ISSUE NO. 2024/24

भारतीय बीमा संस्थान
INSURANCE INSTITUTE OF INDIA
॥ज्ञानयोगात सिद्धिः॥

INSUNEWS - WEEKLY E-NEWSLETTER

8TH – 14TH JUNE 2024

Insurance Term for the Week

Retrocession

Retrocession is when one reinsurance company has another insurance company assume some of its risks. Like many other types of insurance, this is done for a fee and to reduce the overall risks.

Reinsurance companies transfer risks under retrocession agreements to other reinsurers for reasons similar to those that cause primary insurers to purchase reinsurance. As such, reinsurance companies commonly participate in retrocession in order to prevent the chances of being unable to meet their financial obligations in the event that a disaster occurs and causes many claims to be filed at once.

Even reinsurance companies sometimes need help covering their risks. If a reinsurance company feels that it is too exposed, then it may use retrocession to transfer some of its risks to another reinsurer. Events like tornadoes, hurricanes, monsoons, tsunamis, earthquakes, and acts of war can all cause a tremendous amount of claims to be filed at once. The retrocession is especially helpful for circumstances like these.

This is because it helps the reinsurer from being overexposed to claims. An example of this is when a reinsurance company has a significant amount of risk in an area known for high winds and feels there may be too much risk associated with claims due to wind damage. This helps spread the risk so that no one insurance company will take a significant loss or financial obligations they cannot handle.

QUOTE OF THE WEEK

"Challenges are what make life interesting and overcoming them is what makes life meaningful."

JOSHUA J. MARINE

INSIDE THE ISSUE

INSURANCE INDUSTRY

New Business Premium of Life Insurers Rose 15 percent in May to ₹27,034 Crore - The Hindu – 10th June 2024

Life insurers reported a more than 15 percent increase year on year in new business premium to ₹27,034.15 crore for May on the back of demand for the cover from both individual and corporate consumers.

State-owned Life Insurance Corporation of India (LIC) led the segment with a 19 percent increase in its NBP to ₹16,690.39 crore (₹14,056.29 crore). Total NBP of private players rose 9.78 percent to ₹10,343.75 crore (₹9,421.51 crore) even as atleast seven of the companies reported a decline in the mobilisation. For the first two months of fiscal, life insurers posted a more than 31 percent increase in NBP at ₹47,293 crore (₹36,043 crore). Market leader LIC was ahead with its NBP for April and May 46.35 percent higher y-o-y at ₹29,074.03 crore (₹19,866.39 crore), while for private players the increase was 12.62 percent at ₹18,218.98 crore (₹16,176.72 crore). On the latest business numbers, the Life Insurance Council said the May performance was “buoyed by robust demand for enhanced insurance protection from both individual and corporate consumers.”

New policy issuances too increased 12.45 percent on a y-o-y basis in May, resulting in the addition of 18,68,096 policies as against 16,61,324 in the year earlier period amid demand for enhanced insurance protection from individual consumers. Life insurers added 1,30,000 individual life insurance agents even as they had to contend with an overall 0.2 percent drop in cumulative agent count due to attrition. The pace of agent addition is being complimented by digitisation by life insurers, paving the way for additional gains in insurance penetration that should provide a significant boost to new business premiums in FY25 and beyond, the Council said.

TOP

Insurance Marketplace Bima Sugam Expected to be launched by April 2025 - The New Indian Express– 07th June 2024

The first phase of Bima Sugam, a one-stop online solution for all insurance needs, is expected to be launched next year around April 2025.

In a meeting chaired by IRDAI chairman Debasish Panda to review the status of Bima Sugam project on Friday, it was informed that filing formalities for the incorporation of the entity have been completed. The entity would be incorporated as a Section 8 (non-profit) company under the name ‘Bima Sugam India Federation’.

The meeting was attended by the CEOs of life, general and health insurance companies, along with the Life and General Insurance Councils.

A statement by the General Insurance Council said the process of appointing the MD & CEO, along with other key managerial personnel for the Bima Sugam entity, is nearing completion. The business structure of Bima Sugam and updates from various sub-groups, including operations and technology, were also reviewed during the meeting. Panda stated that Bima Sugam is a revolutionary project for the Indian insurance sector and is poised to democratise and universalise insurance in India and possibly one of the first initiatives of its kind across the world.

Tapan Singhel, chairman of the General Insurance Council, says the collective efforts of all stakeholders are critical, and they are confident that the platform will play a pivotal role in achieving Insurance for All by 2047. The meeting included discussions on recently notified health insurance regulations/master circular, which have been revamped by the regulator to ease the overall experience of the policyholders.

TOP

INSURANCE REGULATION

Understanding IRDAI's master circular: Industry leaders weigh in - The Economic Times – 13th June 2024

In a significant move to streamline and enhance the general insurance sector, the Insurance Regulatory and Development Authority of India (IRDAI) issued a Master Circular consolidating and replacing thirteen existing circulars. The new guidelines aim to simplify and personalize insurance solutions, ensuring a seamless customer experience and operational ease for insurers in a de-tariffed regime. We spoke to industry leaders to get their take on these reforms and their impact on the insurance landscape.

Highlighting the circular's focus on customer-centricity, Tapan Singhel, MD & CEO of Bajaj Allianz General Insurance said, "The IRDAI's master circular represents a comprehensive framework prioritizing customer needs and regulatory compliance. It encourages insurers to design innovative products, improve insurance penetration, and streamline processes using end-to-end technology solutions."

The introduction of the Customer Information Sheet (CIS) aims to enhance transparency and customer understanding by providing clear and concise policy details, including coverage scope, exclusions, warranties, and claim settlement processes.

Enhancing Trust and Transparency

Also emphasizing the pro-customer nature of the reforms, Ritesh Kumar, MD & CEO of HDFC ERGO General Insurance added, "The recent reforms by IRDAI are a step in the right direction for the insurance industry. With the emphasis on stronger governance and compliance measures, policyholder protection is ensured while simpler document submission and new customer information sheets will increase transparency."

The circular emphasizes robust governance and compliance, with strengthened board oversight across product development, sales, and policy servicing stages. The reforms also introduce a no contribution clause for multiple policies and ensure that claims cannot be rejected due to document deficiencies.

Simplification and Tech Integration

The introduction of a wider range of products and add-ons, along with the possibility of customization, will empower customers to tailor policies to their specific needs, Shanai Ghosh, MD & CEO of Zuno General Insurance said.

Simplified claim procedures and safeguards against claim rejection due to missing documents are pivotal for fostering trust. Particularly noteworthy are the "pay as you drive" and "pay as you go" options in motor insurance, offering customers more flexibility and alignment with actual usage, she added.

On a similar line, highlighting the importance of technology in the new reforms, Rakesh Jain, CEO of Reliance General Insurance added, "By leveraging technology for seamless onboarding, policy servicing, renewal, claim settlement, and grievance redressal, we can provide superior service. These measures align with our commitment to offering tailored, comprehensive coverage that meets our customers' unique needs while maintaining high standards of integrity and efficiency in our operations."

Streamlined Claims Settlement

"Simplified claim documentation processes with strict timelines, easy policy cancellation, end-to-end technology-based solutions, and providing better coverage through innovative products are significant steps towards a seamless insurance journey for both insured and insurers," Ajay Shah, Head of

Distribution at Care Health Insurance said appreciating the reforms in claims settlement processes. The circular mandates strict timelines for appointing surveyors and obtaining their reports, ensuring timely claim settlements and reducing customer grievances.

Comprehensive Risk Management and Simplified Processes
Shashi Kant Dahuja, Chief Underwriting Officer of Shriram General Insurance, emphasized the guideline's focus on risk management and simplified processes.

"The new guideline encourages simplifying processes while ensuring a personalized touch, making the insurance journey smooth and effortless for users. The newly introduced customer information sheet will cover all the basic features of the policy in simple words at one place for the policyholder and will prove a milestone in educating the masses," Dahuja explained. The reforms advocate for tech-enabled processes to ensure seamless operations and fair work allocation for surveyors and loss assessors.

Moving Towards a More Inclusive Insurance Sector The IRDAI's Master Circular marks a significant step towards a more inclusive, transparent, and efficient insurance sector in India. By empowering policyholders and stakeholders with enhanced transparency, fair treatment, and operational ease, these reforms promise to adapt quickly to changing market dynamics, driving the sector towards sustainable growth and innovation.

Overall, industry leaders view the IRDAI's master circular as a transformative initiative that will enhance customer satisfaction, foster innovation, and streamline operations across the general insurance landscape. These reforms are expected to create a more user-friendly experience for consumers while ensuring operational efficiency and fairness for insurers.

(The writer is Sheersh Kapoor.)

TOP

Now, customise motor, home insurance policies: Irdai - The Economic Times – 13th June 2024

Pushing for "new, innovative and customised products under the new product regulations", the insurance regulator, Irdai, has come out with a master circular on general insurance to encourage products tailored to the individual needs of customers. General insurance products primarily include motor, home and travel plans.

In motor insurance, 'pay as you drive' and 'pay as you go' options will be offered as a first choice, aligning premiums with actual usage. In home insurance, homeowners will be able to choose add-on covers such as flood, cyclone, earthquake, landslide, rockslide, terrorism, or opt-out from comprehensive fire and allied peril policies, providing more tailored coverage.

"We fully support Irdai's circular emphasising the availability of a wider range of products and customisation options for our customers. These measures align with our commitment to offering tailored, comprehensive coverage that meets our customers' unique needs while maintaining high standards of integrity and efficiency in our operations," says Rakesh Jain, CEO, Reliance General Insurance.

Adds Shanai Ghosh, MD and CEO, Zuno General Insurance: "Initiatives like 'pay as you drive' and eliminating the contribution clause for multiple policies underscore a commitment to fairness and innovation. These guidelines resonate with our brand ethos, especially as usage-based insurance with both ‘pay as you drive’ and ‘pay how you drive’ is an area of focus for us. Undoubtedly, these measures will contribute to a more customer-centric and efficient insurance landscape.”

In addition to customised products, the insurers will also need to have a “base product defining the necessary minimum coverage in each line of business” to be put up on the website, making it easy for customers to compare it with other alternatives. This is in keeping with the shift from rule-based to principle-based regulatory framework, which focuses on flexibility for customers and facilitates ease of doing business and pushes innovation. However, the insurer cannot “withdraw or decline to offer any erstwhile tariff products which have been in existence”, stated the circular. It also states that no claim shall be rejected for want of documents. “The customer may be asked to submit only those documents that are directly related to claim settlement,” states the circular.

The master circular, repealing all earlier circulars and guidelines, suggests providing wider choice and options to customers and was released on 11 June 2024. This comes shortly on the heels of a master circular on health insurance released on 29 May.

(The writer is Riju Mehta.)

TOP

IRDAI Asks Life Insurers to Offer Surrender Value in First Year - The Economic Times – 13th June 2024

The Insurance Regulatory and Development Authority of India (IRDAI) has asked insurance companies to offer a surrender value from the first year itself, a move that could impact their margins. The regulator issued a master circular, which mandates insurers to pay special surrender value (SSVs) after the first policy year, provided one full year's premium has been received. For policies with limited premium payment terms of less than five years and single premium policies, SSVs become payable immediately after receipt of the first full-year premium or single premium.

Previously, the surrender value for guaranteed return products was zero in the first year and up to 30-35 percent in the second and third years. The new regulations propose introducing benefit payouts in the first year, which will affect the margins of life insurance companies. However, some insurers believe the impact may be minimal, as over 85 percent of policies tend to remain active beyond the early years. "Most life insurance companies' 13th month persistency is over 85 percent which may not see much impact but others could have some impact on growth and margins," said a life insurance executive. Insurers can now offer higher Guaranteed Surrender Values (GSV) than those specified in the regulations, which may vary based on factors such as premium size, premium paying term, policy term, and the duration elapsed at the time of surrender. The new regulations also stipulate that the Special Surrender Value (SSV) should at least equal the expected present value of the paid-up sum assured, paid-up future benefits, and accrued benefits.

TOP

IRDAI Mandates Policy Loan on Life Insurance Savings Products - The Hindu – 12th June 2024

Insurance regulator IRDAI has made policy loan facility mandatory in all life insurance savings products as a measure enabling policyholders to meet liquidity requirements.

All non-linked savings products should have the facility of policy loan based on eligible surrender value. The insurer may also offer such facility under annuity products with ‘Return of Purchase Price’ option based on eligible surrender value. No loan, however, will be permitted under unit linked insurance products, IRDAI said issuing a master circular on life insurance business. “Partial withdrawal under pension products is now [also] allowed enabling the policyholders to meet specific financial needs such as higher education or marriage of children, purchase/construction of the house/flat, medical expenses and treatment of critical illness,” it said. Consolidating various provisions of four circulars that since have been repealed, the master circular follows those on health as well as general insurance issued in recent weeks with an emphasis on simplification at the heart of the initiative.

On surrender value or the amount insurer pay to policyholder opting to terminate the policy before the maturity date, the Insurance Regulatory and Development Authority of India struck to status quo advising insurers to ensure reasonableness and value for money, in such cases, to both surrendering policyholders and continuing policyholders. The regulator, whose proposal to increase the surrender value in favour of the policyholders had generated considerable interest while also upsetting the insurers, in the master circular advised the companies to "establish strict measures to curb mis-selling, mis-leading sales leading to surrender or lapses resulting in policyholders' grievances and financial loss." Insurers may, however, offer higher guaranteed surrender values (GSV) than those specified in the regulations and these values may vary with premium size, premium paying term, policy term, the duration elapsed at the time of surrender and other relevant factors, as applicable, it said. Other key features in the master circular include an increase in the free look period which provides time to review the policy terms and conditions from 15 to 30 days. A variety of products and product features are now possible such as annuity products to have pay-out option with payment linked to publicly available benchmark; fund-based products for non-employer-employee groups; and index linked products, the regulator said. Stressing on robust systems for grievance redressal, IRDAI in the event of the insurer neither going on appeal against the award of Insurance Ombudsman nor implementing the same within 30 days, a penalty of ₹5,000 per day will be payable to the complainant.

TOP

All insurers must offer basic cover, meet settlement deadlines: IRDAI - The Economic Times – 12th June 2024

The Insurance Regulatory and Development Authority of India (Irdai) on Tuesday announced several customer-centric measures including asking every general insurance company to offer a basic insurance product with essential minimum coverage, which will be clearly displayed on their website.

This will allow customers to compare it with other available options and to add extra coverage if needed. The new rules that come into force with immediate effect also let customers choose policy durations shorter or longer than a year.

Under the new guidelines, insurance companies are prohibited from rejecting claims due to insufficient documentation. All necessary documents must be requested at the time of underwriting the proposal, the regulator has said. Customers will only need to submit documents directly related to claim settlement if cashless services are not available. Policyholders will now have the option to cancel their policies anytime without providing a reason. Insurers, on the other hand, can only cancel policies on the grounds of established fraud. In the event of cancellation, the insurer is required to refund the proportionate premium for the unexpired policy period.

IRDAI has also imposed strict timelines for the settlement of claims, including specific turnaround times for the appointment of surveyors and the submission of their reports. Surveyors must submit their reports within 15 days, and insurers should resolve claims within seven days of receiving these reports. If they don't comply with an ombudsman order, they face a penalty of ₹5,000 per day. Also, the regulator has removed the contribution clause for multiple policies. Now, policyholders can claim from their multiple insurance policies without facing deductions due to overlapping coverage. Insurers will have to cover the full claim amount without splitting it among policies.

TOP

Explained: Key reforms in IRDAI's new Master Circular for general insurance - The Economic Times – 11th June 2024

The Insurance Regulatory and Development Authority of India (IRDAI) has unveiled a comprehensive Master Circular that consolidates and updates existing guidelines to simplify and modernize the general insurance sector in India. These reforms aim to enhance customer experience, streamline claims processes, introduce innovative insurance options, and strengthen governance and compliance.

In a significant move to streamline and enhance the general insurance sector, the Insurance Regulatory and Development Authority of India (IRDAI) has issued a Master Circular, consolidating and replacing thirteen existing circulars. The new guidelines aim to simplify and personalize insurance solutions, ensuring a seamless customer experience and operational ease for insurers in a de-tariffed regime. IRDAI's latest reforms focus on making insurance products more accessible and customer-centric.

Key highlights include:
- Wider Product Choices and Customization: Customers can now choose from a broader range of products and add-ons tailored to cover assets, risks, and liabilities against various perils. This flexibility allows for greater customization based on individual needs.
- Customer Information Sheet (CIS): A new CIS will provide clear and concise policy details, including coverage scope, exclusions, warranties, and claim settlement processes, ensuring transparency and better understanding for policyholders.
- Document Submission Simplification: Claims cannot be rejected due to document deficiencies. Necessary documents will be requested during underwriting, and only essential documents will be required for claim settlement if cashless options are unavailable.
- Policy Cancellation: Retail customers can cancel their policies anytime by informing the insurer. Insurers can cancel policies only on grounds of established fraud, with proportionate premiums refunded for the unexpired period.

Enhancing Claims Settlement Process

To expedite and streamline the claims settlement process, the Master Circular introduces several measures:
- Strict Timelines: Insurers must adhere to strict timelines for appointing surveyors and obtaining their reports. Ensuring timely survey reports is the insurer's responsibility.
- No Contribution Clause: This clause will not be applied in cases of multiple policies, simplifying the claims process for policyholders.
- Salvage Disposal: Insurers, not customers, will handle the disposal of salvage, ensuring policyholders receive their full claim amounts.

Innovative Motor and Home Insurance Options

The circular introduces innovative options in motor and home insurance:
- Motor Insurance: Customers are offered "pay as you drive" and "pay as you go" options as a first choice, aligning premiums with actual usage.
- Homeowners Insurance: Homeowners can now choose add-on covers such as flood, cyclone, earthquake, landslide, rockslide, terrorism, or opt-out from comprehensive fire and allied peril policies, providing more tailored coverage.

Governance and Compliance Measures

IRDAI emphasizes robust governance and compliance to safeguard policyholders' interests:
- Board Oversight: Insurers must strengthen board oversight and governance mechanisms across product development, sales, and policy servicing stages.
- Product Development: Insurers should consider customer suitability and affordability, avoiding unnecessary coverages. Product pricing should reflect risk exposure, experience, and expenses, ensuring rates are not excessive or discriminatory.
- Risk Management: Products should incorporate effective risk management strategies to prevent and mitigate underlying risks.

Leveraging Technology for Efficiency
The reforms advocate for tech-enabled processes to ensure seamless operations:
- End-to-End Solutions: Technology solutions will facilitate seamless onboarding, policy servicing, renewal, claim settlement, and grievance redressal, enhancing overall efficiency.
- Fair Work Allocation: To ensure equitable opportunities for surveyors and loss assessors, work allocation will be automated and random, reducing human intervention and potential biases.

A Continuous Path to Improvement
The IRDAI's Master Circular marks a significant step towards a more inclusive, transparent, and efficient insurance sector in India. By empowering policyholders and stakeholders with enhanced transparency, fair treatment, and operational ease, these reforms promise to adapt quickly to changing market dynamics, driving the sector towards sustainable growth and innovation. This comprehensive overhaul by the IRDAI is poised to transform the general insurance landscape in India, promising a better and more user- friendly experience for consumers while ensuring operational efficiency and fairness for insurers.

(The writer is Sheersh Kapoor.)

TOP

IRDAI measures on policy cancellation, refunds and grace period - Financial Express – 10th June2024

The Insurance Regulatory and Development Authority of India (IRDAI) has recently introduced a host of measures for the health insurance sector, including a mandatory time-bound settlement of policies by insurers, and also explained rules regarding cancellation of policies, renewal, portability and grace period for premium payments by policyholders.

In a circular issued late last month, the regulator asked insurance companies to clear cashless claims within three hours after receiving a patient discharge request from the hospital. The regulator further said that policyholders should not be kept waiting on account of delay in cashless claim settlements.

"Insurer shall grant final authorization within three hours of the receipt of discharge authorization request from the hospital. In no case, the policyholder shall be made to wait to be discharged from the Hospital," it said.

If there is any delay beyond three hours, the additional amount if any charged by the hospital shall be borne by the insurer from shareholder's fund, it added. In the event of the death of the policyholder during the treatment, the insurer shall immediately process the request for claim settlement and get the mortal remains (dead body) released from the hospital immediately.

Approval for cashless facility:
Every insurer shall strive to achieve 100% cashless claim settlement in a time-bound manner, the regulator directed. The insurers shall endeavor to ensure that the instances of claims being settled through reimbursement are at bare minimum and only in exceptional circumstances, it added. "Insurer shall decide on the request for cashless authorization immediately but not more than one hour of receipt of request. Necessary systems and procedures shall be put in place by the insurer immediately and not later than 31st July, 2024, IRDAI stressed.

Free look period:
"A period of 30 days (from the date of receipt of the policy document) is available to the policyholder to review the terms and conditions of the policy. If he/she is not satisfied with any of the terms and conditions, he/she has the option to cancel his/her policy. This option is available in case of policies with a term of one year or more," as per IRDAI.

Cancellation of indemnity based health insurance policy by the policyholder:
The policyholder may cancel his/her policy at any time during the term, by giving 7 days' notice in writing. The Insurer shall: a. refund proportionate premium for unexpired policy period, if the term of policy upto one year and there is no claim (s) made during the policy period. b) Refund premium for the unexpired policy period, in respect of policies with term more than 1 year and risk coverage for such policy years has not commenced.

TOP

IRDAI Chairman reviews Bima Sugam progress; CEO appointment imminent - The Economic Times – 07th June 2024

In a landmark meeting, the Insurance Regulatory and Development Authority of India (IRDAI) Chairman Debasish Panda and the CEOs of life, general, and health insurance companies, alongside the Life and General Insurance Councils, convened to review the ambitious Bima Sugam project. Significant progress was reported on the Bima Sugam project. Notably, the filing formalities for incorporating the Bima Sugam entity are complete. The entity will be incorporated as a Section 8 (non-profit) company under the name 'Bima Sugam India Federation.' The process of appointing the Managing Director & Chief Executive Officer, along with other key managerial personnel, is nearing completion.

During the meeting, the business structure of Bima Sugam and updates from various sub-groups, including operations and technology, were reviewed. Proposed first directors of the company also engaged in an informal discussion regarding the broad plan of action for launching Bima Sugam.

Revolutionizing Insurance Access
IRDAI Chairman Debasish Panda highlighted that Bima Sugam is a groundbreaking project for the Indian insurance sector. He emphasized that the initiative is set to democratize and universalize insurance in India, making it one of the first initiatives of its kind globally. The first phase of Bima Sugam is expected to launch in April 2025. "The successful incorporation of 'Bima Sugam India Federation' as a non-profit entity paves the way for appointing key leadership and finalizing the operational framework. This initiative embodies the power of technology and innovation to improve the insurance experience for all. The collective efforts of all stakeholders are critical, and we are confident that Bima Sugam platform will play a pivotal role in achieving 'Insurance for all by 2047," Tapan Singhel, Chairman of the GI Council, commented on the progress.

Revamping Health Insurance Regulations
The meeting also included discussions on the recently notified health insurance regulations/master circular. These regulations, substantially revamped by the Regulator, aim to ease the overall experience for policyholders. Designed to empower policyholders and enhance transparency, this master circular aligns perfectly with the vision of making insurance more accessible and customer-centric. These comprehensive reforms, along with collective efforts, are expected to significantly improve customer satisfaction in the Indian insurance industry, reinforcing the industry's mission to provide accessible and reliable insurance solutions to every Indian. The General Insurance Council, constituted under Section 64C of the Insurance Act, 1938, by the Insurance Regulatory and Development Authority of India (IRDAI) in 2001, serves as a crucial link between the IRDAI and the non-life insurance industry. It advocates for industry issues with the Government and facilitates overall growth for the industry in a fair and equitable manner, benefiting all stakeholders.

(The writer is Sheersh Kapoor.)

TOP

IRDAI Issues Master Circular on General Insurance - The Hindu – 11th June 2024

General insurers cannot reject claims for want of documents, need to comply with strict timelines while settling claims and offer to motor insurance customers the additional 'Pay as you drive/Pay as you go' option as the first choice, according to insurance regulator IRDAI. Counting these among the customer-centric measures of a comprehensive master circular on general insurance business it has issued by repealing as many as 13 circulars, the Insurance Regulatory and Development Authority of India said its emphasis is on reforms, facilitating seamless customer experience through simplification of the process while ensuring ease of operations for the insurers. A key aspect of the exercise is the move towards easy-to-understand products with introduction of a customer information sheet that will provide all policy details, including scope of coverage, exclusions, warranties and claim settlement processes.

For insurers "the shift from rule based to principle-based regulatory framework" is aimed at facilitating ease of doing business, promoting innovation and enabling reduction in response time for emerging market needs, it said. On measures aimed at simplifying the claim settlement process, IRDAI said insurers ought to call for the required documents at the time of underwriting the proposal and should reject no claim for want of documents. "The customer may be asked to submit only those documents necessary and related to claim settlement (if cashless is not available)," it said. Favouring strict timelines for settlement of claims, including TATs for appointment of surveyors and submission of their reports, the regulator said it will be the duty of insurer to obtain timely survey reports. There also should be no burden on the customer for disposal of salvage. "Collection of salvage from the customer is insurer's responsibility," it said, pushing for the additional 'Pay as you drive/Pay as you go' option, in which the premium is linked to usage, as the first choice insurers should offer to motor insurance customers.

TOP

LIFE INSURANCE

Will increased surrender value for insurance policies lead to a drop in agent commissions? - The Economic Times – 14th June 2024

Insurance companies are gearing up to manage the financial implications of enhanced surrender values mandated by the Insurance Regulatory and Development Authority of India (Irdai). According to recent reports and analyses, these changes are expected to significantly affect non-par savings products while presenting opportunities for insurers to adjust their commission structures and internal rate of returns (IRRs).

Under the new guidelines outlined in the 'Master Circular on Life Insurance Products,' insurers must ensure that the Special Surrender Value (SSV) equals or exceeds the present value of paid-up sum assured, future benefits, and accrued benefits. This SSV becomes applicable after the first year, provided the policyholder has paid the annual premium for that year.

The calculation of SSV involves discounting benefits using 10-year Government Security (G-sec) rates, with a 50 basis points cushion, instead of the initially proposed rate. This adjustment is expected to increase payouts for policyholders who surrender their policies prematurely.
VNB margin hit

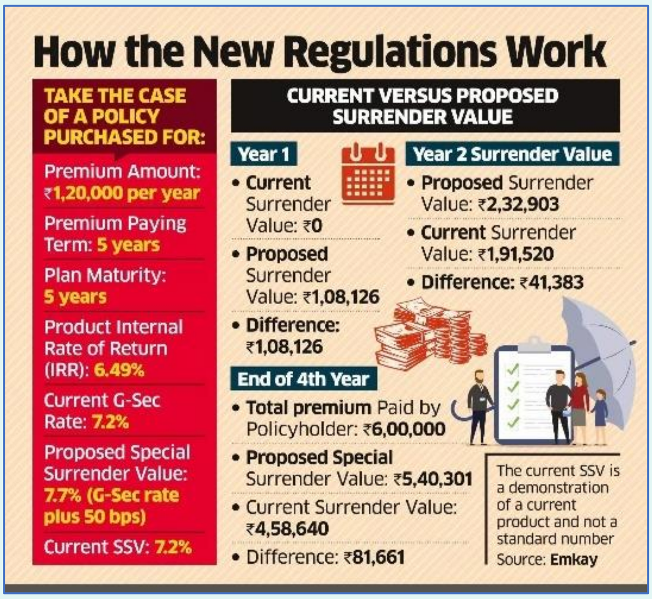
Analysts predict that these changes will particularly impact the Value of New Business (VNB) margin for insurance companies, with projections suggesting a potential decline of 100-300 basis points for the financial year. Non-participating products are anticipated to bear a more substantial impact compared to participating products.

These regulatory changes, effective from the second half of FY25, could prompt a shift in the product mix offered by insurers. This adjustment reflects insurers' efforts to navigate the financial implications while maintaining competitive product offerings in the market.

TOP

Life insurers' margins may take a hit on early surrender directive - The Economic Times – 14th June 2024

Life insurance companies expect a hit on their new business margins after the Insurance Regulatory and Development Authority of India's (IRDAI) recent directives on surrender values for early exits. For instance, HDFC Life expects a gross impact of 100 basis points on the company's margins. IRDAI has mandated that insurance companies offer a surrender value starting from the first year of the policy. To counter this, insurers will try to change the business model and link commissions with policy persistence by moving to trail-based commissions. "We are confident in our ability to largely mitigate this impact without compromising the value proposition for our customers," an HDFC Life spokesperson said. "We expect these measures to positively impact the long-term growth prospects for the industry."



IRDAI has mandated that insurance companies offer a surrender value starting from the first year of the policy, a move expected to impact insurers' profit margins. The regulator's master circular specifies that insurers must pay special surrender values (SSVs) after the first policy year, provided one full year's premium has been received. The surrender value will be payable after the completion of the first policy year, meaning policyholders will be eligible to receive a surrender value after paying the first annual premium and completing one year. In what would further strain margins, the discount rate for calculating the Special Surrender Value (SSV) can now be up to the 10-year Gsec yield plus 50 basis points, compared to the previous cap of the 10-year Gsec yield.

While some impact on the value of new business (VNB) margins is expected, insurers are likely to focus on growth over profitability. However, the impact will be seen from the second half of the current fiscal year as insurers can continue to sell existing products until September 30, after which all new products must comply with the new circular. The new rules are expected to force insurers to link commissions with policy persistence by moving to trail-based commissions or implementing clawback provisions for first-year commissions in cases of early surrenders. "A very likely scenario would be a slight reduction in the guaranteed rates for the persistent policyholders, moving to trail-based commission payout or having the clawback provision on the first year higher commission, in case of early surrender; and some impact on margins as the former two moves will have limitations and the players would choose growth over profitability," said Avinash Singh and Mahek Shah of Emkay.

The writer is Shilpy Sinha.)

TOP

UAE: Why Indian expats should get life insurance as soon as they arrive in Emirates - Khaleja Times - 13th June 2024

The demand for life insurance among non-resident Indians (NRIs) in the UAE is rising, fuelled by affordable premiums, good returns, promising economic growth opportunities, and the increasing number of expats choosing to return to their homeland. Rajesh Krishnan, chief operations and customer experience officer at Bajaj Allianz Life said many NRIs from UAE aged between 31 and 45 subscribe to life insurance policies.

"More NRIs are showing interest in life insurance. Our and the Indian regulators are promoting awareness and educating people because life insurance is necessary. Importantly, the premium one pays is minuscule as part of his/her total investment that he/she does across various products," he said. Krishnan told Khaleej Times in an interview on Wednesday that NRIs subscribe to policies when they return to India on vacation from the UAE and other countries. "Around 60 per cent of our UAE customers are in the age of 31 to 45 bracket with average range of ticket size is Rs250,000 per annum," he said.

He added that it's crucial for NRIs to consider buying policies at the early stage of arrival in the UAE. Delaying the decision can lead to higher premiums — emphasises the importance of early subscription and the potential benefits it can bring. Around 10 per cent of contribution to Bajaj Allianz Life's portfolio comes from NRIs. Of which, 26 per cent is contributed by Indians living and working in the UAE.

Why NRIs are buying
Krishnan said that NRIs are increasingly buying policies because the South Asian country is growing, and there is a lot of interest in NRIs returning to India, so they want to make some part of their investment in their home country. "The Indian markets are far more regulated – whether it is banking, insurance or equities – and they are transparent also. And the return on a lot of asset classes given in India is phenomenal. These are the factors that are leading people to invest back in India," he added. One of the key financial advantages Krishnan highlighted is the cost of term insurance. He revealed that term insurance in India is up to 2.5 times cheaper than in the UAE and other countries, making it a more cost-effective option for NRIs.

"For example, somebody wants to take a $1 million term cover plan. The premium a person has to pay for $1 million in India compared to here in the UAE is 2 to 2.5 times cheaper. It's because the mortality rate charged in India is lower than it's charged by companies over here in UAE and GCC countries," he added. Krishnan was speaking during a press conference to mark Bajaj Allianz Life's first anniversary of its representative office in UAE. Establishing its representative office in Dubai has significantly strengthened its footprint in the GCC region over the last year. The Dubai office has been instrumental in servicing the needs related to their life insurance bought in India.

The company also allows processes through digital claims submissions for quick claims settlement. Other services that have contributed to growth in the region are the inclusion of auto-payments of policy premiums through credit cards issued by international banks, a dedicated NRI desk, digitised onboarding processes, and customer support via video calls, self-service through WhatsApp, live chat, and a responsive call centre that caters to different time zones.

(The writer is Waheed Abbas.)

TOP

Term Insurance and the Rise of Insurtech Startups in India – Luxuo - 13th June 2024

In recent years, the Indian insurance industry has witnessed the emergence of numerous technology-driven insurance startups. These insurance firms are revolutionising the market by offering innovative solutions through seamless customer experiences and data-based underwriting. One key insurance segment seeing massive insurtech impact is term insurance.

Evolution of Term Insurance in India
Term insurance is still relatively new in India compared to conventional endowment plans or ULIPs, which have existed for decades. Term life insurance provides pure risk coverage in case of the policyholder's demise during the policy term. Despite the high cost-effectiveness of term plans in securing families' finances, their uptake and adoption in India saw slow growth for many years. Term insurance penalises people with health issues by charging higher premiums or denying coverage. Limited product options, lack of awareness, and unmanageable offline purchase and claim processes further

hindered term insurance penetration in India. This presented a considerable market opportunity for insurtech startups to disrupt the space by innovating and improving every aspect of term insurance.

Critical Drivers for Insurtech in Term Life Segment
Some key factors have spurred the rise of insurtech innovation targeted specifically at term insurance:
Limited awareness and understanding among buyers
Hassles with offline purchases and renewals
Medical tests add costs and delays
Lengthy and tedious claims processes
Lack of transparency and tracking

Insurtech firms have leveraged technology, data, AI and automation to address these pain points and improve efficiency across the term insurance value chain.

Areas of Term Insurance Seeing Insurtech Impact
Insurtech solutions have brought about significant enhancements across the end-to-end term insurance as well as life insurance journey:
Product Innovation
Insurtech firms have introduced many first-of-their-kind term insurance products like:
Customisable sum assured and riders
Increasing life cover to changing lifestyle and counter inflation
Single premium term plans
Easy online renewals
Underwriting Using Technology

Traditionally, underwriting relied on exhaustive medical tests. Insurtech firms are leveraging data, AI and IoT like:
Predictive analytics to assess mortality risk
Online medical questionnaires instead of physical tests
Wearable data for real-time health monitoring
This makes the process quicker, cheaper and more convenient for buyers.
Digital Distribution

Insurtech has enabled online sales of term plans through:
End-to-end paperless e-purchase
DIY premium calculators
Telemedical exams and instant e-issuance
Chatbots for sales assistance
This brings ease, speed, and cost savings compared to offline purchases.
Enhancing Customer Experience

New age insurers deploy technology to offer superior customer service like:
Online policy management and claims tracking
AI-enabled chat support
Intuitive self-help tools and dashboards
Hassle-free onboarding and renewal
Streamlining Claims Processes

Insurtech firms simplify traditionally lengthy claims procedures through:
Click photos of documents and submit them online
Digital document locker to store proofs easily
Automated claim tracking and settlement
AI fraud analytics engine to settle genuine claims faster

(The writer is Florence Sutton.)

TOP

The Life Insurance Rule: How much money will your family need if your income stops? - The Economic Times – 13th June 2024

It's important to have term life insurance if you have people who depend on you financially. If you unexpectedly pass away, your loved ones might struggle to cover their living expenses, debts, and future plans without your income. Term life insurance provides a one-time payment to help fill this financial gap and support their stability.

The Life Insurance Rule
So, how much money will your family need if your income stops? The life insurance rule recommends having life insurance coverage that is at least 10 times your current income. This amount should consider all your debts and loans. This rule helps determine the amount of income your family will need to cover their daily expenses if you are no longer there.

Say, if your annual income is Rs 5 lakh, you need Rs 5 crore of life cover so that your family does not face any financial difficulty and can continue with their current lifestyle, even in your absence.

Remembering that your income will change over time is important, so it's a good idea to review your life insurance coverage every few years. This is a crucial part of ensuring the financial security of your family in the event of your unexpected passing.

How to calculate minimum sum assured
To determine the minimum sum assured needed from a life insurance policy, you should start by calculating your annual income and the present value of your long-term and medium-term goals. Then, subtract your current liabilities from the minimum sum assured by the life insurance policy you are considering. If the total of your long-term and medium-term goals' present value and annual expenses equals the sum assured offered by the life insurance policy plus your current liabilities, then it is advisable to choose the insurance policy.

Tips to choose life insurance coverage
Choosing a life insurance policy is a critical life decision. However, it is not the only factor to consider while selecting life insurance. The following are some suggestions for choosing the best life insurance coverage, according to the Kotak Mahindra Life Insurance website:

Consider your budget
Term insurance offers high coverage at affordable premiums, but choose a plan you can comfortably maintain without straining your finances.

Compare different plans and providers
Do not settle for the first option. Research and compare quotes from different companies to find the best coverage at a competitive price.

Consider riders
Riders are optional add-ons that can enhance coverage, like disability income or accidental death benefits. Choose riders that complement your specific needs.

Buy term insurance plan online
Buying term insurance online offers convenience, choice, and transparency. You can research, compare, and purchase policies from the comfort of your home. When choosing a term insurance plan online, consider factors such as coverage amount, term length, and premium affordability.

Review your policy regularly
Always update your coverage as your needs and circumstances change. Also, cost-of-living adjustments should be considered to maintain adequate coverage.

TOP

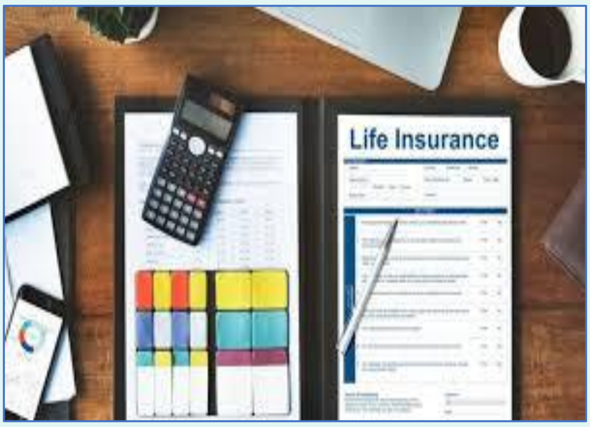
Free-look period in insurance products increased to 30 days - The New Indian Express - 13th June 2024

The Insurance Regulatory and Development Authority of India (IRDAI) has made it mandatory for life insurance savings products to have option of loan against the policy in order to allow policyholders to meet liquidity requirements. In a circular for life insurance policies issued on Wednesday, the regulator has raised the free-look period, which provides time to review policy terms and conditions, from 15 days to 30 days.

As per the master circular, the facility of partial withdrawal under pension products is now allowed enabling policyholders to meet their specific financial needs for important life events like higher education or marriage of children, etc. On the issue of surrender value, the circular says that in case of surrenders, reasonableness and value for money should be ensured for both surrendering policyholders and continuing policyholders. These circulars are part of the IRDAI's larger objective of insurance reforms. "A conducive environment is now facilitated to spur innovation, enhance customer experience and satisfaction. Boards of Insurers are now enabled to decide on various business aspects to quickly align their strategies to the changing market requirements," says the insurance regulator in a statement.

TOP

Higher refund on premature exit from life insurance policy as IRDAI introduces new surrender value rule; check how much you will get - The Economic Times – 13th June 2024



If a policyholder wants to exit his life insurance policy during the initial years, he will get a higher refund from the insurance company now. After several rounds of discussions and proposals, the Insurance Regulatory and Development Authority of India (IRDAI) has ordered a higher special surrender value (SSV) for traditional endowment policies. Now, the policyholder will get a part of his premium back even if he exits after one year. This will indeed offer more liquidity and flexibility to life insurance customers if they want to switch their policies, said many experts. What is the special surrender value rule proposed by the IRDAI? How will it be calculated? How much will the policyholders get back if they prematurely exit their life insurance policies? Will the rule apply for existing endowment policies? ET Wealth Online explains it for you.

New IRDAI rule: How to calculate special surrender value of life insurance policy
In a master circular for life insurance business dated June 12, 2024, the IRDAI has said that the special surrender value should be at least equal to the present value of
(a) paid-up sum assured on all contingencies covered and
(b) paid-up future benefits (such as income benefits), if any, and
(c) accrued/vested benefits, duly allowing for survival benefits already paid (whatsoever name called), if any

Paid-up value is calculated as per a formula: number of premiums paid X sum assured/total number of premiums payable. To arrive at the expected present value of the paid-up sum assured and paid-up future benefits, IRDAI has specified a maximum spread of 50 basis points (bps) over 10-year G-Sec.

The applicable special surrender value shall be reviewed annually based on the prevailing yield on 10-year G-Sec, the regulator said.

How much will you get if you prematurely exit life insurance?
Let us assume a policyholder pays an annual premium of Rs 50,000 for a 10-year policy with a sum assured of Rs 5 lakh. Now after four years he wants to exit the policy after four years. He has accumulated

a bonus of Rs 40,000 till now. He has paid a premium of Rs 2 lakh in four years. Let us understand how much more he will get as per new surrender rule.

"According to the earlier rules, 50 percent of total premiums must be paid if a policy surrendered between the fourth and seventh years. You would have got Rs 1.2 lakh back (50 percent of total premium Rs 2 lakh and bonus is Rs 40,000) if you had left the policy after four years, according to previous surrender value norms. With this special surrender value norm now, you will get back Rs 1.55 lakh," says Abhishek Kumar, a SEBI-registered investment adviser and Founder of SahajMoney.com.

Higher surrender value when you return policy after one year

Moreover, the policyholders will be eligible to get a refund even if they leave after the first year. Earlier, if a policyholder exits a life insurance policy after one year, he would have lost his entire premium. Now IRDAI has said, "SSV calculated as above shall become payable after completion of first policy year provided one full year premium has been received." The regulator added, "Provided for policies with limited premium payment term of less than five years and single premium policies, SSV shall become payable immediately after receipt of first full year premium or single premium, as applicable."

Let's consider another example. A policyholder bought a 10-year policy with a sum assured of Rs 5 lakh. He pays a hefty premium of Rs 50,000 in the first year. Now if he leaves the policy after one year, he would not have gotten any refund from the insurer. He would have lost Rs 50,000. But according to the latest norms, he will be eligible for a refund even if exits the policy after a year. If the insurer has received the premium for the full year, they have to return Rs 31,295 to the policyholder, Kumar adds.

Calculation of special surrender value as per new rule					
	Annual Premium	₹ 50,000		10-year G-Sec Yield	7%
	Sum Assured	₹ 5,00,000		G-Sec + 50 bps	7.50%
	Bonus (Full Term)	₹ 1,00,000		Policy Term	10
Year	Premium	Bonus	Paid-up Sum Assured + Accrued Bonus	Present Value	% of Premium
1	₹ 50,000	₹ 10,000	₹ 60,000	₹ 31,295.01	62.59%
2	₹ 50,000	₹ 10,000	₹ 1,20,000	₹ 67,284.27	67.28%
3	₹ 50,000	₹ 10,000	₹ 1,80,000	₹ 1,08,495.88	72.33%
4	₹ 50,000	₹ 10,000	₹ 2,40,000	₹ 1,55,510.76	77.76%
5	₹ 50,000	₹ 10,000	₹ 3,00,000	₹ 2,08,967.59	83.59%
6	₹ 50,000	₹ 10,000	₹ 3,60,000	₹ 2,69,568.19	89.86%
7	₹ 50,000	₹ 10,000	₹ 4,20,000	₹ 3,38,083.44	96.60%
8	₹ 50,000	₹ 10,000	₹ 4,80,000	₹ 4,15,359.65	103.84%
9	₹ 50,000	₹ 10,000	₹ 5,40,000	₹ 5,02,325.58	111.63%
10	₹ 50,000	₹ 10,000	₹ 6,00,000	₹ 6,00,000.00	120.00%

Source: Abhishek Kumar, SEBI RIA and Founder of SahajMoney.com

Further, the insurer must mention policy-wise guaranteed surrender values (GSV), special surrender value (SSV) and payable surrender values separately in the benefit illustration. IRDAI has made it mandatory for the insurers to provide a customised benefit illustrations to prospective policyholders along with a prospectus while selling a policy. "Such benefit illustration shall be signed by both the prospective policyholder as well as the insurance agent or authorized person of intermediary or such other distribution channel/person or the employee of the insurer involved in sales process, as the case may be and shall form part of the policy document," the regulator has mentioned.

IRDAI asked insurers to implement this special surrender value rule by September 30, 2024.

Life insurance new rule: How higher surrender value will benefit the policyholders

This move is in favour of the policyholders. Those who are stuck with a wrong product due to rampant mis-selling that has become quite prevalent in the insurance sector will get a higher amount back now. Vivek Jain, Head - of Investments, Policybazaar.com, says, "The provision for higher surrender value (SV), calculated at a prevailing 10-year government securities rate with a limited spread, significantly increases the value returned to policyholders in the event of a policy surrender, after the completion of the first year."

Kumar adds, “IRDAI faced a lot of backlash from consumer advocates for giving into the demand of Insurance companies on Guaranteed Surrender Value (GSV) a few months back. With the new master circular IRDA has tried to compensate consumers by tying Special Surrender Value (SSV) calculation to a discount factor based on G-Sec. It’s a welcome step and would help end consumers in receiving higher surrender value," says Kumar.

The regulator also said that the insurers can offer higher guaranteed surrender values (GSV) than those specified in the regulations. These values may vary with premium size, premium paying term, policy term, the duration elapsed at the time of surrender and other relevant factors, as applicable.

Will the new surrender value rule apply for existing endowment policies?
The special surrender value rule will apply for only new endowment policies, says Satishwar B., MD and CEO, Bandhan Life Insurance. The new surrender value norms introduced by IRDAI will apply primarily to new endowment policies issued after the implementation of the guidelines, says Rakesh Goyal, Director Probusinsurance.com.

(The writer is Anulekha Ray.)

TOP

Life insurers post record new business in May 2024: Premium collection, policy issuances swell by 31.2 percent and 11.7 percent respectively - Financial Express – 11th June 2024

The life insurance industry in India has been making significant strides forward by expanding access to insurance and making an effort to reach out to areas and segments of the country’s population that were previously underserved when it comes to their insurance needs. New business premiums (NBPs) underwritten by Indian life insurers have achieved a robust growth of 15.15 percent year-on-year (Y-o-Y) in the month of May 2024, with YTD figures recording a 31.2 percent growth over the same period last year, as per a report released by Life Insurance Council.

The report further highlights that the new business premiums expanded from Rs 23,448 crore in May 2023 to Rs 27,034 crore in May 2024, with YTD collections growing even more from Rs 36,043 crore to Rs 47,293 crore this year. In addition to this, the industry also saw individual single premiums growing as it increased 18.3 per cent Y-o-Y to around Rs 3,351 crore for May 2024. However, YTD growth stood at 21.49 per cent.

In fact, new policy issuances too increased by 12.45 per cent Y-o-Y in May 2024, resulting in the addition of new 18,68,096 policies vis-à-vis 16,61,324 policies in the year ago period. On the other hand, individual non-single premiums came in at Rs 6,916 crore and grew by 18.7 per cent in May 2024, even as YTD collections settled at 20.14 per cent higher than the corresponding period last year.

It is anticipated that the strong performance can be ascribed to the fact that life insurers are increasingly focusing on encouraging first-time life insurance buyers to buy essential life insurance solutions, contributing to the 18.58 per cent growth in combined individual premium collections for the month of May 2024 and 20.6 per cent growth on a YTD basis.

Meanwhile, in the Group policy segment, single premiums grew by 16.7 per cent with monthly collections coming in at Rs 15,976 crore, while the Group policy category witnessed a 13.15 per cent growth in premiums collected in May 2024. The new policy issuances expanded by 21.15 per cent on a Y-o-Y basis.
Furthermore, life insurers added over 1,30,000 individual life insurance agents, however there is an overall 0.2 per cent drop in cumulative agent count due to attrition.

TOP

Insurance Companies in India Setting New Benchmarks with Now 99.65% Death Claim Settlement Ratio - ET Now – 10th June 2024

Over the years you might have noticed a quite a few news articles that mention the claim settlement ratio of various life insurance companies in India. This percentage value might seem like one of those stats that you read and forget, but it is infact quite important if you are in the market for a new life insurance policy.

Recently, a leading insurer in India,Max Life Insurance published a record breaking claims settlement ratio of 99.65% in FY 2023-24. So, what exactly is this claims settlement ratio also referred to as individual death claim paid ratio, how is it calculated, and how does it impact you? Read on to find out.

Meaning of Claims Settlement Ratio?
Claims Settlement Ratio (CSR) or Death Claim Paid Ratio (DCPR) is a metric that is published every year by the Insurance Regulatory and Development Authority of India (IRDAI) in its annual report for all life insurance companies. IRDAI actually sources this data from the public disclosures that are mandatorily published by all life insurance companies in India.

This percentage value, indicates how many claims out of 100 have been settled by the company during the applicable financial year. So, a CSR of 99.65% in FY 2023-24 means that the company has paid out 99.65 claims out of 100 during FY 2023-24. If the company is settling a large portion of claims, it is a good sign for customers and prospective policy buyers as it indicates the company is efficiently handling the claims it has received during the financial year.

Claims Settlement Ratio of Leading Life Insurance Companies in FY 2023-24 vs. FY 2022-23
It is mandatory for every insurance company to publish key details of its performance via public disclosures. One of the details you can find in these public disclosures is the number of claims received and the number of claims settled by the insurer. This is the data that is used to calculate the death claim paid ratio of the insurer.

Thankfully you do not need to refer multiple insurance websites to get this data as the regulating authority IRDAI consolidates the data from all insurance companies in its Annual Report. This official document from IRDAI contains the Individual death claims settlement ratio(CSR) of all life insurers in India for the applicable financial year.

You should check this consolidated performance view of the claims settlement ratio of top life insurers in India in FY 2022-23 and FY 2023-24 and as a matter of fact, Max life insurance have consistently topped the charts in last 3 financial years.

Life Insurance Company	Claims* Settlement Ratio^ FY 2023-24	Claims* Settlement Ratio# FY 2022-23	Claims* Settlement Ratio@ FY 2021-22
Max Life Insurance	99.65%	99.51%	99.34%
HDFC Life Insurance	99.50%	99.30%	98.66%
ICICI Prudential Life Insurance	99.17%	95.30%	97.82%
Bajaj Allianz Life Insurance	99.23%	99.04%	99.02%
Tata AIA Life Insurance	99.13%	99.01%	98.53%

*Individual Death Claims

Sources: @As per IRDAI Annual Report for FY 2021-22.
#As per IRDAI Annual Report for FY 2022-23.
^As per respective companies' annual audited Financials for 2023-24.

Looking at the above data, you might be wondering how does one get to this percentage figure from the total claims received and total claims paid data. So, next let's take a closer look at how CSR is calculated.

How is Claims Settlement Ratio Calculated?
The formula to calculate Claims Settlement Ratio is actually quite simple and can be represented using the below formula:
Claims Settlement Ratio (for a FY) = [(Total No. of Claims Paid by the Insurer during the FY) / (Total No. of Claims Received by the Insurer during the FY + Claims outstanding at the beginning of the period)] *100

For better understanding, let's assume a life insurance company X receives 5000 claims during a financial year and pays out i.e. settles 4960 of the claims received during the same period. Now, according to formula, the claims settlement ratio of the company X will be 4960/5000 i.e. 99.20%. This shows that the insurer has settled 99.20% of the claims it has received during the particular financial year.

If you are looking to purchase a life insurance plan, a higher claims paid ratio should be your top priority. A higher claims paid ratio implies that the insurance company has settled or paid out a relatively large proportion of the claims that it received. This implies that relatively few claims were rejected, therefore the insurer is able to efficiently and effectively settle the claims it receives.

Few Things Should You Remember When Comparing CSR
A single criterion like the Claims Settlement Ratio of different life insurance companies for a financial year is definitely not enough to make an informed decision if you plan to purchase a life insurance policy. There are few other aspects that you should also consider before you purchase a life insurance plan from any insurer. Some of the key factors are mentioned below:

Higher Claims Settlement Ratio Means More Trust
If you are comparing claims settlement ratio of different life insurance companies in India, an insurer with higher claims settlement ratio is definitely a better option. As you can see in the table provided earlier, the claim settlement ratio of the top life insurance companies in India are quite close to each other and most have improved their CSR in FY 2023-24 compared to the previous year.

But even in this seemingly level playing field, Max Life Insurance has emerged as the one that has managed to consistently top the charts in terms of CSR for three successive years. This level of consistency in maintaining a high CSR should reassure current as well as prospective policyholders that the company is skilled at processing and honouring rightful claims.

Its closest competitor in this regard is HDFC Life Insurance, which has managed to maintain its position as the 2nd best insurer in terms of claims settlement ratio for 3 years in a row.

Check Claims Settlement Ratio Track Record Over the years
While the importance of high CSR cannot be overstressed, is not appropriate to base your decision of purchasing a life insurance policy solely based on the claims settlement ratio of the previous year. You should also check the insurer's Claims Settlement Ratio trend over at least the past 5 years to gain better insight into the company ability to consistently claims over the long term. Ideally you should choose an insurer whose CSR has increased with time as it indicates better handling of claims.

Improves Accountability and Transparency
Claims Settlement Ratio is prominently displayed on the website of a life insurance companies especially if the CSR is high. This percentage figure acts as an indication of the insurer's commitment to its customers and also serves as proof of its trustworthiness in settling valid claims.

Concluding Thoughts
While the concept of claims paid ratio is important for anyone who wants to purchase a life insurance policy, there is one more thing that you should keep in mind. Avoid sharing any incorrect information or hiding details related to medical conditions, financial situation, lifestyle etc. while applying.

Providing false information may lead to your claim being denied and you might end up in the small number of unpaid claims of an insurer with a very high claims paid ratio.

TOP

GENERAL INSURANCE

Crop insurance: A crucial safety net for farmers against losses - Business Standard – 13th June 2024

Crop insurance has become a vital component of agricultural support systems in India, providing a safety net for farmers against crop damage and financial losses. These schemes aim to mitigate the risks faced by farmers due to various factors such as extreme weather conditions, natural disasters, and market fluctuations.

Crop insurance is categorised into three types:
Multiple peril crop insurance (MPCI): Offers financial protection against losses due to weather-related events like floods and droughts.
Actual production history (APH): Provides coverage for losses resulting from wind, hail, insects, and other perils. It also covers situations where the actual yield is lower than the estimated yield, compensating for the difference.
Crop revenue coverage (CRC): Protects against yield losses and covers the revenue generated from the yield. If crop prices drop, this insurance compensates for the revenue shortfall.

Eligibility to take crop insurance
All farmers are eligible to take the crop insurance schemes in India, including sharecroppers and tenant farmers. However, they need to grow the notified crops in the notified area provided under the schemes or by the company.

Benefits of crop insurance schemes
Financial support in case of crop failure: Crop insurance provides financial compensation to farmers when they suffer losses due to crop failure caused by natural calamities, pests, or diseases. This support helps them recover and continue farming without severe financial distress.

Encouragement to adopt advanced farming practices: With the assurance of financial protection, farmers are more likely to invest in modern technologies and progressive farming practices. This can lead to higher crop yields, better quality produce, and increased overall agricultural productivity.

Maintenance of agricultural credit flow:Crop insurance ensures that farmers can maintain their creditworthiness. Financial institutions are more willing to lend to farmers who have crop insurance, knowing that the risk of default due to crop failure is mitigated.
Streamlined loss assessment and statistical accuracy: The process of loss assessment under crop insurance schemes helps in building a precise and comprehensive statistical database for crop production. This data can be used for better planning and management of agricultural activities.

Tax exemption on premiums:Farmers benefit from tax exemptions on the premiums paid for crop insurance policies. This reduces the overall cost burden on farmers and makes crop insurance more affordable.

Access to low-interest crop loans:Farmers with crop insurance are often eligible for crop loans at lower interest rates. The reduced risk for lenders results in more favourable loan terms for insured farmers, aiding them in managing their finances more effectively.

List of companies which provide Crop Insurance:
Following are the list of General Insurance Companies which offer Crop Insurance Schemes:
Reliance General Insurance Co. Ltd.
Cholamandalam MS General Insurance Co. Ltd.
Agriculture Insurance Company of India Ltd
IFFCO-Tokio General Insurance Co. Ltd
HDFC ERGO General Insurance Co. Ltd.
ICICI Lombard General Insurance Co. Ltd
Future Generali India Insurance Company Limited
Bajaj Allianz General Insurance Co. Ltd
Universal Sompo General Insurance Company Limited
SBI

However, the biggest crop insurer is PMFBY -- Pradhan Mantri Fasal Bima Yojana.

The objective of the scheme is to provide financial support to farmers suffering crop loss/damage arising out of unforeseen events as well as stabilising the income of farmers to ensure their continuance in farming.

Shilpa Arora, Co-founder- Insurance Samadhan said, “The private insurers are helping the government as well as farmers in successfully implementing the policy by latest advancement in technology like GIS as well as increase in voluntary participation of non-loanee farmer by extensive campaigning in rural areas. The government has reached a certain level in terms of success but there is a lot of scope where private insurers & govt can sync up to provide more progressive insurance solutions to farmers.”

(The writer is Ayush Mishra.)

TOP

HEALTH INSURANCE

The Unprotected Millions: Bridging the Health Insurance Gap for India's Gig Workforce - Outlook India - 12th June 2024

The Indian economy is undergoing a transformation, fuelled by the rise of the gig economy. Unlike traditional employment models, this new landscape offers individuals greater flexibility and control. over their work schedules. From driving app-based taxis to delivering groceries, millions of Indians are embracing the gig life. As per Niti Aayog, almost 25 million Indians will be part of the gig workforce by 2030, a substantial portion of the total employed population.
While the gig economy provides opportunities for many, it also presents a unique set of challenges. Gig workers, by the very nature of their work arrangements, often lack the social security benefits that come with traditional employment. One of the most concerning issues is the lack of access to health care. insurance.

The Perilous State of Health Insurance for Gig Workers
Unlike salaried employees who receive employer-sponsored health insurance plans, gig workers are left to fend for themselves. A study by CIIE paints a grim picture, revealing that only one in five gig Workers have life or health insurance coverage. And from those that are covered, it is highly probably that they are not sufficiently covered. This exposes them to significant financial risks, as even Minor medical

emergencies can lead to substantial out-of-pocket expenses. Furthermore, a large portion of total healthcare spending comes from out-of-pocket expenditures. The Total out-of-pocket healthcare expenditure in the country is almost touching 50 per cent. For gig workers, whose income can be variable and often project-based, a sudden medical expense can be financially devastating.

The Ripple Effects: Beyond Financial Burdens

The lack of health insurance for gig workers goes beyond the immediate financial strain. The fear of medical bills can deter them from seeking timely medical attention. This can lead to a delayed diagnosis. and treatment, potentially worsening health conditions and impacting their ability to work. Furthermore, the stress and anxiety associated with potential medical bills can negatively affect their productivity and overall well-being.

Emerging Solutions: A Glimpse into a Brighter Future

While the current state of health insurance for gig workers presents a significant challenge, there are positive developments on the horizon. Some progressive companies are taking the initiative by offering health insurance plans for their drivers, delivery partners, and other gig workers. These plans, while varying in scope and coverage, typically offer some level of financial protection for emergencies, hospitalization, and daycare procedures. Furthermore, some state governments are recognizing the need for action. The recent announcement of a health insurance program for gig workers in Karnataka, offering coverage for accidents and Hospitalization is a step in the right direction. These initiatives demonstrate a growing awareness of the challenges faced by gig workers and a commitment to providing them with a degree of security.

Challenges and Considerations on the Road Ahead

While these developments are encouraging, there's still a significant distance to cover. Ensuring wider Coverage across the diverse landscape of the gig economy presents a major challenge. The fragmented nature of the gig workforce makes it difficult to reach all workers and ensure consistent enrolment in health insurance plans. Another critical issue is the standardization of benefits. There's a lack of uniformity in health insurance. plans offered by different companies or government programs. This inconsistency can create confusion. and limit the effectiveness of these initiatives. Establishing minimum standards for coverage would be crucial in ensuring that gig workers receive adequate protection.

A Collaborative Approach: The Path Forward

Government Intervention: The government can play a critical role in mandating health insurance. coverage for gig workers. They can develop and facilitate efficient enrollment processes to ensure inclusivity. A central insurance scheme for gig workers can also be a catalyst to drive adoption and could help design affordable yet comprehensive health insurance plans specifically tailored for the needs of the gig workforce.

Start-Ups and platform companies: Start-Ups and platform companies that rely heavily on gig workers have a vested interest in their well-being. They can contribute by offering subsidized health insurance. Plans or partnering with insurance companies to develop bespoke coverage options for their workers.

Insurance Companies: Insurance companies can play a crucial role by designing innovative and affordable health insurance products specifically catered to the gig workforce. These plans should be flexible and adaptable, allowing for variable income and offering coverage options that are easily scalable based on specific needs.

Industry Associations and Advocacy Groups: Industry associations and advocacy groups can play a vital role in raising awareness about the importance of health insurance for gig workers. Additionally, such bodies can launch their own insurance programs for certain categories of gig workers to subscribe to.

Building a Sustainable Future: Looking Ahead This holistic approach, encompassing mandatory coverage, standardized benefits, and collaborative efforts across stakeholders, and ongoing innovation will be key to bridging the health insurance gap for India's gig workers. As the gig economy continues to evolve, ensuring access to quality healthcare will be essential for fostering a thriving and secure work environment for this increasingly critical segment of the Indian workforce.

(The writer is Anuj Parekh.)

TOP

Ayushman coverage to all over 70 years, roll out of U-WIN in health ministry's 100-day agenda - The Economic Times - 12th June 2024

Extending the Ayushman Bharat coverage to everyone aged above 70 years and the pan-India roll out of the U-WIN portal to digitise routine vaccinations are among the highlights of Narendra Modi's new government's 100-day agenda for the Union health ministry. In a brief interaction with senior officials after taking charge of the ministry on Tuesday, J P Nadda, who is also the BJP president, asked them to focus on the agenda, sources said.

Prime Minister Modi while releasing the BJP's Lok Sabha poll manifesto in April had announced that senior citizens above 70 years of age and the transgender community will be brought under the ambit of the Centre's health scheme Ayushman Bharat Yojana.

Launching the National Health Claims Exchange to ensure inter-operability and faster processing of health insurance claims, use of drone services to deliver medical essentials from AIIMS and other Institutes of National Importance in difficult terrains and providing cashless treatment services to ex-servicemen also feature among the 14 agenda items for the ministry, the official sources told PTI.

The other key areas of focus in the 100-day plan include ease of doing business -- 'tatkal' issuance of licence or registration in select food businesses under the FSSAI, deployment of Arogya Maitri Cubes in central government hospitals to meet health emergencies, providing financial support to the Banaras Hindu University's Institute of Medical Sciences on the lines of AIIMS, and making operational the National Medical Register.

Extending the Ayushman Bharat scheme to everyone aged 70 years and above is one of the top priorities of the government, the sources said. The modalities of the proposal are being worked out. Once finalised, the proposal will be sent to the Expenditure Finance Committee for approval of allocation of funds before being sent to the Cabinet, they said. The U-WIN portal -- based on the Co-WIN Covid vaccination application's design -- for maintaining electronic registry of routine immunisations under the Universal Immunisation Programme (UIP) is at present being run on a pilot mode in two districts of each state or a Union Territory.

The platform captures each and every vaccination event of children and pregnant women under the UIP. It is linked with Co-WIN and beneficiary records from Co-WIN can be accessed through U-WIN using the registered mobile-phone number for facilitation of registration of children.

The National Medical Commission is in the process of creating the National Medical Register, a centralised repository of doctors practising in India as a part of which all doctors in the country will have a unique identification number by the 2024-end. A pilot project of the register is also underway.

The BJP with 240 seats fell short of a majority but the NDA secured the mandate with 293 seats in the Lok Sabha polls. The Congress bagged 99 seats while the INDIA bloc got 234 seats. Following the polls, two Independents who won have also pledged support to the Congress, taking the INDIA bloc tally to 236.

TOP

Demand for OPD benefits on rise among health insurance policyholders - Business Standard – 12th June 2024

Demand for out-patient department (OPD) benefits surged among health insurance policyholders in the post-pandemic years due to increase in accessibility to consultations with doctors and diagnostic tests, industry players said. According to data by online insurance broker Policybazaar, the share of health insurance customers opting for OPD benefits has increased to 20 percent in FY24 from 5 percent in FY21. While demand for OPD benefits was there, insurance industry experts believe that the Covid-19 pandemic pushed the demand further. Post the pandemic, there has been an increase in consultations with doctors and increase in cost of diagnostics.

"The Covid-19 kind of accelerated the demand (for tele consultations). Also, the cost of pharmacy products and diagnostic costs have driven the demand for OPD benefits. Further, on seeing the demand for these benefits, insurance companies have launched multiple OPD products, with most of them in the shape of additional riders," said Siddharth Singhal, business head, Health Insurance, Policybazaar. As per the data, 50 per cent of policyholders are actively utilising OPD services included in their plans. The OPD benefits were once part of employee benefits, but after the pandemic, insurance companies are seeing an increase in demand from the retail side as well. The insurers are also seeing an increase in the utilisation of these OPD benefits.

"We are seeing an increase in utilisation of OPD benefits. Earlier, OPD was mostly offered with employee benefit and OPD utilisation was around 25 per cent. Now, we see retail OPD products also and 70 per cent utilisation of OPD benefits," said Bhaskar Nerurkar, head, health administration team, Bajaj Allianz General. Across different tiers, the adoption of OPD benefits remains substantial, with Tier-1 accounting for 45 per cent followed by Tier 3 at 35 per cent and Tier 2 at 20 per cent.

"Demand for OPD benefits is mainly from the top 20 cities in the country. The pandemic has led to an increase in demand, but the insurance companies need to establish more networks with health care centres and hospitals in smaller cities. We have barely scratched the surface. The insurers have to work further to create robust OPD models," said Rupinderjeet Singh from Retail Health, Acko General Insurance. "But, with the right programme, there is a huge potential for growth in the segment, owing to its large market size. It is nearly 4 times the size of IPD (in-patient department)," Singh added.

(The writer is Aathira Varier.)

TOP

Centre extends scheme by another year to digitize patients' health record – Live Mint – 11th June 2024

The Centre has extended by a year the scheme for digitizing patients' health records and linking them with the Ayushman Bharat Digital Health Account (ABHA ID). Hospitals get Rs20 per patient for digitizing their health record and linking it with ABHA IDs. The Union government has sought details from states and union territories on the utilization of funds received through the scheme.

Focus is to boost adoption of digital healthcare services

The scheme's focus is to boost adoption of digital healthcare services and encourage public adoption of the Ayushman Bharat Digital Mission (ABDM). It was set to end on 30 June this year.

"It has now further been decided to extend the Digital Health Incentive Scheme (DHIS) scheme till 30th June 2025 or till funds for DHIS are available, unless discontinued earlier," said a communication issued by the National Health Authority (NHA) seen by Mint.

For utilization of funds released under DHIS, the NHA has issued an "incentive utilization guidelines" to help hospitals utilize these for digital infrastructure or any other activity related to the patient welfare. "It is requested to make use of the digital health incentive sheme utilization guidelines to further supplement the health infrastructure of the facilities of your states and provide us details of such utilization," stated the communication. Notably, now all health facilities registered with the health facility registry (HFR) such as clinics, nursing homes, hospitals, laboratories and digital solution companies can earn an incentive of up to ₹4 crore.

So far around 633 million ABHA IDs have been created across the country, but the aim is to develop this digital health ID, which is voluntary in nature, for every individual. The NHA monitors and evaluates the effectiveness of the scheme and makes suitable changes about its continuation, modification, budget. So far, a sum of ₹34 crore has been released to hospitals. However, only a part of it has been used.

The NHA has given flexibility to the hospitals to utilize this fund for any work related to the hospital such as free Wi-Fi at facility premises, proper ventilated seating arrangement, wheelchair, stretcher, clean drinking water, etc. "Now that hospitals have received sufficient amount of money, the Centre has given fresh direction to the states to utilize the fund and submit the report accordingly," said an official.

(The writer is Priyanka Sharma.)

TOP

Integration of health insurance & medical services streamlines patient care - Business Standard – 10th June 2024

For patients, the healthcare journey from first symptoms and diagnosis to treatment and follow-up care has often felt like a maze of disconnected steps. Having to coordinate between your primary care doctor, specialists, imaging centres, hospitals, pharmacies, and insurance providers makes an already stressful situation even more complicated. However, a growing trend towards integrating health insurance companies and medical provider networks is aiming to streamline this process.

What are the key ways in which integration can benefit patients:
Simplified access to care
Streamlined registration and eligibility verification: Integration allows for real-time verification of a patient's insurance coverage and benefits at the point of care, reducing the time and paperwork involved in confirming eligibility.

Network coordination: Patients can be quickly directed to in-network providers, ensuring that they receive care that is covered by their insurance plan and minimising out-of-pocket costs.

Enhanced care coordination
Seamless communication: Integrated systems enable better communication between healthcare providers and insurance companies, facilitating the sharing of patient information, medical histories, and treatment plans. This ensures that all parties are on the same page regarding a patient's care.

Referral management: Primary care providers can efficiently refer patients to specialists within the network, and insurance authorisation for these referrals can be expedited, reducing delays in receiving specialised care.

Improved efficiency in diagnosis and treatment
Unified health records: Integration often involves the use of electronic health records (EHRs) that are accessible to both insurers and providers. This comprehensive view of a patient's medical history helps in making accurate diagnoses and developing effective treatment plans quickly.

Decision support tools: Integrated systems can offer decision support tools that provide providers with evidence-based guidelines and insurance coverage information, ensuring that prescribed treatments are both clinically appropriate and covered by the patient's insurance.

Financial transparency and management
Cost estimation tools: Patients can receive accurate cost estimates for treatments and procedures based on their insurance coverage, helping them understand their financial responsibilities beforehand.

Streamlined billing processes: Integration reduces billing errors and the need for repeated claims submissions, as insurance companies and providers can directly exchange billing information. This leads to faster claims processing and reimbursement.

Patient-centric care
Personalised care plans: Providers can develop care plans that are tailored to the patient's specific needs and covered by their insurance, ensuring comprehensive care without unnecessary financial burden.

Proactive health management: Integrated systems can facilitate preventive care and chronic disease management programs by identifying patients who need regular monitoring and ensuring they receive timely interventions.

Enhanced patient experience
Single point of contact: Patients benefit from having a single point of contact for both their medical care and insurance questions, simplifying the process and reducing confusion.

24/7 Access to information: Integrated platforms often provide online portals where patients can access their medical records, insurance information, appointment schedules, and more, at any time.

Talking to Business Standard Pankaj Nawani, CEO CarePal Secure said, "An integrated ecosystem fosters a holistic view of patient care, aligning all parties on treatment plans for more accurate diagnoses and effective treatments. This collaborative approach supports patients comprehensively from initial medical attention to full recovery."

(The writer is Ayush Mishra.)

TOP

Health insurance companies and claim settlement ratio - Forbes India - 10th June 2024

In India, coordination between hospitals and health insurance is a pivotal aspect of the healthcare ecosystem. The country's healthcare infrastructure includes a wide range of hospitals, from public sector units offering basic health services to private sector hospitals providing specialised care. For most Indians, having health insurance is crucial as it helps manage the high costs of medical treatment in both public and private facilities.

Health insurance in India serves as a financial buffer for families against the high cost of medical care. It is particularly vital in a country where healthcare expenses can often cause financial distress. Most health insurance policies cover a variety of expenses, including hospitalisation, medication, and even pre and post-hospital care, which can be quite comprehensive given the rising cost of medical services.

Claim Settlement Ratio in Health Insurance
However, the effectiveness of health insurance policies is often gauged by the Claim Settlement Ratio (CSR), a metric that reflects the reliability and performance of insurance companies. It indicates the proportion of claims the insurer has successfully paid out of the total claims received over a financial year. A higher CSR indicates an insurer's robustness and reliability in settling claims—a sign of confidence for policyholders—especially during medical emergencies when financial support is most needed.

For potential policyholders, CSR is a vital statistic to consider when selecting an insurer. It not only represents the company's ability to handle claims efficiently but also gives insights into its operational integrity. Insurers with a consistently high CSR are preferred because they are perceived as more reliable and reassuring for individuals who depend on their health insurance for emergency medical expenses.

Incurred claims ratio of general and health insurers

Here is the annual Incurred Claims Ratio for general health insurers in India. Data is sourced from the Insurance Regulatory and Development Authority of India (IRDAI).

Insurers	**Health claim ratio (2021-2022)**	**Health claim ratio (2022-2023)**
Acko General Insurance Co. Ltd.	103.75	83.88
Bajaj Allianz General Insurance Co. Ltd.	90.64	74.27
Cholamandalam MS General Insurance Co. Ltd.	117.08	67.88
Future Generali India Insurance Co. Ltd.	88.44	79.18
Go Digit General Insurance Ltd.	48.94	71.87
HDFC ERGO General Insurance Co. Ltd.	97.47	79.04
ICICI Lombard General Insurance Co. Ltd.	91.67	77.33
IFFCO Tokio General Insurance Co. Ltd.	130.65	111.18
Kotak Mahindra General Insurance Co. Ltd.	72.11	56.01
Liberty General Insurance Co. Ltd.	89.3	74.17
Magma HDI General Insurance Co. Ltd.	66.42	72.1
Navi General Insurance Co. Ltd.	28.56	59.28
Raheja QBE General Insurance Co. Ltd.	109.54	138.67
Reliance General Insurance Co. Ltd.	98.76	86.31
Royal Sundaram General Insurance Co. Ltd.	90.22	83.36
SBI General Insurance Co. Ltd.	81.92	73.92
Shriram General Insurance Co. Ltd.	37.07	51.53
Tata AIG General Insurance Co. Ltd.	86.53	78.33
Universal Sompo General Insurance Co. Ltd.	113.39	82.84
Zuno General Insurance Co. Ltd.	112.32	89.59
PRIVATE SECTOR INSURERS AVERAGE	**94.66**	**80.09**
National Insurance Co. Ltd.	125.53	102.35
The New India Assurance Co. Ltd.	124.54	103.33
The Oriental Insurance Co. Ltd.	139.86	130.09
United India Insurance Co. Ltd.	120.21	89.57
PUBLIC SECTOR INSURERS AVERAGE	**126.8**	**105.77**
Aditya Birla Health Insurance Co. Ltd.	69.56	64.68

Insurers	Health claim ratio (2021-2022)	Health claim ratio (2022-2023)
Care Health Insurance Ltd.	65.07	53.82
ManipalCigna Health Insurance Co. Ltd.	76.17	64.66
Niva Bupa Health Insurance Co. Ltd.	62.12	54.05
Reliance Health Insurance Ltd.	196.55	NA
Star Health and Allied Insurance Co. Ltd.	87.06	65
STANDALONE HEALTH INSURERS AVERAGE	**79.06**	**61.44**
GRAND AVERAGE	**105.68**	**87.27**

Significance of claim settlement ratio when choosing an insur

The Claim Settlement Ratio (CSR) is a critical metric for evaluating an insurance company's reliability and effectiveness, especially in the world of health insurance. This ratio measures the percentage of claims that an insurer has settled compared to the total number of claims received within a financial year and serves as a direct indicator of the company's commitment to its policyholders.

A high CSR affects not only the insurer's operational efficiency but also its financial health, suggesting that it has adequate resources to cover claims. For policyholders, this is reassuring as it reduces the risk of disputes or delays in receiving claim payments, which can be crucial during medical emergencies or financial distress.

This is particularly important in markets like health insurance, where the stakes are high, and the timing of claim settlement can significantly affect the quality and accessibility of medical treatment. So, evaluating CSR provides prospective policyholders with a clearer picture of what to expect from their insurer (in terms of service reliability) and can help them arrive at an informed conclusion that aligns with their needs for coverage and support.

Facets To Understand Claim Settlement Ratio in Health Insurance

Here's a breakdown of the key aspects to keep in mind:

How CSR is Calculated

The Claim Settlement Ratio is determined using a straightforward formula:

Claim Settlement Ratio = (Total claims settled or paid) / (Total claims received + Outstanding claims at the beginning of the year).

This calculation helps you assess which insurers have a strong track record of settling claims. For instance, companies like IFFCO Tokio and Care Health Insurance have been noted for their high CSRs, which enhances their trustworthiness among consumers.

Importance of Consistency

When analysing an insurer, looking at their CSR over multiple years is beneficial. Consistently high performance in settling claims indicates an insurer's reliability and operational stability, making it a preferable choice for consumers.

Volume of Claims

Observing the number of claims an insurer receives annually can also provide insight into its scale and presence in the market. A higher volume of claims might indicate a more prominent, more established insurer, which could influence your decision when choosing a provider.

Top reasons why claims get rejected

There are several common reasons why health insurance claims might get rejected by insurers:

Fraudulent Claims
If a claim is found to be deceitful or misleading, it's likely to be turned down. This could happen if the policyholder misrepresented or intentionally misrepresented the information.

Exclusions Specified in the Policy
Every health plan has specific exclusions, conditions, or treatments not covered under the policy. Claims that fall under these exclusions are typically rejected.

Expired Policies
Submitting a claim against an expired policy will result in rejection since the insurance cover is no longer valid.

Non-Covered Treatments
The claim for such treatments will be denied if the treatment received is not included in the health plan's list of covered medical services.

Pre-existing Conditions
Your claim may be rejected if you seek treatment for a pre-existing condition before completing the waiting period defined in your policy terms.

TOP

Ayushman Bharat, Schedule M on health ministry and DoP's top agenda - Business Standard - 10th June 2024

Expansion of the Ayushman Bharat scheme and implementation of revised Schedule M (related to quality drug production) and pharma marketing code may be on the priority lists of the health ministry and the Department of Pharmaceuticals (DoP), as Prime Minister-designate Narendra Modi is set to lead a new coalition government.

The Ayushman Bharat Pradhan Mantri Jan Aarogya Yojana (AB-PMJAY), the flagship health care insurance scheme of the Bharatiya Janata Party (BJP)-led central government, is set to receive a concerted push from the health ministry under the new government.

According to sources, the scheme, touted as the world's largest health protection programme, may see an expansion of coverage. The BJP, in its manifesto, had said that if elected back to power, the party will expand the scheme to cover senior citizens and transgenders.

"We will expand the Ayushman Bharat Yojana to cover senior citizens and provide them access to free and quality healthcare...We will expand the network of Garima Grahas to cater to the needs of transgender individuals. We will issue identity cards to ensure their recognition nationwide. Furthermore, all eligible transgender individuals will be covered under the Ayushman Bharat Yojana", the party said in its manifesto.

According to data available on the National Health Authority (NHA) dashboard, the scheme has, so far, covered over 345 million citizens who received free health insurance of Rs 5 lakh for hospitalisation. Industry sources said the Centre was considering a proposal on increasing coverage under the Ayushman Bharat scheme to Rs 10 lakh from the current Rs 5 lakh. Hospitals have complained of delays in reimbursement related to the scheme. Ironing out these differences and securing more funding for the scheme could emerge as major challenges.

The health ministry formed a 16-member committee in March this year to look into the implementation of the scheme and oversee progress in beneficiary identification, hospitalisation and modes of implementation. According to sources, implementation of the revised Schedule M, which includes good manufacturing practices guidelines to ensure manufacturing of quality drugs, is on the priority list of the Department of Pharmaceuticals that comes under the Ministry of Chemicals and Fertilisers. Schedule M prescribes good manufacturing practices (GMP) for pharmaceutical products.

Some of the major changes introduced in the revised Schedule M include the introduction of a pharmaceutical quality system (PQS), quality risk management (QRM), product quality review (PQR), qualification and validation of equipment, and a computerised storage system for all drug products. Sources indicate that the DoP will also work on the Revised Pharmaceuticals Technology Upgradation Assistance (RPTUAS) scheme, aiming to offer financial support to drug manufacturers for upgrading their technological capabilities and aligning with global standards.

Another high-priority policy is the proper implementation of the Uniform Code for Pharmaceutical Marketing Practices (UCPMP) 2024, which aims to curb the unethical marketing of drugs and ban medical representatives from using inducements to access healthcare professionals. The process has already begun on this, but one challenge could be ensuring compliance with the scheme, monitoring the tens of thousands of small and big pharma companies, as well as the litigations that may arise as a result.

(The writer is Sanket Koul.)

TOP

IRDAI asks insurers to deploy systems by July 31 - The Indian Express – 10th June 2024

Insurance companies will have to go for cashless settlement of health insurance claims from August 1 this year, making hospital bill settlement of policyholders smoother and faster. The Insurance Regulatory and Development Authority of India (IRDAI) has said necessary systems and procedures should be put in place by the insurer immediately and not later than July 31, 2024.

The regulator said insurers should arrange for dedicated Help Desks in physical mode at the hospital to deal and assist with the cashless requests. “Insurers should also provide pre-authorisation to the policyholder through the digital mode,” it said.

Every insurer should strive to achieve 100 per cent cashless claim settlement in a time bound manner, the Irdai said. The insurers should endeavour to ensure that the instances of claims being settled through reimbursement are at bare minimum and only in exceptional circumstances, it said.
“Insurer should decide on the request for cashless authorisation immediately but not more than one hour of receipt of request,” it said in the Master Circular on health insurance business.

Irdai has said insurer should grant final authorisation within three hours of the receipt of discharge authorisation request from the hospital. In no case, the policyholder should be made to wait to be discharged from the hospital, it said.

If there is any delay beyond three hours, the additional amount if any charged by the hospital should be borne by the insurer from shareholder’s fund. In the event of the death of the policyholder during the treatment, the insurer should immediately process the request for claim settlement and get the mortal remains (dead body) released from the hospital immediately, Irdai has said.

Claim settlement has been a cumbersome procedure for policyholders. As many as 43 per cent of insurance policyholders had difficulties processing their “health insurance” claims in the last 3 years on an aggregate basis, according to a survey. “Challenges faced ranged from insurance companies rejecting claims by classifying a health condition as a pre-existing condition to only approving a partial amount,” said the survey conducted by LocalCircles.

According to majority of those who commented on the subject, the process of claiming health insurance is extremely time consuming with many policyholders and their family members literally spending the last day of their hospital admission running around trying to get their claim processed. "In several cases cited by policy holders on LocalCircles, it took 10-12 hours after the patient was ready for discharge for them to actually get discharged because the health insurance claim was still getting processed," the survey said.

Irdai has said no claim should be repudiated without the approval of Product Management Committee (PMC) or a three-member sub-group of PMC called the Claims Review Committee (CRC). In case, the claim is repudiated or disallowed partially, details should be conveyed to the claimant along with full details giving reference to the specific terms and conditions of the policy document. Pursuant to intimation of the claim, insurers and Third Party Administrators (TPAs) should collect the required documents from the Hospitals. Policyholder shall not be required to submit the documents, the regulator said.

According to the Irdai, a policyholder has the choice to port his/ her policies from one insurer to another. The acquiring and the existing Insurers shall jointly, ensure that the entire underwriting details and claim history of the policyholders are seamlessly transferred, it said. The existing insurer should provide the information sought by the acquiring insurer immediately but not more than 72 hours of receipt of request through Insurance Information Bureau of India (IIB). The acquiring insurer should decide and communicate on the proposal immediately but not more than 5 days of receipt of information from the existing insurer. The policyholder is entitled to transfer the credits gained to the extent of the sum insured, no claim bonus, specific waiting periods, waiting period for pre-existing disease, and moratorium period from the existing insurer to the acquiring insurer in the previous policy, Irdai said.

(The writer is George Mathew.)

TOP

MOTOR INSURANCE

Gadkari 3.0: Cashless Treatment for Mishap Victims Priority, MoRTH Reminds About Third Party Vehicle Insurance - News18 – 11th June 2024

Cashless treatment to road accident victims is a long pending demand that the Ministry of Road Transport & Highways (MORTH) is prioritising in the third term of Union Minister Nitin Gadkari. Just before the announcement of the Lok Sabha polls in March, the Ministry had launched the pilot of the project in Chandigarh allowing victims to avail free treatment up to Rs 1.5 lakh per accident per person for a maximum period of seven days from the date of the incident. Following the positive results, the Ministry on Tuesday issued a statement reminding the road users to ensure they have a valid third party insurance.

"Section 146 of the Motor Vehicles Act, 1988, requires motor vehicles plying on Indian roads to compulsorily have an insurance policy covering third party risks," the statement said. The Ministry said that in addition to being a legal requirement, having a motor third party insurance cover is an important aspect of being a responsible road user as it provides support to victims in case of accidents or damages.

"Those who drive or allow an uninsured vehicle to be driven without a valid motor third party insurance are liable to be punished, including imprisonment, for violation of the law," the Ministry added. Offenders are punishable under section 196 of the Motor Vehicles Act, 1988. In the first instance, the offenders will be imprisoned for up to three months or fine of Rs 2,000 or both. On subsequent offence, they may face imprisonment up to three months or fine of Rs 4,000 or both. The penalty provisions will be imposed by the enforcement officials on those vehicles which are found to be playing without a valid motor third party insurance cover.

"Vehicle owners need to check the status of motor third party insurance of their respective motor vehicles and obtain / renew their insurance at the earliest, if not done already," the Ministry said. The initiative is among the series of efforts of the Ministry to check road accidents and fatalities.

THE PILOT

In March, the Ministry launched a pilot to provide cashless treatment to the victims of road accidents caused by the use of motor vehicles in Chandigarh. Under this, an individual can avail cashless treatment up to a maximum of Rs 1.5 lakh per accident within seven days from date of accident. While launching the project MORTH had said that based on the outcome of the pilot program, expansion of the cashless treatment facility to the entire country will be considered. It is applicable to all road accidents caused by use of motor vehicles on any category of road.

"The pilot programme is being initiated in Chandigarh and is aimed at establishing an ecosystem for providing timely medical care to the victims of road accidents, including during the golden hour," the Ministry said. The National Health Authority will be the implementing agency for the pilot program, in coordination with police, hospitals, State Health Agency (SHA), etc, the Ministry added. According to the ministry's latest accident report – Road Accidents in India 2022 – 4.61 lakh road accidents were reported in 2022, killing 1.68 lakh people and injuring 4.43 lakh.

(The writer is Nivedita Singh.)

TOP

INSURANCE CASES

Insurer asked to pay woman Rs 2 lakh plus interest on her husband's life insurance claim - The Times of India – 10th June 2024

Observing that IRDA (Insurance Regulatory and Development Authority of India) guidelines say that all terms and conditions should have been explained to the insured in the language known to him, a consumer commission ruled in favour of a widow seeking her husband's life insurance claim. While the insurance company had repudiated her Rs 2 lakh claim on the grounds that he had died of a heart attack due to his smoking and had failed to mention this habit in this insurance form, the woman submitted her husband could not read and write and had not filled the form himself.

"It is clear from the evidence placed on record that the insurer has not suppressed any fact while submitting the proposal form as he was not aware of terms and conditions of proposed policy being illiterate. On these grounds the order of repudiation cannot sustain. Thus, the complainant is justified in the insurance claim, costs of litigation with compensation as to mental agony and harassment," the commission said. The commission ordered Life Insurance Corporation of India to pay Rs 2 lakh along with a compensation and interest totaling Rs 3.18 lakh to Worli Koliwada based Kashawa Yenugandula. In the 10 page order, the commission also noted that the cause of death is due to heart attack and that there was no clear- cut evidence that smoking caused it. "Moreover, there is no sufficient evidence that hypertension is the root cause of death by heart attack. Thus, it was the duty of the respondent to prove all the above points, but it failed to do so," the commission said.

Yenugandula moved the South Mumbai District Consumer Redressal Commission on February 11, 2014. She submitted that her husband, Sadanandam Yenugandula was a BEST employee and had purchased the "Jeevan Saral Life Insurance Policy" in 2011. The premium of the policy had been regularly paid by the employer. On November 16, 2012, her husband was admitted to the hospital after he complained of chest pain. During the treatment he died.

(The writer is Rebecca Samervel.)

TOP

Consumer forum directs LIC to pay Rs 2 lakh claim to widow of policyholder - The Week – 08th June 2024

A consumer commission here has directed the Life Insurance Corporation of India (LIC) to pay a claim of Rs 2 lakh to the widow of a policyholder, citing that the man had been illiterate and was unaware of the terms and conditions of the policy. In an order passed last month, the District Consumer Disputes Redressal Commission, South Mumbai, noted that guidelines of the Insurance Regulatory and Development Authority (IRDA) state all terms and conditions should be explained to the insured in the language known to him before taking his signature on the policy document.

Evidence suggested that the deceased had studied up to Class 2 and had no reading and writing skills, the commission said. "In this respect, evidence of handwriting expert speaks that for want of specific character, he could not opine who had actually signed the proposal form," it noted. The commission, after perusal of the evidence on record, concluded that the deceased had not suppressed any fact while submitting the proposal form, as "being illiterate", he was unaware of the terms and conditions of the proposed policy.

In the complaint, the deceased man's wife said her husband had taken an LIC policy of Rs 2 lakh, and in December 2012, he died of a heart attack at a hospital while undergoing an angioplasty. When the complainant filed for the claim, the insurer repudiated it on the ground of "suppression of material facts". It contended that the complainant's husband had not disclosed that he suffered from hypertension and had the habit of smoking.

To this argument, the commission said there is no clear-cut evidence that smoking was the cause of death. "Moreover, there is no sufficient evidence that hypertension is the root cause of death by heart. Thus, it was the duty of the respondent (LIC) to prove all the above points, but it failed to do so," it said. The repudiation was "arbitrary and unsustainable", the commission said, holding the woman's claim as justified. The commission then directed LIC to pay the widow the claim amount of Rs 2 lakh with nine per cent interest from the date of repudiation, March 18, 2013, till its actual realisation. The LIC has also been directed to pay a compensation of Rs 1 lakh towards mental agony and Rs 20,000 towards litigation to the complainant.

TOP

PENSION

Capacity boost for EPFO, ESIC to pave way for labour reforms - The Economic Times – 14th June 2024

The ministry of labour and employment will fast track governance and administrative reforms and enhance capacity at its two key social security organisations - Employees' Provident Fund Organisation (EPFO) and the Employees' State Insurance Corporation (ESIC) in the first 100 days of the new government.

The move is aimed at preparing the groundwork for introducing social security benefits to gig and platform workers under the Labour Codes, which are expected to be rolled out by next fiscal. Soon after taking charge, labour and employment minister Mansukh Mandaviya held several rounds of review meetings with top officials of the labour ministry, EPFO and ESIC, and called for continuation of the government's key labour reform agenda. "Labour reforms with a view on universal social security and employment creation is the focus of the government," a senior government official said, adding reforms at EPFO and ESIC would prepare them to handle a bigger subscriber base with quality service in a transparent and time bound manner.

The government is likely to extend benefits like provident fund and pension to unorganised sector workers under EPFO while health services would be given under ESIC. The Social Security Code, 2020, passed by Parliament in 2020, entails extending social security to gig and platform workers. Some of the changes envisioned for retirement fund body EPFO in the short, medium, and long term include restructuring of its offices, business process re-engineering, and leveraging IT for automatic settlement of claims and cadre restructuring.

Capacity expansion under ESIC, on the other hand, include setting up new hospitals and pan-India convergence of ESIC scheme with Ayushman Bharat Pradhan Mantri Jan Arogya Yojana (PMJAY) to allow both PMJAY and ESIC subscribers avail health services of each other. The broader aim is to create innovation-driven social security organisations and give seamless and uninterrupted services in a contactless, paperless and transparent manner to stakeholders using the latest technology.

(The writer is Yogima Seth Sharma.)

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IRDAI CIRCULAR

Circular	*Reference*
Master Circular on Submission of Returns, 2024	https://irdai.gov.in/web/guest/document-detail?documentId=5050759
First year premium of Life Insurers as at 31.05.2024	https://irdai.gov.in/web/guest/document-detail?documentId=5034347
Master Circular on Life Insurance Products	https://irdai.gov.in/web/guest/document-detail?documentId=5032913
Press Release on Reforms in Life Insurance Business	https://irdai.gov.in/web/guest/document-detail?documentId=5033351
Press Release- Reforms in General Insurance Business	https://irdai.gov.in/web/guest/document-detail?documentId=5025865
Master Circular on General Insurance Business	https://irdai.gov.in/web/guest/document-detail?documentId=5025428

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GLOBAL NEWS

Japan: Life insurers expected to deliver stable or slightly improved core profits for FY2024 - Asia Insurance Review

Japanese life insurers have reported a significant increase in core profits and net income after tax, benefiting from lower pandemic-related claims and an improved investment environment with higher interest rates and a weakened yen, noted CreditSights, a Fitch Group company which has just published its outlook for the life insurance sector.

Growth varied in FY23, but Nippon Life dominated with a strong Increase
While new business premiums continued to grow for all insurers, total premiums, including new business and inforce business, slowed in FY23 (financial year ended 31 March 2024) for most insurers, with the exception of Nippon Life. Nippon Life's impressive growth in consolidated premiums, up 34.9% to JPY8,598.3bn ($54.7bn), stood out as the company was able to capitalise on the strength of its subsidiary (Nippon Wealth Life) to capture demand for foreign currency single premium products from affluent customers.

In contrast, Meiji Yasuda experienced a decline in sales, with premiums falling by 8.9% to JPY3,333.1bn, mainly due to a decline in single premium products. Sumitomo Life, with a modest 2.4% increase in premiums to JPY2,644.2bn, and Asahi Life, with a 3.2% increase to JPY432bn, were actually driven by domestic or overseas subsidiaries to offset the decline in premiums at the main operating units. Dai-ichi Life's financial story was one of recovery in FY23, as evidenced by strong growth in the final quarter compared with sluggish performance in the first half, reflecting the positive impact of new product launches in December 2023.

Strategic overseas expansion was in the spotlight for the insurers in FY23 and early FY24, with notable moves such as Nippon Life's acquisition of a 20% stake in Corebridge from AIG and Sumitomo Life's acquisition of SingLife from Aviva. These moves demonstrate a strategic commitment to growth in international markets, and underline insurers' strategy to diversify their revenue streams in response to domestic market saturation and demographic decline.

CreditSights expects such investments to continue over the medium to long term, with the substantial sizes of the Japanese life insurers enabling them to undertake significant transactions, particularly in the US market. CreditSights thinks the transition to a new solvency regime next year (FY25) may temporarily moderate these expansion efforts, but once this regulatory change is fully integrated, a more active period of acquisitions may follow.

Profit rebound with lower COVID-19 claims and rising interest rates

The industry as a whole benefited from the fading impact of the COVID-19 pandemic, with all insurers reporting substantial recoveries in core profits. These recoveries were significant, for example, with Nippon Life's core profit increasing by 61.5% to JPY764bn, Meiji Yasuda's core profit increasing by 39.6% to JPY561.0bn, and Fukoku Life's core profit doubling to JPY99.5bn. As a result, core profit margins improved across the industry.

Japanese life insurers also benefited from improved investment results on the back of increased interest rates and a depreciating yen. Companies such as Nippon Life benefited from this trend, with its investment spread rising 15.8% to JPY284.6bn.

Besides, the weakening yen boosted returns on overseas income when translated back into domestic currency, as evidenced by Meiji Yasuda's and Sumitomo Life's increase in investment income. However, for Sumitomo Life, the increased reliance on foreign assets resulted in higher currency risk, leading to higher hedging costs. Overall, Japanese life insurers reported strong growth in net income after tax, supported by reduced COVID-19 claims and improved investment results, as mentioned above.

Nippon Life's net income after tax surged 190.1%, driven by also robust sales of foreign currency products and good investment returns amid rising interest rates. Meiji Yasuda managed to reverse a decline in premiums with a 78.6% increase in net income after tax, supported by lower pandemic-related claims and the yen depreciation to support its investments. Sumitomo Life's financial performance reflected a 36.8% increase in net income after tax, largely due to accounting gains from the acquisition of SingLife (this reflected the increase in fair value of prior investments in SingLife; excluding this effect, pre-tax earnings would have dropped by 62.7%). Dai-ichi Life posted a 23% increase in net income after tax, reflecting a recovery in insurance profits and strong product launches and higher investment income towards the end of the year.

Among the smaller life insurers, Fukoku Life reported a 20.6% increase in net income after tax despite a slight decline in premiums, benefiting from lower payouts for COVID-19-related claims and lower foreign exchange hedging costs (as the insurer completely withdrew from investing in hedged foreign securities). The exception among insurers, Asahi Life, reported a 49.5% decline in net income after tax, mainly due to higher future benefit provisions.

Financial positions remained strong, backed by high solvency ratios

Despite some fluctuations, insurers across the board reported solvency ratios far above the regulatory minimum, reflecting a well-capitalised sector. In our view, preliminary figures for the economic solvency ratio (ESR) also suggest that many insurers are well-positioned to transition smoothly to the new framework next year. In FY23, the solvency ratios of Japanese life insurers reflected a mixed trend, with some companies experiencing declines due to increased investment risk, while others saw improvements supported by unrealised gains on securities.

Outlook: Measured growth and stable core profit

Looking ahead to FY24, insurers' outlooks show a spectrum of expectations shaped by the previous year's experience and the strategies they have implemented. Nippon Life predicted a slowdown in sales, especially in the single-premium product market, which had previously surged. Meiji Yasuda, boosted by the expected contribution of Elevance Health and StanCorp's earnings, expects a rise in premiums. However, the insurer is also preparing for possible challenges in sustaining core profit growth amid rising operating expenses and the unpredictable impact of currency fluctuations.

Sumitomo Life is also forecasting an increase in premiums (+15%) following the integration of SingLife, a strong boost that underscores the value of strategic acquisitions. However, core profit is expected to remain flat as the insurer anticipates higher costs related to personnel, innovation and hedging. Dai-ichi Life is projecting a modest increase in profitability, with a flat core profit and an increase in investment income due to lower hedging costs. The company also expects new business value to increase, driven by stronger sales and improved underwriting. Lastly, Asahi Life's outlook leans towards stability, with a modest increase in core profit forecast, particularly as the company aims to strengthen the performance of its bancassurance-focused subsidiary Nanairo Life.

CreditSights' view of Japanese life insurers over the next 12 months is optimistic, albeit mindful of some potential challenges. While the dramatic growth in core profits seen in FY23 is unlikely to be repeated, insurers generally expect stable or slightly improved core profits. However, it is worth monitoring the rapid growth in overseas markets following recent acquisitions, as these ventures may entail higher acquisition and integration costs, which will impact overall operating expenses. Investment risk remains an important variable, with potential US interest rate cuts in the second half of the year or yen appreciation potentially reducing interest income. Nonetheless, this may be mitigated by lower hedging costs or additional rate increases in Japan. Most importantly, with strong solvency ratios and a long-term investment approach in safe assets, the high credit quality of insurers' assets is reassuring.

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Cambodia: Growth of insurance market slows in 1Q2024 - Asia Insurance Review

Cambodia's insurance sector continued to expand, with the total premium reaching $96.6m in the January-March period this year, according to data from the Insurance Regulator of Cambodia (IRC). Growth in 1Q2024 was marginal, recorded at 0.9% compared to the corresponding quarter in 2023. This was slower than the 5.6% increase attained in 1Q2023.

The gross premium of the general insurance market in the first quarter of this year amounted to $44.9m, an increase of 1% compared to 1Q2023, while the life insurance premium totalled $51.5m, up by 0.9%, the report noted. Cambodia's insurance market comprises 18 general insurers, 14 life insurers, seven microinsurance companies, and one reinsurer.

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Pakistan: Regulator highlights crucial need for agricultural insurance - Asia Insurance Review

The Securities and Exchange Commission of Pakistan (SECP) has stressed the crucial need for agricultural insurance in Pakistan which currently accounts for only 2% of the total non-life sector premiums. In a report titled "Securing Livelihoods: A Comprehensive Look at Crop and Livestock Insurance in Pakistan and the Way Forward", the SECP underscored the central role of Pakistan's agriculture sector in the economy, which accounts for 23% of the GDP, with 63% of this share generated from livestock. However, this sector faces significant risks including climate change, floods, droughts, pests, diseases and high input costs.

Pakistan's agricultural insurance landscape remains underdeveloped. At present, government-led insurance schemes cover approximately 14% of farmers, necessitating substantial expansion and enhancement.

There are challenges, both on the demand and supply sides, that hinder the growth of agricultural insurance in Pakistan which includes the limited capacity of the insurance industry of Pakistan to cover substantial losses in the agriculture sector and the absence of robust data necessary for risk measurement by insurers. A pervasive lack of insurance culture among farmers, driven by perceptions of non-viability and non-affordability, further stifles demand.

Pools

To address these issues, the report recommended reassessing current schemes and establishing insurance pools or consortiums to consolidate risks, making agricultural insurance financially viable for insurers and economically feasible for farmers.

A mandatory national crop insurance initiative and a nationwide livestock insurance programme with graduated subsidies for subsistence farmers were also suggested.

Integration of crop and livestock insurance into social protection initiatives of the government and incorporation of agricultural insurance into the national disaster risk financing strategy and food security policies were among other proposals.

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Indonesia: Regulator issues new rules to facilitate approval of insurance products - Asia Insurance Review

The issuance of a new regulation (POJK Number 8 of 2024) concerning "Insurance Products and Marketing Channels for Insurance Products", will facilitate the licensing of insurance products, according to Financial Services Authority (OJK).
Mr Aman Santosa, the head of the OJK Literacy, Financial Inclusion and Communication Department, in a statement last week, said, “Through POJK 8 of 2024, OJK hopes that the simplification of the insurance product approval process, the use of electronic or digital insurance policies and more careful management of premium/contribution calculations can be implemented well."

POJK 8 of 2024 includes the following provisions:
Simplifying insurance product approval and reporting mechanisms
Strengthening the main regulations regarding the implementation of unit-linked products
Strengthening regulations regarding the administration of digital insurance products

Strengthening the governance of insurance product management, especially in calculating premiums/contributions, is carried out through:
Structured and clear planning for the development and marketing of insurance products before they are marketed
Preparation of studies or testing of insurance products

Strengthening the duties, roles and responsibilities of the insurance product development committee, company actuaries and all related management personnel.

The Indonesian Life Insurance Association (AAJI) says that the new regulation, which was released in April 2024, represents an effort by the OJK to enable the insurance industry to grow sustainably. AAJI executive director, Mr Togar Pasaribu, says that in response to this regulation, insurance companies will move more quickly on product innovation.

POJK 8 of 2024 provides a transition period of six months from the date this POJK was promulgated and will be effective from 29 October 2024. OJK hopes that insurance companies will have sufficient time to make preparations so that the new regulation can be implemented effectively and efficiently for the development of the insurance industry.

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COI TRAINING PROGRAMS

Mumbai – June - July 2024

Sr. No	Program Name	Program Start Date	Program End Date	Details	Registration Link
1	Life Insurance Financials and Use of Z-Score Analysis	02-Jul-24	03-Jul-24	ClickHere	Register
2	Engineering Operational Policies: Underwriting and Claims	04-Jul-24	05-Jul-24	ClickHere	Register
3	Competitive Product Positioning in Life Insurance Marketing	08-Jul-24	08-Jul-24	ClickHere	Register
4	Marine Cargo Insurance -Underwriting & Claims	08-Jul-24	09-Jul-24	ClickHere	Register
5	Achieving Excellence in Customer Experience	08-Jul-24	09-Jul-24	ClickHere	Register
6	Cutting Edge Marketing Strategies for Branch/Unit Leaders of Life Insurance	10-Jul-24	10-Ju1-24	ClickHere	Register
7	Project Insurance	11-Jul-24	12-Jul-24	ClickHere	Register
8	Strategic Selling in Life Insurance	15-Jul-24	15-Jul-24	ClickHere	Register
9	Health Insurance and Preventive Care	15-Jul-24	16-Jul-24	ClickHere	Register
10	Management of Fire Insurance	18-Jul-24	19-Jul-24	ClickHere	Register
11	Managerial Skills for Insurance Executives	18-Jul-24	19-Jul-24	ClickHere	Register
12	Digital Marketing in Life Insurance	22-Jul-24	22-Jul-24	ClickHere	Register
13	Understanding ESG and its implications for Insurance companies	22-Jul-24	23-Jul-24	ClickHere	Register
14	Enterprise Risk Management (ERM)	25-Jul-24	26-Jul-24	ClickHere	Register
15	Corporate Governance and Regulatory Compliance in Insurance	29-Jul-24	30-Jul-24	ClickHere	Register
16	Reinsurance Treaty Designing	30-Jul-24	31-Jul-24	ClickHere	Register
17	Challenges in Fighting Fraud – Motor Third Party Insurance	30-Jul-24	31-Jul-24	ClickHere	Register

Kolkata – June - July 2024

Sr. No	Program Name	Program Start Date	Program End Date	Details	Registration Link
1	Managing Motor TP Claims and Controlling Frauds	18-Jul-24	19-Jul-24	ClickHere	Register
2	Leveraging Social Media for Life Insurance Selling	19-Jul-24	19-Jul-24	ClickHere	Register

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COURSES OFFERED BY COI

CC1 - Certificate Course in Life Insurance Marketing

Course Structure –

Particulars	Details
Date	20th July 2024
Duration of the course	4 months
Mode of Teaching	Self-study + 3 days Online Contact Classes
Total hours of Teaching	18 hours for Online Contact Classes (to solve queries)
Exam pattern	MCQ pattern + Assignments
Target Group	Graduate / Post Graduate, Freshers as well as employees working in Insurance Companies
Fees for the course	Rs. 5900/- (Rs. 5000/- + 18% GST)

CC2 - Advanced Certificate course in Health Insurance

Course Structure –

Particulars	Details
Date	20th July 2024
Duration of the course	4 months (3 hours on weekends)
Mode of Teaching	Virtual Training – COI, Mumbai
Total hours of Teaching	90 hours
Exam pattern	MCQ pattern
Target Group	Graduate / Post Graduate, Freshers as well as employees working in Insurance Companies
Fees for the course	Rs. 11,800/- (Rs. 10,000/- + 18% GST)

CC3 - Certificate Course in General Insurance

Course Structure -

Particulars	Details
Date	20th July 2024
Duration of the course	3 months (on weekends)
Mode of Teaching	Virtual Training - COI, Kolkata
Total hours of Teaching	100 hours
Exam pattern	MCQ pattern
Target Group	Fresh graduates/Post Graduates, Broking Companies, Insurance Companies, Freelancers
Fees for the course	Rs. 14,160 /- (Rs. 12,000/- + 18% GST)

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

Course Structure -

Particulars	Details
Date	21st – 23rd August 2024
Duration of the course	3 Days
Mode of Teaching	Virtual Training sessions
Total hours of Teaching	15 hours for online classes
Exam pattern	MCQ pattern
Target Group	Employees working in Fraud cells/ Claims Department/ Audit functions of the company
Fees for the course	Rs. 10620/- (Rs. 9,000/- + 18 % GST)

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

Post Graduate Diploma in Collaboration with Mumbai University

Post Graduate Diploma in Health Insurance (PGDHI)

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

Post Graduate Diploma in Insurance Marketing (PGDIM)

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

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