



NATIONAL INSURANCE ACADEMY



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I. WHAT'S HAPPENING AT NIA

Webinar by NIA Alumni on "Ensuring & Insuring ESG: The Need of the Hour"

A webinar on the theme "Ensuring & Insuring ESG: The Need of the Hour" was organized by the Alumni of National Insurance Academy on 18th December, 2021. The webinar focussed on the impact of ESG on the insurers and other players in the insurance ecosystem, role of insurers in promoting ESG through their role as institutional investors, and new insurance covers for meeting ESG related liability risks.

If you missed being a part of the Live webinar, watch it at:

<https://www.youtube.com/watch?v=yQdBmVqYsRg>

A Webinar by
NATIONAL INSURANCE ACADEMY
Saturday, December 18, 2021
11.00 am to 12.30 pm

Ensuring & Insuring ESG: The Need of the Hour

The Covid-19 pandemic has made the organizations realize that long term sustainability is much beyond tackling the environmental risks. It requires developing resilience and that's where the ESG (Environment, Social, Governance) comes into play. Even the latest Business Responsibility and Sustainability Reporting (BRSR) norms laid down by the Securities and Exchange Board of India (SEBI) have mandated the ESG disclosure for organizations. In view of this, National Insurance Academy Alumni are organizing a Webinar on the theme "Ensuring and Insuring ESG: The Need of the Hour".

The focus of the discussions during the webinar will be around:

- Impact of ESG on the insurers and other players in the insurance ecosystem.
- Role of insurers in promoting ESG through their role as institutional investors.
- New insurance covers for meeting ESG related liability risks.

Event Flow:

Welcome and Inaugural Address:
Mr. G. Srinivasan, Director NIA - 11:00 am to 11:10 am

Alumni Panel Discussion: 11:10 am to 12:25 pm

Vote of Thanks:
Ms. Richika Yadav, Alumni Coordinator, NIA - 12:25 pm to 12:30 pm

Registration Link:
<https://forms.office.com/r/hWWi2y100K>

II. REGULATORY DEVELOPMENTS

1. Circulars:

a. Maintenance of Current Accounts in multiple banks by Insurance Intermediaries including entities sponsored by them. Click here for the circular: https://www.irdai.gov.in/ADMINCMS/cms/whatsNew_Layout.aspx?page=PageNo4616&flag=1

2. Annual Report: Click here for IRDAI's Annual Report of 2020-21: https://www.irdai.gov.in/ADMINCMS/cms/whatsNew_Layout.aspx?page=PageNo4615&flag=1

III. INSURANCE INDUSTRY FLASH FIGURES FOR NOVEMBER 2021

For monthly insurance industry data, click on:

1. [Life Insurance](#) (Source: LI Council)
2. [Non-Life Insurance](#) (Source: IRDAI)

IV. TOPICAL ARTICLES

1. EVs and Motor Insurance in India

Motor has been the largest portfolio of the general insurance industry. Although there was a de-growth of 1.68% in the premium (₹ 67,792.19 crore) in financial year 2020-21, the market share of Motor insurance in 2020-21 was 34.12%, as compared to 36.50% in 2019-20.

Motor insurance is a huge market for the insurance industry as almost every household owns a vehicle and motor insurance is also mandated by law. Hence no vehicle can run on road without an appropriate insurance policy. According to the 2020-21 Annual Report of the Ministry of Road Transport and Highways, there were 2,95,772 thousand registered motor vehicles in India in 2019, which includes two wheelers, cars, jeeps, taxis, buses, goods vehicles and others. However, despite being a compulsory insurance 57% of the on-road vehicles were uninsured (IIB Motor Annual Report 2019-20).

Apart from petrol run, diesel run and CNG run vehicles, environment friendly Electric Vehicles (EVs) have taken a spur in the Indian automotive industry recently. Although EVs came into existence some years back, the increasing consumer awareness, issues of pollution as well as

soaring fuel prices; accompanied by the government initiative FAME- Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles has given EVs a considerable leap. Though there is a long way to go for the Indian EV infrastructure, companies like Tata, Mahindra, Hyundai, Maruti and even the premium segments like Tesla, Volvo, BMW and Mercedes have either launched or will be launching their EVs in India soon. As per the Ministry of Heavy Industries total 5,17,322 EVs have been registered in the country since 2018.

Supporting the initiative (FAME) of Ministry of Heavy Industries, the insurance regulator IRDAI in June 2019 notified the third party premium rates for electric private cars and two wheelers, which is less than the rates of normal private cars and two wheelers. Hence it can be concluded that the advent of EVs has offered tremendous scope for the betterment of the environment and the future of Indian automotive as well insurance industry looks really electrifying!!

References:

<https://pib.gov.in/>

IIB Motor Annual Report 2019-20

IRDAI Annual report 2020-21

Ministry of Road Transport and Highways Annual Report 2020-21

(By Ruchika Yadav, Research Associate, NIA)

2. Digilocker: Way to access Insurance Documents Digitally

Digilocker is an initiative taken by the Government of India, where Indian citizens can get authentic documents/ certificate in digital format from original issuers of these certificates. It's an Indian digitization online service provided by Department of Electronics and Information Technology in the Ministry of Communications and Information Technology, Government of India, under its Digital India initiative (21st July, 2016).

DigiLocker is a secure cloud-based platform for storage, sharing and verification of documents and certificates. The initiative aims to eliminate or minimise the use of physical documents and to further enhance the effectiveness of service delivery, making them hassle free and friendly for the citizens of our country.

DigiLocker is a vital cog in enabling Digital India's visions of providing the citizens with a shareable private space on a public cloud and making all documents/certificates available on the cloud. Each user can avail a cloud storage space up to 1 GB.

As per Rule 9A of the Information Technology (Preservation and Retention of Information by Intermediaries Providing Digital Locker Facilities) Amendment Rules, 2017, the documents issued/pushed by various departments/organizations in DigiLocker system shall be deemed to be at par with original physical documents.

IRDAI vide Circular dated 9th February 2021, has advised all Insurance companies for issuance of Digital Insurance Policies via DigiLocker. In order to promote the adoption of DigiLocker in the insurance sector, the Authority advises all insurers to enable their IT systems to interact with DigiLocker facility to enable policyholders to use DigiLocker for preserving their policy documents.

This initiative will not only help in reducing the operating expenses of the Insurance Companies but will also be useful in elimination of customer complaints relating to non-delivery of policy documents, better persistency ratios, improved turnaround time of insurance services, faster claims processing and settlement, reduction in disputes, reduction in fraud and creating better customer engagement.

References:

Ministry of Communications and Information Technology

<https://www.digilocker.gov.in/>

IRDAI/INT/CIR/DGLKR/030/O2/2021

(By Mr Sandeep Pande, Research Associate, NIA)

V. INSURANCE NEWS

HSBC wins regulatory nod to take over insurance business in China

HSBC Holdings Plc. won regulatory approval to take full control of its life insurance venture in China after more than one and half years' waiting, marking an initial success in mending frayed relations with Beijing.

HSBC will buy the remaining 50% stake in HSBC Life China from The National Trust Ltd. after the approval by the China Banking and Insurance Regulatory Commission, according to a statement from the regulator.

To read the whole article click on: https://www.business-standard.com/article/international/hsbc-wins-regulatory-nod-to-take-over-insurance-business-in-china-121123101409_1.html

Shriram General Insurance launches new vertical to focus on Rural Insurance biz

Shriram General Insurance, the non-life private insurance unit of Shriram Group, has launched a separate vertical to focus on rural insurance. The company will recruit 1,500 employees and the insurance products will be available through 25,000 points-of-sale (PoS) as part of a three-year plan for rural expansion till FY25.

To read the whole article click on: <https://www.livemint.com/insurance/news/shriram-general-insurance-launches-new-vertical-to-focus-on-rural-insurance-biz-11640926523809.html>

Insurance Platforms Online Going to Disrupt Insurance Industry in 2022; Here's How

The Covid-19 pandemic played a momentous role in pushing digitization across the insurance sector. The world witnessed an augmented need for easy access to insurance information, products and services. With the digital acceleration and adoption, a vast number of insurance policy buyers have become comfortable in searching and buying policies online. A major investment in digital transformation across insurance operating models and customer experience enhancement through digital and remote channels can be expected in the coming year 2022.

To read the whole article click on: <https://www.news18.com/news/business/savings-and-investments/insurance-platforms-online-going-to-disrupt-insurance-industry-in-2022-heres-how-4613264.html>

Before and After Covid – 2021 Was A Redefining Era for Life insurance

The Covid-19 pandemic has been a cataclysmic event, one that has fundamentally changed people's belief and behavior. It made potential risks to human life and business starkly visible, forcing the entire civilization and economies to reorient their way of living.

A key change that occurred was the noticeable shift in how people interact with money, which in turn redefined the insurance sector. The best among us, who always shied away from life insurance equipped with the excuse 'this will never happen to me', were jolted to the reality of 'anything can happen'. The pandemic made people relook at their lives through a new lens and compelled them to financially secure important life events, build alternate avenues for income and plan for contingencies.

To read the whole article click on: <https://www.news18.com/news/business/savings-and-investments/before-and-after-covid-2021-was-a-redefining-era-for-life-insurance-4613258.html>

IRDAI retains LIC, GIC, New India as D-SIIs

Life Insurance Corporation of India, General Insurance Corporation of India and New India Assurance remain Domestic Systemically Important Insurers (D-SIIs) and consequently subject to enhanced regulatory supervision.

Insurance regulator IRDAI said this while announcing LIC, GIC Re and New India have been identified, like in 2020-21, as D-SIIs for 2021-22. Given their nature of operations and systemic importance, the three insurers have to carry on efforts to raise the level of corporate governance besides identifying all relevant risks and promoting a sound risk management framework and culture.

To read the whole article click on: <https://www.thehindu.com/business/Industry/irdai-retains-lic-gic-new-india-as-d-siis/article38074520.ece>

Looking back, looking ahead: Health Insurance - Navigating uncertainty with resilience

After a rather challenging 2020 everyone hoped for some relief in 2021. However, 2021 brought unprecedented devastation which caught everyone off guard. Along with sickness, it brought financial distress for many families.

Since the advent of the pandemic, the perception towards health insurance has been evolving. More people are realising that it's a must-have to protect them and their loved ones. It goes without saying that the high number of claims has put a great stress on the sector, yet it has been standing tall against all the headwinds.

To read the whole article click on: <https://www.financialexpress.com/money/insurance/looking-back-looking-ahead-health-insurance-navigating-uncertainty-with-resilience/2394480/>

Traditional life insurance plans: Know how money back, endowment plans work

If you are looking to buy a life insurance policy that can provide life cover as well as help you

save money for your future goals with a steady return, then in that case a traditional life insurance plan will be of use to you. A traditional life insurance policy could be an endowment plan, money-back plan or a whole of life insurance plan. Based on your age, term of the policy till which you want insurance coverage and the sum assured (life coverage amount), the premium is arrived at.

To read the whole article click on:
<https://www.financialexpress.com/money/insurance/traditional-life-insurance-plans-know-how-money-back-endowment-plans-work/2394267/>

2022: A year of firsts for insurance space; general insurer privatisation

With the amended general insurance business legislation, the government will push for privatisation of a state-owned general insurance company as well as pursue the mega initial share sale of LIC in 2022.

Moving ahead with the proposed first-of-its-kind initiatives will make the relevant announcements made in the 2021-22 Union Budget a reality even as concerns over the pandemic situation and its possible impact on the recovering economy persist.

The General Insurance Business (Nationalisation) Amendment Act, 2021 to allow privatisation of state-run general insurance companies was approved by the Parliament in August and later came into force.

To read the whole article click on: https://www.business-standard.com/article/economy-policy/2022-a-year-of-firsts-for-insurance-space-general-insurer-privatisation-121123000344_1.html

Should You Buy Term Insurance Plans With Return Of Premium Feature?

Buying a term insurance policy is the easiest and the smartest way of protecting your family in case something unfortunate happens to you. You just need to pay a premium in exchange for a life cover (sum assured). If something happens to you (the policyholder), the nominee gets the full payout as mentioned in the policy. Likewise, if you live beyond the policy term period, there's no payout.

However, many insurance companies have now introduced term plans with the 'return of premium' feature. "This works like a savings plus protection plan. In case of death, the nominee gets the committed sum insured amount. In case the policyholder survives the policy term, then

the nominees or he/she would get the entire premium paid during the policy tenure. Hence, in this case, the insured is guaranteed to get his/her investment back in any of the scenarios, either death or survival,” says Naval Goel, founder and CEO, PolicyX.com, insurance web aggregator. To read the whole article click on: <https://www.outlookindia.com/website/story/business-news-should-you-buy-term-insurance-plans-with-return-of-premium-feature/407420>

Your health insurance claim may get rejected if you don't do THESE checks before getting insured

Because life is unpredictable, it's a good idea to make sure you're financially prepared to deal with whatever comes your way. And that's exactly what insurance does for you. In our daily lives, we purchase several sorts of insurance. Health insurance, life insurance, term insurance, vehicle insurance, house insurance, and other types of insurance are available to suit a client's needs.

However, we frequently commit errors while selecting these insurances, and we end up feeling the effects of the consequences in the future. Even if you have insurance, you may find that you do not receive any benefits from it. When you approach the agency for a claim, it may refuse with some technological justification. In such a case, it is imperative that you take additional precautions when purchasing your health insurance.

To read the whole article click on: <https://www.dnaindia.com/personal-finance/report-your-health-insurance-claim-may-get-rejected-if-you-don-t-do-these-checks-before-getting-insured-2926093>

How Cashless Car Insurance is Beneficial?

A Car Insurance policy protects the insured and the insured's vehicle against any liabilities, losses, and damages suffered. It secures the vehicle owner financially against any unfortunate and unexpected incidents. If a car meets with an accident or has been stolen, the policy holder can make a claim and request the insurer for a settlement. The claim settlement can be done in two ways - a reimbursement settlement or a cashless settlement.

A reimbursement settlement, as the name suggests, is when the policyholder gets the vehicle repaired at a garage of his/her choice, makes the payment and thereafter gets it reimbursed from the insurer via a claim. In a cashless settlement, the policyholder can get the

insured vehicle fixed in a garage listed under the insurer's network. In this case, the payment is made directly to the garage by the insurer instead of being paid directly by the vehicle owner. However, it is important to note that the policyholder will have to bear the deductible and depreciation charges on both accounts.

To read the whole article click on: <https://www.thehindu.com/brandhub/how-cashless-car-insurance-is-beneficial/article38063452.ece>

LIC inaugurates 'Digi Zone' to sell insurance policies online

Life Insurance Corporation (LIC) of India has inaugurated 'Digi Zone' as part of its effort to enhance its digital footprint.

"With an intention to become a tech-driven life insurer, LIC will offer information regarding its products and services through kiosks installed in the premises, the insurer said in a statement.

Customers can use LIC's Digi Zone to buy policies online, pay the premium and avail of other services. LIC plans to undertake the next wave of digital transformation to unlock several benefits of accelerating growth, driving customer satisfaction and improving intermediary productivity and loyalty, it said.

To read the whole article click on: https://www.business-standard.com/article/companies/lic-inaugurates-digi-zone-to-sell-insurance-policies-online-121122901281_1.html

NPS subscribers can soon switch asset allocation 4 times in a year

Pension fund regulator PFRDA will soon allow the subscribers of the NPS scheme to change the investment pattern as many as four times during a financial year as there has been a demand to increase the limit, its Chairman said.

Currently, the subscribers under the NPS scheme are allowed to change the investment pattern twice in a financial year.

To read the whole article click on: https://www.business-standard.com/article/economy-policy/nps-subscribers-can-soon-switch-asset-allocation-4-times-in-a-year-121122900066_1.html

General insurers settle only third of claim amount due to natural calamities during FY21

General insurers settled only a third of the total claim amount due to natural calamities during the financial year ended March 2021, amounting to nearly Rs 761 crore, according to data from IRDAI.

Catastrophic events due to cyclones and floods in 2020-21 led to the reporting of as many as 34,304 claims worth Rs 2,559.10 crore, according to the 2020-21 annual report of the Insurance Regulatory and Development Authority of India (IRDAI).

The fiscal year witnessed cyclones such as Amphan, Nisarga and Nivar affecting states such as West Bengal, Odisha, Maharashtra, Gujarat and other neighbouring states during June 2020.

To read the whole article click on: <https://www.financialexpress.com/industry/general-insurers-settle-only-third-of-claim-amount-due-to-natural-calamities-during-fy21/2392521/>

Why IoT and Telematics are the final frontier for vehicle insurance

The science of Insurance is to price a risk well while ensuring the occurred loss is covered adequately in case of an accident. Insurers do this with available data points, historic information and demographic assumptions. For motor insurance, premium patterns are largely dependent on the vehicle make, model, age as well as geography the vehicle is driven in. Drivers and their individual behavioural patterns are still not utilised in serving premiums even though it is possibly the most defining factor in the entire vehicle lifecycle.

Currently, no insurer is underwriting motor insurance based on customer behaviour due to lack of data. However, with the advent of IoT and telematics, this situation can be turned around.

To read the whole article click on: <https://www.financialexpress.com/auto/news/why-iot-and-telematics-are-final-frontier-for-vehicle-insurance/2391776/>

ICICI Prudential Life Insurance launched new term plan offering 105 pc return

ICICI Prudential Life Insurance has launched a new term plan offering 105 per cent return of the premium paid at age of 60 or 70 or on policy maturity as the policy auto-adjusts the life cover based on the changing life-stages of the insured. The new policy, ICICI Pru iProtect return of

premium, also offers an option to take cover against 64 critical illnesses, the life insurer said in a statement.

To read the whole article click on:

<https://economictimes.indiatimes.com/industry/banking/finance/insure/icici-prudential-life-insurance-launched-new-term-plan-offering-105-pc-return/articleshow/88543212.cms>

Do you need multiple term insurance policies as you age?

Many people have multiple traditional insurance policies. But what about term plans? Do you just need one? Or should you have several?

Buying multiple insurance policies is quite common and completely legal in India. But do you need them? And should you buy multiple term policies?

To read the whole article click on: <https://www.moneycontrol.com/news/business/personal-finance/do-you-need-multiple-term-insurance-policies-as-you-age-7873371.html>

HDFC Life Insurance announces bancassurance tie-up with South Indian Bank

HDFC Life Insurance Company has announced a bancassurance tie-up with South Indian Bank (SIB).

This bancassurance arrangement will enable customers of SIB to avail HDFC Life's life insurance products, including solutions for protection, savings and investment, retirement and critical illness.

To read the whole article click on: <https://www.thehindubusinessline.com/money-and-banking/hdfc-life-insurance-announces-bancassurance-tie-up-with-south-indian-bank/article38047381.ece>

'Health Insurance no longer a push product'

Health insurance is no longer a push product but a pull product, believe insurers. While initial demand in recent months was due to the pandemic, gradually, more people are buying medical cover on their own and insurers believe the demand will continue to increase.

To read the whole article click on: <https://www.thehindubusinessline.com/news/health-insurance-no-longer-a-push-product/article38034319.ece>

Ensuring the safety of insurance sector

The RBI recently proposed to reduce the ownership by banks over insurance companies at a maximum of 20 per cent from a present 50 per cent.

This move is to be welcomed, as the close inter-relationship of banks with the insurance sector and other financial investment companies, causes opaque monopolies that distort the market and concentrate risks dangerously for the bondholders, lenders, depositors, home borrowers, persons taking out an insurance claim and shareholders. The recent takeover of Reliance Capital by the RBI is an example of where the sector as a whole should not be heading.

To read the whole article click on: <https://www.thehindubusinessline.com/business-laws/ensuring-the-safety-of-insurance-sector/article38044088.ece>

No data on MSMEs covered by insurance maintained with IRDAI: FinMin

The government doesn't have data to gauge the insurance penetration in India's vast MSME sector. Even as the steps have been announced to improve insurance coverage for risk management in the MSME sector, "The Insurance Regulatory and Development Authority of India (IRDAI) has informed that data on the number of businesses under the MSME sector that are covered by insurance is not maintained by it," Minister of State for Finance Ministry Bhagwat Karad said in a written reply to a question in Rajya Sabha.

To read the whole article click on: <https://www.financialexpress.com/industry/sme/msme-eodb-no-data-on-msmes-covered-by-insurance-maintained-with-irdai-finmin/2390016/>

GigVistas partners with Alyve Health to launch health plans for gig workers

AI-powered gig-work platform GigVistas has announced its partnership with Alyve Health to launch comprehensive health plans for India's 8 million+ gig economy professionals.

The newly-launched plans are India's first to cover gig professionals along with their families and are affordable, keeping in mind the specific needs of independent contractors, freelancers, and gig professionals.

To read the whole article click on: <https://economictimes.indiatimes.com/industry/banking/finance/insure/gigvistas-partners-with-alyve-health-to-launch-health-plans-for-gig-workers/articleshow/88450862.cms>

Global Insurance Firm Marsh Increases Stake In India Subsidiary From 49% To 92%

Global insurance broker and risk advisor Marsh said it has raised its shareholding in Marsh India Insurance Brokers Pvt Ltd to 92 per cent from 49 per cent.

Marsh India is a joint venture between Marsh International Holdings Inc and India-based Rampart Trust.

The enhanced investment will enable Marsh to meet the increasingly complex needs of companies across all sectors of the fast-growing Indian economy and provide a platform from which it can further strengthen its presence in the future, a release said.

To read the whole article click on: <https://www.outlookindia.com/website/story/business-news-global-insurance-firm-marsh-increases-stake-in-india-subsiary-from-49-to-92/406404>

PM Garib Kalyan Insurance to e-Shram Portal: List of Govt Schemes in 2021

The Central Government under Prime Minister Narendra Modi has launched a number of welfare schemes ever since it came to power in 2014. However, the pandemic has pushed the government to launch even more schemes, to provide relief to common man reeling under economic and personal burden as Covid-19 set off a death rally in India. The schemes, planned at those who have suffered the consequences of the coronavirus pandemic, have been designed to provide relief to citizens across various sections of the society. From Pradhan Mantri Garib Kalyan package Insurance to the e-Shram portal, click here to see the policies launched by the government in 2021: <https://www.news18.com/news/business/pm-garib-kalyan-insurance-to-e-shram-portal-list-of-govt-schemes-in-2021-4586036.html>

Please share your feedback at <http://niapune.org.in/in-feedback>