraud Unit of the government-led health insurance scheme Pradhan Mantri Jan Arogya Yojana (PM-JAY) unearthed irregularities in the functioning of three Surat hospitals and disempanelled them from the network. IRDAI too has seen an 81 percent rise in claims from Gujarat State between 2020 and 2022.

Once empanelled, hospitals agree to offer medical procedures at a set rate to policyholders. When the medical bills are higher than market rates, insurers and third-party administration companies, who act as intermediaries in settling insurance claims, raise an alarm.

Inflated bills lead to faster absorption of sum assured and a higher premium. This vicious cycle is affecting the affordability of insurance for policyholders. Most insurance companies and TPAs are in constant engagement with network hospitals and medical associations to improve procedures and ensure zero disruption in services such as withdrawal of cashless facilities, among other things.

Star Health said it settles all legitimate claims. "Rejection of claims mainly happens when policy conditions are not met, like excluded ailments, claims within waiting period, sub-limits in sum insured, pre-existing diseases, non-disclosure of major ailments and other similar well defined non-payable reasons," it said.

Insurance companies claim they have been using experience in the medical field and robust artificial intelligence to identify irregularities and monitor claims from flagged hospitals.

According to insurers, deficiencies from hospitals include unnecessary in-patient admissions, high usage of antibiotics, unindicated investigations, differential room tariffs, unauthenticated lab reports, incomplete treatment documents, violation of agreed pricing, prolonged stay at hospitals, inconsistent billing, intervention and distortion by third party aggregators.

"Hospitals indulge in wrong practices of admitting patients when hospitalisation is not required or conducting diagnostic tests where not required. Policyholders increasingly opt for cashless facilities to avoid out-of-pocket expenses and less documentation. Hence, discontinuation of the cashless facility has now become a tool in the armoury of hospitals," says the Health Insurance Head of a Mumbai-based general insurance company.

TOP

ESIC moves HC against town planning scheme – The Times of India – 13th September 2023

The Gujarat high court on Tuesday issued notice to concerned state government authorities following an objection to a town planning scheme that has been finalized by them.

The court sought their explanation after the central government's Employees State Insurance Corporation (ESIC) claimed that the state government finalized TP Scheme 99 of Naroda-Chiloda, and acquired its land without consultation during Covid period when ESIC was busy dealing with pandemic-related cases.

ESIC's medical superintendent filed a petition through advocate Sachin Vasavada stating that the central government has acquired a land parcel in Naroda to construct a hospital there.

However, the Ahmedabad Municipal Corporation (AMC) and the Ahmedabad Urban Development Authority (AUDA) devised a TP scheme and reserved ESIC's 11,009 sq m land for a medical college, the petition states. The TP scheme was finalized on December 16, 2020, without ESIC being asked for its opinion and particularly when it was busy with medical facilities for citizens.

The central government body contended that the plan to construct a hospital on the plot should be given priority over the plan to build a medical college.

ESIC has sought to know whether state government authorities can acquire the land from the central government body and whether it is permissible for them to finalize a TP scheme during a situation like Covid when ESIC was busy with saving lives of citizens.

The court has sought a reply from the state authorities on the issue and posted further hearing of the matter on November 2.

TOP

Insurance Scam: UP Cyber Police Busted Death Certificates Forgery And Fake Insurance Claims Syndicate – The 420 – 13th September 2023

Uttar Pradesh Cyber Crime police in Lucknow exposed a group of cyber criminals who were operating a network of fake websites and forging death certificates to make fraudulent insurance claims under the Pradhan Mantri Jeevan Jyoti Bima Yojana. The investigation has resulted in the arrest of two individuals and the shutting down of the illicit operation.

A Son's Vigilance Unveils the Scam
The unraveling of this sophisticated cybercrime operation began when Veeral M Joshi, the son of Mukesh G Joshi, a resident of Gokul Township, Boling Worar Palghar Vasai, Maharashtra, filed a complaint.

Joshi reported that a fake death certificate had been created in his father's name through an illegal website. The complaint alleged that a false death claim was submitted to India First Life Insurance Company, aiming to fraudulently obtain insurance coverage.

The case was registered under various sections of the Indian Penal Code (IPC) and the Information Technology Act, including crime number 41/2022 under sections 419/420/467/468/471/120B IPC and 66D IT Act at the Lucknow Police Station Cyber Crime division.

A Coordinated Effort to Uncover the Deception
Taking up the matter Prof Triveni Singh, Superintendent of Police, Cyber Crime created a dedicated team, led by Inspector Brijesh Kumar Yadav to arrest culprits and uncover the extent of their deception.

The investigation led the team to scrutinize various websites and online accounts associated with the scam. After gathering technical information and conducting a meticulous analysis, a crucial piece of evidence came to light.

It was discovered that a fake website, http://crsorgi-govn.in, closely resembled the official government website, https://crsorgi.gov.in. This fraudulent site was being used by the criminals to produce counterfeit death certificates for living individuals, followed by numerous applications for fake death claims from India First Life Company under Pradhan Mantri Jeevan Jyoti Bima.

Police Turn the Tables on the Criminals

Armed with this newfound information, Inspector Brijesh Kumar Yadav and his team took swift action under the guidance of senior officials. They activated their own information system and utilized technical resources to run a website, issuing fake death certificates to catch the culprits red-handed.

As a result of their efforts, two key individuals involved in the operation were arrested and subsequently booked on September.

Method of the Crime Unveiled

The cyber criminals employed a cunning method to swindle India First Life Company. They created fake death certificates by purchasing the domain for the website http://crsorgi-govn.in and establishing numerous franchises on that fraudulent site. This allowed them to submit a high volume of fake death claims, all under the guise of legitimate insurance applications.

Details of the Arrested Accused

The two individuals who have been arrested and are now in police custody have been identified as Suraj Mani and Nagendra Pal.

The successful operation by the Lucknow Police Cyber Crime Unit serves as a reminder of the importance of cyber vigilance and the relentless pursuit of those who seek to exploit digital platforms for unlawful gain. Authorities continue to urge citizens to exercise caution and report any suspicious online activities promptly.

The writer is Sharad Natani

TOP

Insurance company cuts 50k from Covid claim – The Economic Times – 11th September 2023

A Covid-19 patient had to take a Rs 50,000 cut from his insurance refund because the 'Covid-positive' report he furnished along with other claim documents, was not from a certified laboratory. Sonesh Patel from Botad town had purchased a special Covid-19 coverage of Rs 2 lakh from Reliance General Insurance Co Ltd during the pandemic. He tested positive in November 2020 and received treatment at a private hospital after being referred by an urban health centre.

When Patel claimed the insurance amount, the insurer repudiated his claim on the grounds that Patel's 'Covid-positive' report had not been issued by a certified laboratory. Patel then approached the Bhavnagar District Consumer Dispute Redressal Commission, which, in March, ordered the insurance company to pay him the full claim amount of Rs 2 lakh.

The insurer challenged this order before the Gujarat State Consumer Dispute Redressal Commission. The commission said that the patient had supplied the certificate issued by a government health officer which showed that he had Covid infection. He also supplied case papers from the private hospital, which established that he had undergone treatment and laboratory reports from a government medical college. However, because the report stating that had tested positive was not issued by a certified lab as per policy terms, the commission said that the insurer should pay him Rs 1.50 lakh instead of the full insurance amount.

TOP

Star Health clashes with Ahmedabad Hospitals over 'fraudulent' claims – The Economic Times – 11th September 2023

Star Health and Allied Insurance Company Ltd, the lone listed health insurer in the country, and hospitals in Ahmedabad are trading charges over alleged fraudulent claims and unjustified suspension of cashless claims. The insurer has decided to re-evaluate the list of hospitals eligible for seamless claims after serving notices to over 100 hospitals for alleged violations of contract and fraudulent claims. Ahmedabad Hospitals and Nursing Homes Association in a letter to the company threatened to discontinue cashless with the company. The insurer backed by the late Rakesh Jhunjhunwala has tied up with 400 hospitals in Ahmedabad. It allegedly found that many of these hospitals are violating tariff rules and some engaging in frauds, and has sent notice to them to discontinue cashless claim settlement, which allows direct billing to the insurance company by the hospital. Responding to this, the hospital association has indicated that if the issues are not resolved by October 14, all hospitals may suspend cashless facilities to Star Health policyholders from October 15 to November 14 as a protest measure. "We would like to work it out and not go the distance (of getting suspended)," said Anand Roy, managing director of Star Health Insurance. "We met with the Ahmedabad Doctor Association face to face and also through video conferencing, and they have asked us to review the list. We will again meet them later this month to sort out the matter."

The hospital association's letter, widely circulated on social media platforms, has highlighted several challenges faced by member hospitals while dealing with cashless and reimbursement services for Star Health Insurance claims. The hospitals have expressed concerns over the abrupt suspension of hospital listings, claims being denied post initial authorisation, inadequate reimbursement rates, and prolonged delays in claim processing, putting considerable financial strain on healthcare facilities. This prompted some policyholders, too, to share their own experiences. One person tweeted about the difficulty they faced in getting Star Health Insurance claim for treatment after an acute stroke. The claim was initially denied. Later, it was partially approved after putting in a lot of effort, including posting about the issue on X (formerly Twitter), the person said.

The writer is Shilpy Sinha

TOP

Rs 16.71 lakh relief for accident victim's kin – The Tribune – 8th September 2023

The Motor Accident Claims Tribunal, Chandigarh, has directed the insurance company, owner and rider of a motorcycle to pay Rs 16.71 lakh as compensation to wife and three children of the person who died in an accident six years ago.

The wife, Sunita and three children of Jai Ram, all residents of Peer Khana, Sant Nagar Colony, Ismailabad, Kurukshetra district, Haryana, filed a claim petition under Section 166 of the Motor Vehicles Act, 1988.

In the petition, they claimed that Jai Ram died in an accident on May 28, 2017 while he was returning from the Ismailabad grain market. Jai Ram was on his bicycle when an over speeding motorcycle hit him. He fell on the road and suffered multiple grievous injuries. He was then rushed to a hospital where he succumbed to his injuries, read the petition.

The owner and rider of the motorcycle denied that any such accident took place. The insurance company filed a reply, stating that the rider did not have a valid license and the motorcycle was being driven in contravention of the terms and conditions of the insurance policy.

TOP

Buy home insurance policy that compensates on reinstatement basis – Business Standard – 8th September 2023

On August 29, 2023, the National Consumer Disputes Redressal Commission (NCDRC) upheld prior rulings in the New India Assurance versus Dip Bahadur Chettri case. The case highlights the need for home insurance buyers to select this policy carefully. Chettri bought a home insurance policy with a sum insured of Rs 10 lakh, valid from July 2005 to July 2020, for his house in Darjeeling. An earthquake in September 2011 damaged the building, rendering it unfit for residence. The sub-assistant engineer of Darjeeling Municipality assessed the damage at Rs 32,12,514. The insured submitted a claim in December 2011. The insurer appointed a surveyor who assessed the value of the building at Rs 13,38,000. Since the sum insured was only Rs 10 lakh, this was treated as a case of underinsurance. The average clause was applied and then a depreciation of 59.4 percent (as the property was 33 years old). The surveyor assessed the insurer's liability at Rs 1,12,108. The insurer settled the claim at Rs 72,436. The insured then went to court.

Both the District Forum and the State Commission ruled in the insured's favour and ordered the insurer to pay the sum insured of Rs 10 lakh. The National Commission, too, upheld these rulings. The insurer's surveyor treated this as a case of underinsurance (as the building's assessed value was higher than the sum insured). In this case, the courts ruled in the insured's favour. The State Commission said, "It is not at all believable that the work for which the respondent submitted an estimate of Rs 32,12,514 could be done on payment of a sum of Rs 1,12,108 only." The surveyor had used the PWD rate of construction to arrive at its assessment. The State Commission said it was not possible for the general public to get work done at PWD rates. Explaining the courts' rationale, Animesh Kumar, a partner at New Delhi-based Fiducia Legal, says, "In a case where the damage is much higher than the sum insured, the insurer is liable to pay the full sum insured." Insurance experts, however, differ, pointing to the "average clause", which says that when the actual value of the property is higher than the sum insured, insurers pay only a proportion of the loss. Says Kapil Mehta, co-founder and chief executive officer (CEO), SecureNow, "Suppose the value of a property is Rs 13 lakh and the sum insured is Rs 10 lakh. If the damage is, say, worth Rs 2 lakh, the insurer is liable to pay only Rs 1.54 lakh (2 x 10/13)." He adds that if insurers don't apply this principle, customers will remain underinsured to save on premium costs.

The case highlighted this issue as well. Says Kumar, "Insurers can apply the depreciation clause, but it must be mentioned in the contract. In this case, the courts held that since the depreciation clause was not there in the contract, the insurer could not apply it." When you buy home insurance, understand the basis of indemnification or how compensation will be decided (which also determines how the sum insured is decided). "Nowadays, indemnification is mostly done on a reinstatement basis. This means the insurer will pay an amount that is adequate to reinstate the house to its former condition," says Mehta. In the past, policies were sold under the concept of market value. "Suppose the house's market value is Rs 10 lakh at the time of purchasing the policy. When a claim arises, say, after five years, the insurer can say that the value of the house (only the structure, which is insured, not the land), has depreciated and compensate you after applying a standard depreciation rate to the damage amount," says Mehta. Buy a policy that will compensate you on a reinstatement basis. "The sum insured must equal the cost of reconstructing the house. And keep revising the sum insured at the time of renewal to keep it in line with inflation," says Mehta. Kumar emphasises reading the contract carefully and understanding its key clauses.

The writer is Sanjay Kumar Singh

TOP

PENSION

NPS, EPFO data show India created 5.2 crore payrolls in last 4 years: SBI Research – Live Mint – 12th September 2023

The SBI's latest research report has stated that it has analysed the EPFO payroll data trends for the last four years, net new EPF subscriber addition during FY20 to FY23 was 4.86 crore

The research report further stated that the EPFO payroll data in the first quarter of the current financial year, the trend is quite encouraging. It further stated that already 44 lakh net new EPF subscribers joined, of which first payroll were 19.2 lakh. If this trend continues for the whole fiscal then in FY24, the net new payroll cross the 160 lakh mark (highest-ever) with first payroll in the range of 70-80 lakh.

NPS data indicates that 8.24 lakh new subscribers in FY23, of which state government payrolls of 4.64 lakh, followed by Non-Government of 2.30 lakh and 1.29 in central government. In the last 4-years, around 31 lakh new subscribers joined in NPS.

So, cumulatively, total payroll generation of EPFO and NPS is more than 5.2 crore during FY20 to FY23.

Meanwhile, an interesting feature of the current EPFO data is the significant decline in revision of number of members who have rejoined or resubscribed in the first quarter of current financial year. This would mean more people might be deciding to stick to their current employment. Additionally, the share of women payroll was around 27%.

To enable the increase of women in labour force, we recommend that Bank Sakhis hired under National Rural Livelihood Mission /NRLM may be considered for appointing as Banking Correspondents, as they are well versed with routine bank operations and possess mandated IIBF certification. Policy may also be framed to mandatorily recruit at least 30% of the total workforce as women Banking Correspondents, particularly in locations where access and usage of the accounts by women is low.

TOP

IRDAI CIRCULAR

Topic	Reference
Directions from TRAI for curbing the menace of Unsolicited Commercial Communication	https://irdai.gov.in/document-detail?documentId=3859760
Constitution of Inter-Disciplinary Standing Committee on Cyber Security	https://irdai.gov.in/document-detail?documentId=3857996

TOP

GLOBAL NEWS

2023 to see improving profitability for non-life insurance globally: Swiss Re Institute – AIR – 11th September 2023

Swiss Re Institute expects 2023 to be a transition year - with improving profitability for non-life insurance globally, as the industry continues to adapt prices to an elevated risk landscape, while higher portfolio yields boost net investment income.

The non-life insurance industry is adjusting rapidly to the new higher interest rate era ushered in by the most intense monetary policy tightening since the 1980s.

Further rate hardening
According to the *sigma* study "Raising the bar – non-life insurance in a higher risk, higher return world", despite the stronger profitability outlook, non-life insurers' profitability is expected to remain lower than their increased cost of capital in 2023. This suggests that further rate hardening and constraints on capacity are likely to continue throughout 2024.

Jérôme Jean Haegeli, Swiss Re's group chief economist, said, "Our analysis shows that non-life insurers' profitability is set to improve strongly in the coming years as higher interest rates and rate hardening more than offset higher claims costs from persistent inflation. This will be vital to enable industry resources to grow at a rate that will match global demand for insurance protection."

Despite the stronger profitability outlook, Swiss Re Institute expects the disequilibrium in demand and supply of non-life insurance to persist, and thus a continuation of current hard market conditions, especially in property catastrophe lines. Demand for insurance protection has risen since 2017, driven by increased natural catastrophe activity as well as inflation, which is resulting in higher replacement values.

Capital

Higher growth in industry capital is needed to narrow large protection gaps worldwide. Swiss Re Institute estimates that, for example, in the US, property and casualty insurance industry capital has grown by 5% annually on average for the past 10 years. During the same time, the natural catastrophe protection need has grown at about 7% per year on average.

Globally, the value of unprotected risk exposure has risen steadily in the past five years. Swiss Re Institute estimates the global protection gaps for natural catastrophes, crop, mortality and health insurance at $1.8tn in premium equivalent terms for 2022.

In an environment where heightened risk awareness prevails, the role of reinsurance in providing peak capacity for the primary insurance sector is becoming increasingly relevant. This is also reflected in the fact that property (re)insurance – the line covering the largest part of natural catastrophes – has seen premium volume growth of 4.3% in primary insurance and 5.9% in reinsurance over the last decade.

Given higher demand, elevated risks and limited capacity, more efficient use of capital becomes key for primary non-life insurers. Reinsurers can offer primary insurers access to their balance sheet at costs below insurers' capital costs as their portfolio is diversified across a broader range of geographies and risks.

Mr Gianfranco Lot, Swiss Re's chief underwriting officer, P&C Reinsurance, said, "In the current capital-demanding environment, reinsurance can enable primary insurers to write new business more efficiently, provide certainty for legacy liabilities and support the growth of new business. The elevated risk landscape calls for more frequent adjustments to underwriting practices. Focusing on portfolio quality and margins as well as contractual clarity in the whole industry will be key in this respect."

Interest rates and insurers' profitability

The insurance industry is sensitive to interest rates through the asset leverage and duration embedded in the business model. Both the low interest rates in the decade pre-COVID and during the pandemic, as well as the current higher interest rate environment, have fundamental effects on insurers' profitability and risk management. Insurers invest underwriting cashflows in a wide range of securities, particularly longer-term fixed-income investments, before making claims payments. Therefore, higher interest rates improve the industry's profitability.

TOP

Asia's reinsurers review strategies amid hard market and climate risks: Fitch – AIR – 11th September 2023

Asia's reinsurers continued to experienced hard market conditions in 2023 to offset the impact of inflation-induced rising claims, climate change and financial market volatility, Fitch Ratings says in a new report.

In the report titled "Asian Reinsurance Market: Hardening Market Reshapes Asia's Reinsurance Strategies", Fitch says that retrocession rates also increased with limited capacity and, therefore, reinsurers are likely to enlarge their retention and will have to reshape their risk appetite.

Capitalisation and leverage metrics for Fitch-rated reinsurers in APAC remain commensurate with their ratings. Several regulators in the APAC region have been strengthening their regulatory capital requirements for reinsurers.

Fitch sees enhancing data analytics as crucial for reinsurers to understand the potential impact of their portfolio risk levels to optimise premium pricing. Reinsurers will have to optimise portfolio risk as they reassess their risk appetites to navigate the uncertainty amid higher weather-related losses and volatile economic conditions.

TOP

Pakistan: Regulator highlights strategic direction as important to promoting insurance – AIR – 15th September 2023

The chairman of the Securities and Exchange Commission of Pakistan (SECP) has highlighted the importance of strategic plans to improve insurance penetration in Pakistan.

Speaking at an insurance roundtable on 1 September that had the theme, "Journey to an Insured Pakistan", he cited international models where the successful execution of long-term strategies steered the insurance sector's growth, adaptability, and responsiveness to evolving needs and market conditions.

Underscoring the potential of insurance in Pakistan, he pointed to the importance of setting a shared strategic direction to overcome the underlying challenges, reported the newspaper, Dawn.

At the roundtable organised by the SECP, regulatory officials presented a five-year strategic plan. They provided a current snapshot of the industry, outlined challenges faced by the insurance sector, explained the vision and mission of the plan, and detailed the operational and strategic outcomes of the plan. They emphasised key objectives such as policyholder protection, innovation, cooperation and transformation, and improved insurance coverage.

They also shared their approach to enhancing the ease of doing business, engaging with stakeholders, facilitating access to information, building capacity, providing access to capital and reinsurance, raising awareness through innovation, and modernising legislation to align with international standards.

At the roundtable, caretaker Finance Minister Dr Shamshad Akhtar said that the government was committed to resolving structural issues faced by the economy.

She highlighted the importance of reducing the fiscal deficit, strengthening forex reserves, and restoring international confidence in the economy of Pakistan.

She also underscored the significant role played by the insurance industry in enhancing private-sector growth and bolstering the capital market.

The roundtable was a single-day event, divided into two sessions i.e. one with members of the non-life sector and the other with representatives of the life market. The roundtable aimed at fostering an open and collaborative environment between stakeholders to work together to shape the future of the insurance industry.

TOP

India: Almost half of policyholders fail to renew life insurance plans in last 5 years – AIR – 13th September 2023

Nearly half (47%) of insured individuals in India say that they did not renew their insurance policies in the last five years as they had invested in other financial assets or savings as a means to ensure financial security without giving due consideration to the expenses in case of financial and medical emergencies, according to the findings of a study by SBI Life Insurance, conducted in collaboration with professional services firm Deloitte.

The Financial Immunity Study 3.0, titled "Demystifying the Consumer's Illusions," surveyed 5,000 respondents across 41 cities in India and uncovered critical insights.

Some of the key findings of this study highlighting the lack of financial preparedness are:

71% of uninsured respondents recognise the absolute necessity of insurance for achieving 'Financial Immunity'.

As many as 83 % of insured individuals acknowledge the critical role of insurance in attaining financial resilience.

Despite 68% believing they are adequately insured, only 6% have sufficient coverage.

Mr Mahesh Kumar Sharma, MD & CEO of SBI Life Insurance, emphasised the urgent need for a paradigm shift in how financial preparedness is perceived. "It's a matter of great concern that 80% of consumers acknowledge insurance's pivotal role in financial security, yet a staggering 94% remain inadequately covered", he said.

The study also notes that the key concern of consumers has shifted from medical expenses to inflation and the rising cost of living.

In addition, as many as 37% of consumers equate financial immunity with "having multiple sources of income" and 41% claim that having a 'secondary income' can strengthen financial immunity. Also, 52% of Indian households' income is allocated to building financial immunity, by investing funds in savings, investments, life insurance, and health insurance schemes. Of the 52%, 17% is allotted for savings, 16% towards financial assets, 11% for life insurance and just 8% for health insurance.

Nearly 80% of respondents rely solely on employer-provided insurance policies.

TOP

Singapore: Critical illness protection gap narrows – AIR – 11th September 2023

The Life Insurance Association, Singapore (LIA Singapore) has unveiled findings of the Protection Gap Study (PGS) 2022 which found that economically active (EA) Singaporeans and Permanent Residents in Singapore - including Platform Workers (PWs) - had a S$373bn ($273bn) mortality protection gap and a S$579bn critical illness (CI) protection gap. This equates to a 21% mortality protection gap and a 74% CI protection gap in Singapore in 2022.

The study comprises two components: analysis of policy data from life insurers, as well as a supplementary market survey of 775 EAs.

PGS 2022 provides insights for the industry, life insurers and reinsurers, as well as other stakeholders – including employers and relevant government agencies – to implement actionable strategies that will support individuals to meet their protection and financial planning needs. This is especially important given the extended life expectancy as well as an unpredictable socio-economic landscape facing the community today.

LIA Singapore also included the additional analysis of protection needs and gaps of PWs in PGS 2022, in recognition of this being a growing segment within the community. The average PW individual has bigger mortality and CI protection gaps than the average EA individual in Singapore.

Mr Dennis Tan, president of LIA Singapore, said, "The Protection Gap Study 2022 shows that while mortality and critical illness protection gaps persist, there has been progress recorded since our last study in 2017. There is greater awareness and appreciation of the value of insurance in Singapore, and more individuals are taking action to better meet their protection needs.

"While this progress is encouraging, we know more can and must be done to support different members of our community, such as our Platform Workers. The life insurance industry will continue leading the charge on these efforts, leveraging insights from the study to inform initiatives for the Association, our member companies, and other relevant stakeholders to pursue and to get more individuals better insured."

Initiatives to be developed

Some areas the industry will explore developing initiatives for include:

- Enhancing the understanding and reach of insurance policies through product innovations and further simplification of policy-related materials

- Adopting a customer profile and needs-based understanding approach to develop tailored customer segment-led propositions, product solutions and distribution approaches aimed at supporting specific groups with medium to high protection gaps (e.g. underserved segments such as those that are less educated, and/or those of lower income)

- Boosting consumer awareness and understanding about protection through public education initiatives

- Making it easier for underserved members of the public (e.g. Platform Workers) to reach accessible touchpoints to better understand and address their protection and financial planning needs

Mortality protection gap remained relatively unchanged for EA persons

EA individuals in Singapore have approximately 79% of their mortality protection needs met. Though the mortality protection needs increased between 2017 and 2022 – primarily due to an overall increase in costs of living and the number of EA individuals – the mortality protection gap remained relatively unchanged from 2017, with a slight 2% decrease from 23% to 21%.

This is largely due to income levels going up, an increase in Central Provident Fund (CPF) and other savings by 47%, as well as an 11% uplift in life insurance coverage.

The average mortality coverage per policyholder increased by approximately S$41,100 to S$331,200 in 2022 which is approximately 3.6 times of average annual income. Policyholders in Singapore have an average of three policies for mortality protection.

CI protection gap for EA individuals narrowed primarily due to an increase in CI coverage

The CI protection gap amongst EA individuals has narrowed by a notable 7% – down to 74% in 2022 from 81% in 2017. The average CI coverage per policyholder increased by approximately S$64,400 to S$193,300 in 2022. This is approximately 2.1 times of average annual income.

This reduction in the CI protection gap from 2017 was mainly driven by an approximate 63% increase in CI coverage since then.

On average, a CI policyholder owns less than one standalone policy. Their CI coverage is generally from Whole-of-Life policies or riders with CI to supplement their main life insurance policies.

Bigger mortality and CI protection gap amongst Platform Workers because of lower savings and insurance coverage

PGS 2022 found that there is a 59% mortality protection gap and a 91% CI protection gap among PWs. This is primarily attributed to them having lower CPF and deposit savings, as well as lower insurance coverage as compared to EA individuals.

Takeaways from the supplementary market survey include:

- Many PW respondents indicated they are not covered under Group insurance offered by platform providers, with a further portion being unaware if they are receiving any Group Insurance coverage.

- PW respondents expressed interest in the life insurance industry establishing accessible touchpoints that they may visit to seek guidance and support for their financial planning journey and insurance protection needs. The industry recognises that these touchpoints could include roadshows at the offices of platform providers.

About the Protection Gap Study 2022

The Protection Gap Study (PGS) 2022 commissioned by LIA Singapore was conducted independently by Ernst & Young Advisory. The study drew upon insurance data available until 31 December 2021 from insurers, coupled with public data analysis of economically active individuals in Singapore between the ages of 20 to 69 who have at least one dependent.

Key changes from the previous study are the inclusion of an inaugural protection gap study for the PW population, along with a supplementary market survey to gain deeper insights into the protection gap, thereby enabling a comprehensive reassessment of the assumptions that underpin the study.

The results reflect the average across Singapore, whereas each individual's circumstances will be different and specific to the individual. As such, individual protection needs should be analysed separately.

Another limitation of the study is that a significant portion of PWs sampled falls within the older age group. Nonetheless, the higher mortality protection gap and CI protection gap in comparison to EAs offer valuable additional insight. This emphasises the importance of addressing the protection gaps among seniors, especially in light of Singapore's growing ageing population.

TOP

COI Training Programs

Sr. No.	Program Name	Program Start Date	Program End Date	Details	Registration Link
1	Customer Service and Claims Management	21-Sep-23	21-Sep-23	ClickHere	Register
2	Industrial Risk Inspection- Methods & Reporting - CT Mumbai	25-Sep-23	26-Sep-23	ClickHere	Register
3	Social Media Marketing-Tools and Techniques for Insurers - CT Mumbai	26-Sep-23	26-Sep-23	ClickHere	Register
4	Health Insurance Underwriting - CVT Mumbai	29-Sep-23	29-Sep-23	ClickHere	Register
5	Reinsurance Treaty Designing - CT	03-Oct-23	04-Oct-23	ClickHere	Register
6	Customer Service-Engagement – Retention & Customer Experience- CT	03-Oct-23	04-Oct-23	ClickHere	Register
7	Accounting Standards for Insurance Companies (Ind-AS)-CT	05-Oct-23	06-Oct-23	ClickHere	Register
8	Bankers Indemnity: Focus Cyber Security and Computer Crime-CVT	06-Oct-23	06-Oct-23	ClickHere	Register
9	Equity Research and Valuation - CVT	06-Oct-23	06-Oct-23	ClickHere	Register
10	Crop Insurance – Focus: Horticulture, Floriculture, Plantations and Vegetable Insurance - CT	09-Oct-23	10-Oct-23	ClickHere	Register
11	Enhancing the Productivity of Specified/Authorized Persons of Banks, other Corporate Agents and Brokers-CVT (Mumbai)	12-Oct-23	12-Oct-23	ClickHere	Register
12	Exclusive Module for Principal Officers of Corporate Agents- Banks - CT	12-Oct-23	13-Oct-23	ClickHere	Register
13	Environmental, Social, and Governance (ESG) in Life Insurance Companies-CVT	13-Oct-23	13-Oct-23	ClickHere	Register
14	Health Insurance: Medical Management and Fraud Control-CT(Mumbai)	26-Oct-23	27-Oct-23	ClickHere	Register
15	Risk Inspection & Management for Risk Engineers	26-Oct-23	27-Oct-23	ClickHere	Register
16	Insurtech and Digital Marketing-CT	30-Oct-23	31-Oct-23	ClickHere	Register
17	Managing Project & Engineering Insurance - Underwriting and Claims - CT-Kolkata	25-Sep-23	27-Sep-23	ClickHere	Register
18	Managing Project & Engineering Insurance - Underwriting and Claims - CVT-Kolkata	25-Sep-23	27-Sep-23	ClickHere	Register

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