



In This Issue:

I. What's Happening at NIA

1. Webinar on Cognitive Intelligence Transforming the Insurance Business

2. MoU with Glasgow Caledonian University, UK

II. Regulatory Developments

III. Industry Flash Figures

IV. Topical Articles

V. Insurance News

I. WHAT'S HAPPENING AT NIA

1. Webinar on Cognitive Intelligence Transforming the Insurance Business

National Insurance Academy organized leadership webinar series in collaboration with India InsurTech Association on the topic "Cognitive Intelligence transforming the insurance business" on 12th August 2021. The speaker was Mr. Vinay Kumar, CEO and Founder of Arya.ai.

The banner features the logos of India InsurTech Association and National Insurance Academy at the top. The text reads: "India InsurTech Association in association with National Insurance Academy presents InsurTech Leadership Talk Series". The topic is "Cognitive Intelligence transforming the insurance business". It lists a welcome address by Mr. G. Srinivasan and a moderator, Dr. Steward Doss. The speaker is Vinay Kumar, CEO and Founder of Arya.ai. The event is scheduled for August 12th at 4 PM.

2. MoU with Glasgow Caledonian University, UK

National Insurance Academy entered into a Memorandum of Understanding (MOU) with the Glasgow Caledonian University, U.K. on 13th August 2021. The collaboration would help the Academy to develop new or existing academic programs in the area of Insurance, Risk Management and Actuarial Science, through the exchange of skills and expertise, including student and faculty exchange. The collaboration would promote interdisciplinary research between the institutions and would also facilitate access to international networks and expertise in the areas of mutual interest between the partners.



II. REGULATORY DEVELOPMENTS

1. Regulations

a. Insurance Act, 1938 - incorporating all amendments till 2021. Click here for details:

https://www.irdai.gov.in/ADMINCMS/cms/whatsNew_Layout.aspx?page=PageNo4551&flag=1

2. Guidelines:

a. Guidelines on settlement of Life Insurance Claims to the victims of Flood in Maharashtra. Click here for the guidelines:

https://www.irdai.gov.in/ADMINCMS/cms/whatsNew_Layout.aspx?page=PageNo4537&flag=1

b. Guidelines on Insurance Claims of victims of Floods (July 2021) in the calamity affected districts of Maharashtra State. Click here for the guidelines:

https://www.irdai.gov.in/ADMINCMS/cms/whatsNew_Layout.aspx?page=PageNo4539&flag=1

3. Circulars:

a. Solvency Margin for Crop Insurance Business. Click here for the circular:

https://www.irdai.gov.in/ADMINCMS/cms/whatsNew_Layout.aspx?page=PageNo4534&flag=1

III. INSURANCE INDUSTRY FLASH FIGURES FOR JULY 2021

For monthly insurance industry data, click on:

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

IV. TOPICAL ARTICLES

1. Right Time for Quantum Transformation

Looking at the pandemic adverse experience, it's a wake-up call that the unexpected and the unlikely are more tangible and plausible than anyone previously anticipated. For most of us, it has been a bitter reality: painful, costly and still unresolved. There is no going back to normal. The risks and opportunities are too great. The stakes are too high. It is being accepted that pandemic-induced changes in strategy, management, operations and operational priorities are not only here to stay but to be watched for further required technological modification. Accelerated investment is evident in digital tech, transformation, and cloud adoption.

Tough time of testing is happening around in all spheres of life, be it individual, family, social, professional and/or business activity. The pandemic impact is still influencing greatly to the pace of work & business activities. Individuals having vaccinated may consider a bit safe but

we cannot say that it's POST COVID. The impact of second phase gave more adverse effect in its spread and has taken huge toll of life. The 2nd phase is still not over and threat of third phase with new variant is also apprehended. The COVID-19 crisis has brought about years of change in the way companies in all sectors and regions do their business.

All of this calls for a new opportunity to build for better business processes. It starts with enabling a diverse workforce to perform optimally and building trust and confidence among employees. The employees are required to be treated and trained to upgrade their skill to serve to the customers to have better impact on perceptions and value in the future.

Digital adoption has taken a quantum leap: Companies have to accelerate the digitization process in the interest of customer service with efficient interactions with intermediaries along with improvisation in their internal operations to stay competitive in the new business environment with new strategies and practices. Technology's strategic importance is a critical component of the business, not just a source of cost efficiencies. Technology capabilities most notably, filling gaps for innovation during the crisis, the use of more advanced technologies, and speed in experimenting.

Across sectors, the results suggest that rates for developing digital products during the pandemic differ. Given the time frames for making manufacturing changes, the differences, not surprisingly, are more apparent between sectors with and without physical products.

The customer-facing elements of organizational operating models are not the only ones that have been affected. Respondents report similar accelerations in the digitization of their core internal operations (such as back-office, production, and R&D processes) and of interactions in their supply chains. Unlike customer-facing changes, the rate of adoption is consistent across regions.

Employers need to ensure the effectiveness of their support for the Employees: Though executives think they are offering a lot of support & work to home resilience to their employees, however, Employees feel: employers significantly overestimate the effectiveness of their support and training efforts. Hence, there is massive opportunity for leaders who can get this right, when most seem to be struggling.

This trust gap is not simply about perceptions. On the contrary, there is a reasonable foundation for employee scepticism about corporate commitment to them. According to a survey results, 22 percent of people have been either temporarily furloughed or permanently laid off

since the pandemic began. Pair that with corporate priorities on cost-containment and technology resources – which are practical and even necessary – and employers may be sending signals that human resources are replaceable.

Focus on growth and competitiveness demands renewed discipline: There's another point, too: When pandemic lockdowns were imposed, exceptions were made for services deemed essential – and “essential workers” became the most appreciated, cheered contributors in society. Alongside this heightened recognition of those who enable others to live, work, and play has been a refocusing on “the essentials” in all organizations and for all budgets.

Working with new norms or with mixed working norms at organisational level, the pandemic impact on insurance business activities has been quite significant. The adverse impact is quite apparent. The work cultures, business processes, customers behaviour & expectations, new products & product development, are happening in a big way.

At individual level one can manage with adversities of time in his own way by changing & adopting the better ways to overcome with his own pace of comfort & convenience but when it comes to organizations & institution level, it has to cope up promptly for the required transformation that too at granular level. Business activities & processes need to be quickly redefined in a much better way to overcome the impact. To be precise it's time to go for COMPREHENSIVE TRANSFORMATION keeping in focus the whole business eco-system & interest of all stakeholders- the employees, customers, agents, brokers, intermediaries and connecting them with improved business processes on robust digital platform.

- Digital restructuring as per new norms for its pace & convenience
- Effective execution of digital business processes
- Clarity in approach for execution of business activity, whether it is for operations or back office
- The mind-set of all concerned has to be transformed with a new working set up

The positive outcome of Covid is that customers & stakeholders have become receptive for digital change & transformation. Everyone is now ready to accept the required changes in working norms whether its employee or customers. Online business activities are now rule of the day, every single business activity of any nature is looking for an online space with a swift business process, quick disposals without loss of time and excellent service experience. In view of this reality of digital & online world, its right time for each and every insurer to ensure for

perfect online digitally empowered architect well supported with matching mind-set of people working in the organization for extending the exemplary response to the customers in line of expectations

1. The transformation is now inevitable – let us examine honestly with a futuristic outlook
 - a. Are we changing in our approach for customers?
 - b. Are we evolving business processes keeping in view faceless interactions?
 - c. Are we developing effective user friendly apps for enhanced customer service?
 - d. Are we monitoring digital discipline for business activities?
 - e. Are we upgrading the skill & knowledge of employees with proper training at all levels?
2. Empowering customers to bridge the insurance gap
3. Insurers need to help customers in better understanding of insurance coverage correspond to their needs
4. Leverage this transformation to help them become better protected
5. Better engagement of employees using automation
6. Building workforce skills at scales to thrive against such impact
7. Next normal demands work resilience

Employees at the Center - Post-Pandemic Digital Strategy: This is perfect time for all organizations to develop a robust system of investing in developing new work culture with more transparent approach encouraging open discussion forums to invoke deeper sense of role & responsibilities for better performance. Corporate management need to envisage with a future visionary approach in extending more training opportunities to large number of employees for enhancing technical & competitive skills in a consistent way. Moreover the digital technology has given a great boost to the training opportunities at much better economy level. Regular follow up & call back evaluation system can bring about a great transformation in work approach with the new digital platform. NIA can play an effective role in imparting such training programmes specific to the requirement on regular interval for all executive levels.

1. Digital strategy has to be designed in the context of people. It's not just about adding new technologies like quantum computing, IoT, or AI, but how that tech will make employees connect more effectively with their work.

2. It's also time to shift from the here-and-now and look further out, revisiting long-term strategies. To get the most out of technology investments, organizations need to hit the pause button and think more about how the employees can connect to the goals to achieve with that technology.

The paradox is that while many organizations have gained new efficiencies from embracing digital transformation – using technologies such as Zoom, Microsoft Team & other interaction tools to keep their workforce functioning remotely – they may now risk losing their best employees, many of whom feel disconnected and disengaged in this new digital workplace.

Competitiveness and workforce resilience: Leaders are expecting more from their transformation initiatives. They identify competitiveness and workforce resilience as the benefits they most want from ongoing digital transformation. Transformation is also accelerating among a majority of organizations. But strikingly, greater focus on transformation seems to be at the expense of customer relationships and partnering opportunities.

When everything is a priority, nothing is a priority. And as executives struggle to make sense of the post-COVID business environment, many find themselves leading from this grey area of indecision.

1. Workforce Safety & Security
2. Customer Retention
3. Cost Management
4. Cash flow Management
5. Digital Transformation
6. Enterprise Agility

Right Time for Quantum Transformation: It is imperative that Organizations navigate their transformation in terms of real time response for all customer service to ensure competitive advantage. The strategy can be adopted as under:

1. Engage and enable the workforce in new ways with inspirational leadership
 - a. Provide support for more flexi work options
 - b. Emphasize employee's well-being and skill development
 - c. Train & Develop right talent with a long term perspective
2. Automation & Digital Technologies to make workflows more intelligent- More focus on process resiliency, cyber security and adoption of AI & automation

3. Operation Flexibility
 - a. Improvement in digital operations
 - b. Business functions movement to the cloud

(By Dr. Suresh Saraswat, Ex- Faculty, NIA)

2. Overview of Life Insurance Industry's key Parameters: Financial Year 2020-21

Persistency ratio: It measures the number of policies that continues to be in the books of the insurer by the end of the first year (13th month persistency), second year (25th month persistency), third year (37th month persistency), fourth year (49th month persistency) and fifth year (61st month persistency).

Higher persistency ratios shows that the existing customers are satisfied with the products and services provided by the insurer.

Table:1 PERSISTENCY OF LIFE INSURANCE Policies (in %) Upto 31st March 2021

Insurer	Policy Basis					Annualized Premium Basis				
	13th Month	25th Month	37th Month	49th Month	61st Month	13th Month	25th Month	37th Month	49th Month	61st Month
Aditya Birla Sun Life Insurance Co. Ltd	73.00	61.00	48.00	43.0	39.00	84.00	72.00	60.00	55.00	51.00
Aegon Life Insurance Co. Ltd	87.00	79.00	72.00	65.00	40.00	72.00	65.00	56.00	52.00	32.00
Aviva Life Insurance Co. Ltd	62.00	54.00	47.00	44.00	40.00	70.00	56.00	49.00	48.00	46.00
Bajaj Allianz Life Insurance Co. Ltd	70.00	58.50	44.70	43.90	35.20	79.80	71.30	62.80	54.30	42.30
Bharti AXA Life Insurance Co. Ltd	39.00	44.30	42.90	39.80	37.50	62.50	52.60	49.80	46.10	41.40
Canara HSBC Life Insurance Co. Ltd	76.60	67.50	61.10	54.10	46.70	80.40	71.90	66.50	59.10	53.60
Pramerica Life Insurance Co. Ltd	75.40	60.75	61.60	55.64	47.14	77.26	61.52	60.90	62.83	50.23
Edelweiss Tokio Life Insurance Co. Ltd	-	-	-	-	-	76.50	68.40	62.50	57.10	47.40
Exide Life Insurance Co. Ltd	-	-	-	-	-	75.30	63.60	55.00	49.40	40.60
Future Generali Life Insurance Co. Ltd	62.78	45.13	32.70	32.77	25.54	70.92	46.85	35.33	26.74	20.28
HDFC Standard Life Insurance Co. Ltd	77.36	64.23	56.95	51.72	43.36	91.74	84.18	74.73	69.58	54.36
ICICI Prudential Life Insurance Co. Ltd	80.90	72.60	64.50	61.80	56.40	87.10	76.10	69.20	65.40	59.80
Ageas Federal Life Insurance Co. Ltd	72.70	63.12	60.55	49.63	40.62	85.06	75.63	75.69	67.67	53.53

India First Life Insurance Co. Ltd	71.10	58.20	50.86	46.76	39.63	78.73	67.02	61.33	57.22	43.48
Kotak Mahindra Life Insurance Co. Ltd	83.42	74.64	68.26	62.84	50.81	89.61	79.22	72.23	67.30	57.98
Max Life Insurance Co. Ltd	79.00	67.00	58.00	53.00	50.00	84.00	68.00	60.00	56.00	53.00
PNB Met Life Insurance Co. Ltd	75.88	63.01	55.84	49.79	38.65	76.14	60.64	56.14	50.82	36.21
Reliance Nippon Life Insurance Co. Ltd	-	-	-	-	-	78.50	64.30	60.10	53.30	44.60
Sahara India Life Insurance Co. Ltd	-	-	-	-	-	-	-	-	-	-
SBI Life Insurance Co. Ltd*	78.67	62.28	58.29	50.83	39.62	85.39	75.83	72.12	65.02	48.73
Shriram Life Insurance Co. Ltd	55.80	40.30	31.00	31.20	21.60	61.50	55.30	46.30	47.70	36.50
Star Union Dai-ichi Life Insurance Co. Ltd	70.28	57.46	48.94	44.40	34.09	78.08	64.51	58.23	52.53	43.12
Tata AIA Life Insurance Co. Ltd	70.15	63.67	57.16	49.53	39.75	88.28	77.08	66.25	61.00	57.42
LIC of India	67.00	58.00	55.00	52.00	48.00	79.00	70.00	67.00	63.00	59.00

Solvency ratio is the ability of a company to meet its long-term fixed expenses and to accomplish long-term expansion and growth. The higher the ratio, the better equipped a company is to pay off its debts and survive in the long term.

Adequacy of solvency margin forms the foundation for meeting the short-term & long-term policyholder's obligations. All insurance companies are required to comply with solvency margin requirements of the Regulator as prescribed from time to time. Presently, as per IRDAI's regulations, every Life Insurer has to maintain a minimum of solvency margin threshold of 150%.

Net Retention Ratio: It is calculated as the Net premium to the Gross premium. Net premium is taken as the gross premium net of reinsurance ceded & accepted. Insurance companies having higher risk appetite and prudent underwriting capability, can go for higher retention of risk resulting into higher profitability.

At the same time, ceding premium with the reinsurer not only spreads the risk but also provides more expertise in understanding the risk and stability to the Life insurer to sustain its business in difficult times.

Management Expense Ratio: It is the Expense of Management to the Gross Direct Premium collected. Expenses of Management includes the gross commission paid & the operating expenses related to Life insurance business. The total of Gross premium is net of the applicable GST.

Commission expenses ratio: It is the Gross commission expenses as a percentage of Gross premium. Gross premium taken will be net of applicable GST. The ratio will be helpful in ascertaining the cost associated with the Life Insurance business procured and retained. Need for a Life Insurance policy seems to be low in the wish list of the customers, prompting a higher upfront commission for the insurance intermediaries.

Life insurance companies with better understanding of the market & customer's need along with use of digital technology, are coming out with innovative products through various new distribution channels to control the commission expense ratio.

Insurer	Solvency Ratio	Net Retention Ratio	Management Expense Ratio	Commission Expense Ratio
Aditya Birla Sun Life Insurance Co. Ltd	1.8	97	19.07	5.55
Aegon Life Insurance Co. Ltd	2.41	96	21	1
Aviva Life Insurance Co. Ltd	2.24	94	23	2
Bajaj Allianz Life Insurance Co. Ltd	6.65	99.2	20.9	4.8
Bharti AXA Life Insurance Co. Ltd	1.78	98.6	37.7	6.9
Canara HSBC Life Insurance Co. Ltd	3.27	98.2	17.2	5.7
Pramerica Life Insurance Co. Ltd	4.42	94	28	3
Edelweiss Tokio Life Insurance Co. Ltd	2.15	97.1	52	8.5
Exide Life Insurance Co. Ltd	2.22	97.7	26.5	6.4
Future Generali Life Insurance Co. Ltd	2.03	96.53	45.99	3.15
HDFC Standard Life Insurance Co. Ltd	2.01	98.8	16.32	4.43
ICICI Prudential Life Insurance Co. Ltd	2.16	97.9	11.7	4.2
Ageas Federal Life Insurance Co. Ltd	3.4	99.12	15.62	3.43
India First Life Insurance Co. Ltd	1.81	96.19	18	4.23
Kotak Mahindra Life Insurance Co. Ltd	2.9	98.21	18.2	4.71
Max Life Insurance Co. Ltd	2.02	99	21	6

PNB Met Life Insurance Co. Ltd	1.9	96.37	22.33	5.62
Reliance Nippon Life Insurance Co. Ltd	2.45	99.5	25	3
Sahara India Life Insurance Co. Ltd	-	-	-	-
SBI Life Insurance Co. Ltd	2.15	99.03	8.34	3.54
Shriram Life Insurance Co. Ltd	1.8	99.7	30.3	6.1
Star Union Dai-ichi Life Insurance Co. Ltd	2.06	96.28	19.09	6.08
Tata AIA Life Insurance Co. Ltd	2.04	97.09	25.14	8.98
LIC of India	1.76	99.89	14.17	5.5

Table:2

Against all odds, the resilience of Life Insurance Industry was commendable in helping their policy holders and other stake holders, during the Financial Year 2020-21.

(Source: Public Disclosures of various Life Insurance Companies)

(By Mr Sandeep Pandey, Research Associate, NIA)

V. INSURANCE NEWS

Why SMEs need insurance cover to manage risks

This pandemic has not spared any individual, business or sector. From large corporate houses, to smaller and micro companies, every industry felt the impact. SME sector was severely affected by the pandemic as many businesses closed down while others struggled to sustain themselves. The biggest learning from these dark times has been that SMEs have finally understood the value of insurance and how it can protect their businesses. Insurance became close to compulsion to provide finance to MSMEs. The demand for insurance has gone up particularly for group health related policies.

To read the whole article click on: <https://economictimes.indiatimes.com/small-biz/money/why-smes-need-insurance-cover-to-manage-risks/articleshow/85709446.cms>

Holders of Jan Dhan Accounts to get insurance

After seven successful years of the Pradhan Mantri Jan-Dhan Yojana (PMJDY), the financial inclusiveness scheme, the government is considering providing life insurance and accident

covers to over 430 million account holders, the finance ministry said. The government plans to ensure coverage of PMJDY account holders under micro insurance schemes – Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) and Pradhan Mantri Suraksha Bima Yojana (PMSBY), the ministry said in a statement. The Jan Dhan scheme was announced by Prime Minister Narendra Modi in his Independence Day address on August 15, 2014.

To read the whole article click on: <https://www.hindustantimes.com/india-news/govt-mulls-insurance-cover-for-430-million-jan-dhan-account-holders-finance-ministry-101630131874785.html>

Those joining NPS after 65 yrs of age can take up to 50% equity exposure

Making the National Pension System (NPS) more attractive for subscribers joining it after 65 years of age, the PFRDA has permitted them to allocate up to 50 per cent of the funds in equity, besides easing the exit norms.

The Pension Fund Regulatory and Development Authority (PFRDA) has revised the guidelines on entry and exit following an increase in the maximum age for joining the NPS from 65 year to 70 years of age. The entry age for NPS has been revised to 18-70 years from 18-65 years.

To read the whole article click on: https://www.business-standard.com/article/pf/those-joining-nps-after-65-yrs-of-age-can-take-up-to-50-equity-exposure-121082900444_1.html

India Post unveils 'Dial an Insurance' campaign

India Post, Mumbai Region has rolled out a campaign "Dial an Insurance" to augment market presence and recall value of Postal Life Insurance (PLI) among the people of Mumbai

Through this initiative, an insurance policy can be procured without the hassles of visiting the post office and the insurance will be processed online and payment effected online.

"Our insurance sector in Mumbai witnessed a boom with more than 50 % rise in PLI business during the last one and a half year," said Swati Pandey, Postmaster General, India Post, Mumbai Region.

To read the whole article click on: <https://www.thehindu.com/business/india-post-unveils-dial-an-insurance-campaign/article36128546.ece>

FinMin exploring insurance bonds as alternative to bank guarantees

The government is considering to introduce insurance bonds as an alternative to bank guarantees, Finance Secretary T V Somanathan said. Somanathan made the announcement during a meeting between industry captains and Finance Minister Nirmala Sitharaman, who is on a two-day visit to the financial capital.

To read the whole article click on: https://www.business-standard.com/article/economy-policy/finmin-exploring-insurance-bonds-as-alternative-to-bank-guarantees-121082401417_1.html

Govt to link insurance, pension schemes with informal workers' database

The government has announced plans to integrate four pension and insurance schemes, including health assurance scheme Ayushman Bharat, with the informal sector database that is in the works. The other three are: The Pradhan Mantri Shram Yogi Maandhan Yojana (PMSYM), Pradhan Mantri Suraksha Bima Yojana (PMSBY), and the Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY), the labour and employment ministry said.

To read the whole article click on: <https://www.livemint.com/news/india/govt-to-provide-380-mln-informal-workers-12-digit-unique-number-11629804526194.html>

How to choose the right travel insurance during covid-19

Of all the industries, travel and hospitality were the most impacted by the covid-19 pandemic. Both domestic and international travel have been poor since 2020, and the industry is still trying to revive. Along with travel, the travel insurance industry was equally impacted by covid.

Aatur Thakkar, co-founder and director at Alliance Insurance Brokers, said, "Post November 2020, the travel market had witnessed some growth; however, after the second covid wave, there was a steep decline in the travel segment again." Thakkar added, "Since most countries have not opened borders for international travel, that market is still slow. Some countries have made travel insurance compulsory, and many other countries are likely to follow suit."

That would mean travel insurance may have to be factored into every travel plan from now on.

To read the whole article click on: <https://www.livemint.com/money/personal-finance/how-to-choose-the-right-travel-insurance-policy-amid-covid19-11629832874684.html>

MedTech: An agenda to render affordable and efficacious healthcare

The healthcare and medical device sectors have grown significantly in the last decade. A transforming medical technology landscape, improving healthcare delivery and financing mechanisms and changing patient profile are driving growth in the medical technology industry. However, the industry has been stifled by some key impediments to growth. The foremost among these is the lack of affordability, accessibility, awareness, and availability. A key question therefore is, how to increase penetration of medical technology to improve health outcomes in India. The answer lies in innovation. Medical technology innovation can be the tool to make modern care accessible, available and affordable by lowering the cost of the product or delivery.

To read the whole article click on:

<https://www.financialexpress.com/lifestyle/health/medtech-an-agenda-to-render-affordable-and-efficacious-healthcare/2317310/>

Organ transplant is costly, but insurance can help

Organ donations can make a significant difference to someone's life. But most people shy away from this noble cause owing to safety concerns and the exorbitant cost of organ transplant surgeries. Though organ transplant surgeries are costly, health insurance policies and critical illness policies do cover them. Nowadays, many health insurers have included organ transplant surgeries in their standard plans.

To read the whole article click on: <https://www.livemint.com/money/personal-finance/organ-transplant-is-costly-but-insurance-can-help-11629918957627.html>

How Age And Gender Affect Car Insurance Rates

When it comes to buying car insurance, age and gender can impact rates.

Women tend to pay less for car insurance than men. And it should come as no surprise that young drivers pay the most. Age correlates with driving experience and the risk of getting into a car accident.

The high car insurance rates that young drivers pay start to go down at age 25. You'll get the best rates in your 50s and early 60s, assuming you have a good driving record. Then auto insurance rates start to creep back up again around age 65.

To read the whole article click on: <https://www.forbes.com/advisor/car-insurance/rates-age-and-gender/>

Flagship crop insurance scheme under scrutiny in bid to boost its popularity

The parliamentary standing committee on agriculture has expressed concern over the non-implementation of the central government's flagship crop insurance scheme, Pradhan Mantri Fasal Bima Yojana (PMFBY), and withdrawal from it, by several states.

Gujarat, Andhra Pradesh, Telangana, Jharkhand, West Bengal and Bihar have exited the PMFBY scheme, citing the cost of the premium subsidy to be borne by them. Madhya Pradesh joined late in the current kharif (monsoon) season while Tamil Nadu opted out.

To read the whole article click on: <https://www.asiainsurancereview.com/News/View-NewsLetter-Article?id=77729&Type=eDaily>

'More Money for Health': Financing Universal Health Coverage in India

Any discussion of the pathways that India needs to take towards Universal Healthcare (UHC) would be incomplete without a clear understanding of how it is to be financed. While this proportion varies considerably across states, currently, we in India spend a total of about 4% of our Gross Domestic Product (GDP) on healthcare with almost 2.5% (or 62.5% of the 4%) of this being directly paid for by us at the time we use any healthcare services. This is far too high. For UHC to be achieved it is imperative that we instead pay for all of this via our taxes or insurance premiums and the share of direct (also called "out-of-pocket" or OOP) payments gradually declines to zero. This is because while sudden episodes of severe illness could strain our individual budgets and may even force us to forego care, large tax and insurance pools are well equipped to absorb such shocks.

To read the whole article click on: <https://www.hindustantimes.com/ht-insight/public-health/more-money-for-health-financing-universal-health-coverage-in-india-101630233656078.html>

Delay in third-party premium hike hurting balance sheets: Insurers

No increase in motor third party premiums for the second consecutive year has left general

insurers staring at more stress in their balance sheets, which have already been under pressure owing to mounting Covid claims. The insurance regulator had proposed a hike in third-party premium for FY21 but it was put on hold to provide relief to policyholders during the pandemic.

In FY20, insurers got a modest hike, but even that was delayed by three months. It has been two years since then, and the general insurance industry is yet to get a motor third party hike from the regulator.

To read the whole article click on: https://www.business-standard.com/article/economy-policy/delay-in-third-party-premium-hike-hurting-balance-sheets-insurers-121082700021_1.html

Five health insurance lessons from the covid pandemic

Covid-19 has shaken up the world in more ways than one. As we all try to adapt to a new normal in the aftermath of this health crisis, it is important to ask ourselves: Is my health insurance adequate?

This is a very pertinent question to ask because we have all heard horror stories of how hospitalization costs of more than one family member infected by covid-19 has meant that a family has had to dip into their life's savings to meet those costs, because the health insurance coverage was not enough. Against this backdrop, here are five important health insurance lessons to learn from the pandemic.

To read the whole article click on: <https://www.livemint.com/money/personal-finance/five-health-insurance-lessons-from-the-covid-pandemic-11629997506790.html>

Porting your health insurance policy? Key things to know

Most of us purchase health insurance policies as a financial backup to afford medical treatments at any point in our life. Moreover, our sedentary and changing lifestyle has led to a rise in several diseases like diabetes, cancer, heart attack, etc which requires long-term treatment and hence a regular drain to our financial resources at a time when medical treatments are becoming more and more expensive due to medical inflation.

Health insurance not only protects your hard-earned savings by covering the expenses but also enables you to avail best medical treatment and care with peace of mind as we don't have to

worry about hefty hospital bills. But are you satisfied with the health insurance policy you are currently having? Sometimes a big no, when we find that the current insurer is charging more premium and providing less services than its competitor. So can we port our health insurance policy to that competitor without being in any disadvantage just like we port our mobile numbers?

To read the whole article click on: <https://www.livemint.com/insurance/news/porting-your-health-insurance-policy-key-things-to-know-11629963104203.html>

Vehicles sold from Sept. 1 should have five-year insurance cover: HC

The Madras High Court has directed the State Transport Secretary to ensure that all motor vehicles sold in Tamil Nadu from September 1 get bumper-to-bumper insurance cover along with coverage for driver, owner, passengers and third parties for a period of five years.

To read the whole article click on: <https://www.thehindu.com/news/national/tamil-nadu/vehicles-sold-from-sept-1-should-have-five-year-insurance-cover-hc/article36128993.ece>

EASE 4.0: Govt will continue to have minimum stake in insurance sector; employees' interests to be protected during privatisation, says FM Nirmala Sitharaman

Union Finance Minister Nirmala Sitharaman once again made it clear that the government will continue to have minimum stake in the life insurance, general insurance and reinsurance sectors as it is a strategic sector related to the common people.

While answering a question during the review meeting of public sector banks in Mumbai, the Finance Minister said that the insurance sector is a strategic sector of great importance, so the government will never be completely out of this sector.

To read the whole article click on: <https://business-journal.in/general-news/ease-4-0-govt-will-continue-to-have-minimum-stake-in-insurance-sector-employees-interests-to-be-protected-during-privatisation-says-fm-nirmala-sitharaman-business-journal/>

Goldman Sachs, J P Morgan Chase among 10 merchant bankers to manage LIC IPO

The government has shortlisted 10 merchant bankers, including Goldman Sachs Group Inc., J P Morgan Chase & Co, and ICICI Securities NSE 0.53 %, to manage the mega initial public offering (IPO) of the country's largest life insurer LIC. As many as 16 domestic and international firms had made presentations before the Department of Investment and Public Asset Management (DIPAM) on August 26 to act as book running lead managers (BRLMs) for IPO -- touted to be the biggest share sale in the country's history.

To read the whole article click on:

<https://economictimes.indiatimes.com/news/economy/policy/goldman-sachs-j-p-morgan-chase-among-10-merchant-bankers-to-manage-lic-ipo/articleshow/85732587.cms>

Term insurance plan: Automating increase in sum assured could prove useful

SBI Life Insurance recently launched a term plan called SBI Life eShield Next. Apart from a level cover option (where the sum assured remains constant), it allows customers to increase sum assured at regular intervals, or when they reach important milestones in their lives. Several other insurers also offer such covers. How do they work? These plans work in two ways. One, the sum assured can increase at regular intervals.

To read the whole article click on: https://www.business-standard.com/article/pf/term-insurance-plan-automating-increase-in-sum-assured-could-prove-useful-121082301208_1.html

LIC launches campaign for policyholders to revive lapsed policies

To provide continued risk cover to its policyholders, state-run insurer Life Insurance Corporation of India (LIC) has launched a special campaign for the revival of lapsed individual policies.

Under the 'Special Revival Campaign', policies of specific eligible plans can be revived within five years from the date of the first unpaid premium, subject to certain terms and conditions, the insurer said in a release.

The campaign has been launched from August 23, 2021 to October 22, 2021.

To read the whole article click on:

<https://economictimes.indiatimes.com/industry/banking/finance/insure/lic-launches-campaign-for-policyholders-to-revive-lapsed-policies/articleshow/85563280.cms?from=mdr>

LIC launches Arogya Rakshak individual health insurance cover

Life Insurance Corporation of India (LIC) has introduced Arogya Rakshak with effect from July 19. It is a non-linked, non-participating, regular premium, individual health insurance plan. This plan provides fixed-benefit health insurance cover against certain specified health risks and provides timely support in case of medical emergencies. It also helps the insured and his family remain financially independent in difficult times. An individual can insure himself/herself (as principal insured (PI), his/her spouse, all children and parents under one policy.

To read the whole article click on: <https://www.financialexpress.com/money/insurance/lic-launches-arogyarakshak-individual-health-insurance-cover/2316301/>

Singapore: AXA sale to HSBC highlights growth potential of life insurance sector

The recent agreement to acquire AXA Insurance Pte Ltd (AXA Singapore) by HSBC Insurance (Asia-Pacific) Holdings (HSBC Insurance) demonstrates the continued growth potential of Singapore's life insurance segment, according to a new AM Best commentary.

In its new Best's Commentary, "HSBC's Acquisition of AXA Singapore Highlights Singapore Life Insurance Growth Prospects", AM Best states that demand for long-term financial planning and health protection is continuing to support Singapore's life insurance market prospects.

To read the whole article click on: <https://www.asiainsurancereview.com/News/View-Newsletter-Article/id/77743/Type/eDaily/Singapore-AXA-sale-to-HSBC-highlights-growth-potential-of-life-insurance-sector>

Asia: Rethinking motor insurance in the new normal

The motor insurance sector is facing a churn, as mass lockdowns have forced drivers off the roads and resulted in fewer vehicle sales thus hitting new premium income. The industry must increasingly adopt digitalisation to stay relevant and navigate the impact of the ongoing COVID-19 pandemic, said speakers on the opening day of the Virtual Motor Insurance conference organised by Asia Insurance Review.

To read the whole article click on: <https://www.asiainsurancereview.com/News/View-Newsletter-Article/id/77725/Type/eDaily/Asia-Rethinking-motor-insurance-in-the-new-normal>

Global: Underlying profitability improves for insurers and reinsurers in 1H2021

The underlying combined ratios of 18 of the biggest (re)insurers globally have improved significantly in the first half of this year due to rate increases outstripping claim trends, says Willis Re's Strategic & Financial Analytics in a note.

Headline combined ratios also improved, supported by lower than normal personal lines loss frequency, and, for many, robust reserve releases, and came despite a higher than average level of Nat CAT losses.

To read the whole article click on: <https://www.asiainsurancereview.com/News/View-Newsletter-Article?id=77698&Type=eDaily>

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

