



Happy New Year 2021

In This Issue:

**I. What's Happening at NIA:
Upcoming Events / Important
Programmes**

1. 22nd Annual CD Deshmukh
Memorial Seminar

2. Executive Development
Programme on Insurance Selling
Skills in the New Normal

3. Risk Management Certificate
Course by National Insurance
Academy, Pune and RIMS USA

II. Regulatory Developments

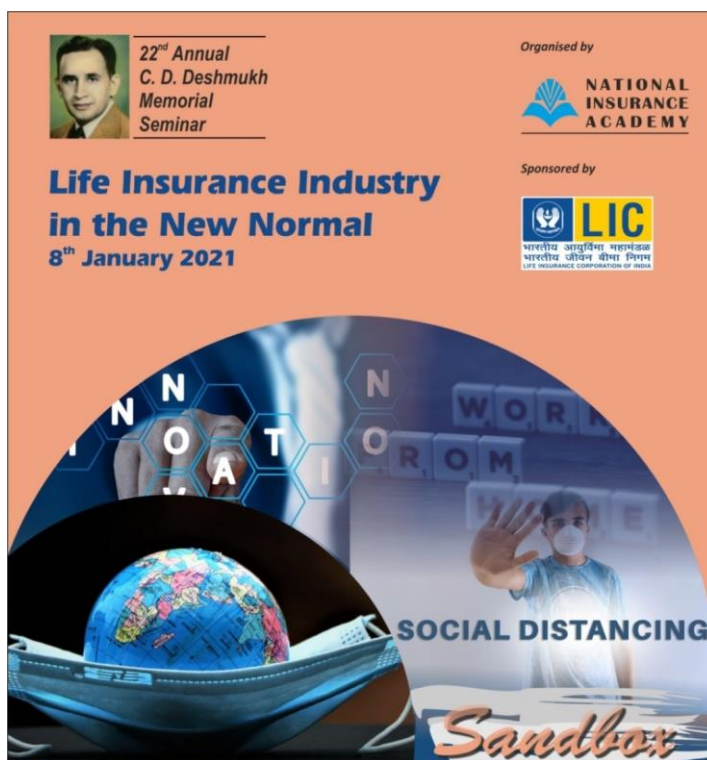
III. Industry Flash Figures

IV. Topical Article

V. Insurance News

**I. WHAT'S HAPPENING AT NIA: UPCOMING
EVENTS/IMPORTANT PROGRAMMES**

1. 22nd Annual CD Deshmukh Memorial Seminar



National Insurance Academy is organizing the 22nd Annual CD Deshmukh Memorial Seminar on 08th January 2021. The theme for this year's seminar is "Life Insurance Industry in the New Normal." The same would provide a forum for industry experts to deliberate upon the experience of the disruptions not only in India but also the world over, the initiatives taken by the Insurance Regulator in India (IRDAI) to provide relief to the policyholders (both small and big), to understand

the challenges faced by the Insurers, the concerns and expectations of the customers and how insure-tech can provide the never ending solutions to the aspirations of both the Insurers and the customers-both the existing and the prospective ones.

Visit https://www.niapune.org.in/seminars/cd-deshmukh-memorial-seminar-2021?fbclid=IwAR0x9cyNJieEJ3NLnmivbPzADXiONg0F8mQ1nz_gyu7VQ-1YnN7ZIXnniUQ for more details.

Click here for free registration:

<https://forms.office.com/Pages/ResponsePage.aspx?id=epjdZ6ycp0OwU08wvD8IyOW7a9v9fcpJlcXMmei2PBNUOE1BQkVJODFQTKyYVTA4RVpMRzhKWUxIUC4u>

2. Executive Development Programme on Insurance Selling Skills in the New Normal

NATIONAL INSURANCE ACADEMY

SEASON'S GREETINGS!

INTRODUCING

A THREE DAY EXECUTIVE DEVELOPMENT PROGRAM

INSURANCE SELLING SKILLS IN THE NEW NORMAL

30TH JANUARY, 3RD AND 6TH FEBRUARY 2021

ONLINE LIVE SESSIONS WITH EXPERTS **VIRTUAL SELF-DISCOVERY ASSIGNMENTS** **QUICK QUIZZES AND GUIDED PRACTICE SESSIONS** **DIY ASSIGNMENTS**

PROGRAMMEOFFICE@NIAPUNE.ORG.IN

National Insurance Academy is introducing a three-day Executive Development Programme on Insurance Selling Skills in the New Normal on 30th January, 3rd February & 6th February 2021. Visit www.niapune.org.in for more details.

3. Risk Management Certificate Course by National Insurance Academy, Pune and RIMS USA



Risk Management Certificate Course
by
National Insurance Academy, Pune and RIMS, USA.



The rapid pace of change in today's global business environment is currently increasing the level of uncertainty exponentially. This changing risk landscape not only contribute to that higher volumes of complex risks but also impact the strategic success of the enterprise significantly. Hence National Insurance Academy, Pune in collaboration with RIMS, USA is organizing a Risk Management Certification course from 27th to 30th January 2021.

Click <https://niapune.org.in/uploads/programmes/2020-2021/pdf/Risk%20Management%20Certificate%20Course-%20NIA-%20RIMS%20USA.pdf> for more details.

II. REGULATORY DEVELOPMENTS

1. Regulations:

- a. IRDAI (Insurance Surveyors and Loss Assessors) (Amendment), Regulations, 2020.

Click here for the complete regulation:

https://www.irdai.gov.in/ADMINCMS/cms/frmGeneral_Layout.aspx?page=PageNo4292&flag=1

2. Exposure Draft:

- a. Guidelines on Standard Travel Insurance Policy. Click here for the guidelines:

https://www.irdai.gov.in/ADMINCMS/cms/frmGeneral_Layout.aspx?page=PageNo4311

3. Circulars:

- a. Relaxations in Point of Sales- Life Insurance Master Circular. Click here for the circular:

<https://www.irdai.gov.in/ADMINCMS/cms/Uploadedfiles/Circular%20No302%20dt%2029dec2020.pdf>

- b. Disclosure of benefit/premium illustration for Health insurance policies issued on floater basis. Click here for the circular:

<https://www.irdai.gov.in/ADMINCMS/cms/Uploadedfiles/Benefit%20illustration%20Circular-28.12.2020.pdf>

- c. Maintenance of records under IRDAI (Minimum Information Required for Investigation and Inspection) Regulations 2020. Click here for the circular:

<https://www.irdai.gov.in/ADMINCMS/cms/Uploadedfiles/Cir%20293%20Min%20Info%20Reg%20-%2008.12.2020.pdf>

- d. Guidelines on Insurance claims of victims of Cyclone Nivar (Nov, 2020) in the calamity affected areas. Click here for the circular:

https://www.irdai.gov.in/ADMINCMS/cms/Uploadedfiles/Circular_on_NIVAR02122020.pdf

e. Guidelines for grant of fresh licence / renewal of license to act as Insurance Surveyor and Loss Assessor. Click here for the circular:

<https://www.irdai.gov.in/ADMINCMS/cms/Uploadedfiles/Guidelines%20-%20Grant%20of%20Licence02122020.pdf>

f. Guidelines for Practical Training for Surveyors and Loss Assessors. Click here for the circular: <https://www.irdai.gov.in/ADMINCMS/cms/Uploadedfiles/Guidelines-Practical%20Training02122020.pdf>

g. Guidelines for all General Insurance Companies for submission of Reports. Click here for the circular: <https://www.irdai.gov.in/ADMINCMS/cms/Uploadedfiles/Guidelines%20-%20Gen%20Insurers02122020.pdf>

III. INSURANCE INDUSTRY FLASH FIGURES FOR NOVEMBER 2020

Click on:

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

IV. TOPICAL ARTICLE

Life Insurance Industry: A perfect Corona Warrior

We all are proud of the insurance industry for silently performing and playing the role of one of the Corona warriors during this demanding pandemic time.

Life Insurance Industry stood tall and delivered its best even during the tiring time of pandemic. In a proactive manner, it reached out to its customers to provide the much needed financial & psychological support through its Work force and even seamlessly adopting the various digital solutions to serve the customers better.

According to Table 1 below, the claim disbursements during the period from April 2020 to September 2020, have shown a decent growth. Even though the general perception during

pandemic was to have cash-in-hand, the existing customers of life insurance industry were reluctant to surrender their policies. This is evident from the table below, as the surrender pay-out has declined.

Table 1

Insurance claims (In Crores)	Up to Q2 20-21	Up to Q2 19-20	Growth
Claims by death	15829.06	14459.47	9.47%
Claims by maturity	71080.56	64575.25	10.07%
Annuities / Pension payment	7422.96	6426.85	15.50%
Survival Benefits	2067.67	1452.77	42.33%
Surrender	52658.27	53730.66	-2.00%

Even though the Life Insurance industry came forward to extend the grace period for the submission of renewal premiums, despite of that, as per the Table 2, the renewal premium collection has registered a double-digit growth.

Table 2

Premium Collection: Q2 2020-21			
Premium (In Crores)	Up to Q2 20-21	Up to Q2 19-20	Growth
First year premiums	31420.64	50818.98	-38.17%
Renewal premiums	148734.19	135119.21	10.08%
Single premiums	93430.51	75090.29	24.42%
Total premium	273585.34	261028.48	4.81%

Table 3

BUSINESS ACQUISITION THROUGH DIFFERENT DISTRIBUTION CHANNELS

(Individual Business: Q-2 2020-21)

Channels	Premium (In Crores)			No. of Policies		
	Up to Q2 20-21	Up to Q2 19-20	Growth	Up to Q2 20-21	Up to Q2 19-20	Growth
Individual agents	29074.04	28875.19	0.69%	6476264	8937631	-27.54%
Corporate Agents- Banks	11797.95	12023.89	-1.88%	1362539	1461484	-6.77%
Corporate Agents - Others	647.52	647.24	0.04%	156606	189848	-17.51%
Brokers	619.637	809.3167	-23.44%	100880	132118	-23.64%
Micro Agents	112.33	48.11	133.49%	253850	338620	-25.03%
CSC	2.11	0.97	117.53%	11606	14577	-20.38%
Direct Business	4138.48	3851.53	7.45%	491550	456239	7.74%
POS	32.12	2.08	1444.23%	11432	780	1365.64%
IMF	42.11	12.86	227.45%	2762	1682	64.21%
Online	78	146.7	-46.83%	16310	25688	-36.51%
Web Aggregators	197.52	101.02	95.53%	60797	53975	12.64%
Total (A)	46741.82	46518.90	0.48%	8944596	11612642	-22.98%
Referral (B)	4.37	9.16	-52.29%	1944	4663	-58.31%
Grand Total (A+B)	46746.19	46528.06	0.47%	8946540	11617305	-22.99%

The overall individual premium generated up to 30.09.2020 as per Table 3, registered a marginal growth. This is very significant as it reflects that the customers are becoming more risk aware and are looking to insurance sector as one of their risk mitigations tools. Premium generated from the

individual agents, who are a major contributor to Life Insurance premium, has shown a marginal growth. But it was very heartening to find out that distribution channels like Micro Agents, Common Service centres, Insurance Marketing Firms and Point of Sales (POS) have also shown a considerable growth. These channels for their close association with the common man, can be earmarked to spread the insurance penetration and bridging the protection gap.

(By Mr. Sandeep Pandey, Research Associate, NIA)

V. INSURANCE NEWS

IRDAI Pushes New Products, Easier KYC Norms

From Corona Kavach to Corona Rakshak, insurance regulator IRDAI made intense efforts throughout the pandemic-disrupted 2020 to ensure adequate choice of insurance policies for individuals that cover treatment costs for coronavirus-related health issues.

This year, the regulator's noteworthy initiatives include introduction of standard products with a view to enhance consumer confidence as well as easier Know Your Customer (KYC) norms.

To read the whole article click on: <https://www.outlookindia.com/outlookmoney/insurance/irdai-pushes-new-products-easier-kyc-norms-5744>

Technology Has Revolutionized The Way India Buys Insurance

The Indian insurance industry has transformed from a seller's market to a buyer's market over the last two decades. The insurance sector made its debut in the digital space in the year 2005, just 15 years back and today it is expected to clock a turnover of US\$ 280 billion by the end of 2020, according to IBEF's recent Indian Insurance Industry Analysis Report. This figure quite prominently reflects the positive disruption caused by the digitalisation of the Indian insurance industry.

To read the whole article click on: <https://inc42.com/resources/technology-has-revolutionised-the-way-india-buys-insurance/#:~:text=Technology%20Has%20Revolutionized%20The%20Way%20India%20Buys>

[%20Insurance,-](#)

[Ankit%20Agrawal&text=Insurance%20companies%20are%20exploring%20options,and%20at%20a%20lower%20cost.](#)

AU Small Finance, ICICI Pru Life tie up to offer life insurance solutions

AU Small Finance Bank announced a strategic partnership with ICICI Prudential Life Insurance to offer life insurance solutions. AU Banks said the tie-up aims to deliver "paperless, secure, and hassle-free life insurance" to over 1.8 million customers through digital platforms across 700 banking touchpoints in 13 states and 2 Union territories.

To read the whole article click on: https://www.business-standard.com/article/finance/au-small-finance-icici-prudential-tie-up-to-offer-life-insurance-solutions-120122801030_1.html

Understanding Waiting Period and Survival Period in Health Insurance

The two important health insurance concepts are - waiting period and survival period. At first, they might seem confusing. However, once policyholders are aware of the basics, they are fairly easy to comprehend. Understanding these concepts will help policyholders to know the health insurance coverage in detail before buying a policy.

To read the whole article click on: <https://www.outlookindia.com/outlookmoney/amp/insurance/understanding-waiting-period-and-survival-period-in-health-insurance-5745>

Should you take a health insurance policy that comes with a co-pay clause?

Although a health insurance policy is supposed to reimburse your hospital bills, many policies have clauses that limit the amount you are eligible to get back. These include room rent sub-limits and disease-wise capping. In addition, one of the biggest impediments is the co-pay clause. A co-pay clause can be found in many senior citizen health policies and also the standardised Arogya Sanjeevani health insurance cover. In simple words, if your health insurance policy has a co-pay clause, you need to foot a part of the hospital bills.

To read the whole article click on:

<https://www.moneycontrol.com/news/business/personal-finance/should-you-take-a-health-insurance-policy-that-comes-with-a-co-pay-clause-6280191.html>

GIC Re Chairman: “The life insurance market will soon witness a sea change”

Given the toll that the COVID-19 pandemic has taken on the insurance industry, it's hardly surprising that reinsurers have faced similar, considerable challenges throughout 2020. Growing losses, paired with a global contraction in premium volumes and extremely low interest rates, have placed significant pressure on the financial performance of many international reinsurers, and with other issues, such as climate change and business interruption rulings looming, the outlook for 2021 remains somewhat bleak.

To read the whole article click on:

<https://www.insurancebusinessmag.com/asia/news/breaking-news/gic-re-chairman-the-life-insurance-market-will-soon-witness-a-sea-change-242462.aspx>

Key trends in insurance industry to watch out for in 2021

Today, as we stand on the cusp of the new year, it is time for us to gear up for the next normal. A time to ruminate over the year gone by, assimilate our learnings from the challenges that we have faced in 2020, and carve out forward-looking strategies for 2021 and beyond. One of the things that the pandemic has brought into the spotlight is the importance of managing risk through adequate protection.

To read the whole article click on: <https://www.cnbc18.com/finance/key-trends-in-insurance-industry-to-watch-out-for-in-2021-7835081.htm>

Important IRDAI regulations that changed the face of health insurance industry in 2020

Regulations and changes play an integral part in defining the growth and future of any industry and the insurance industry is no less. The Indian insurance industry – which is regulated by the

Insurance Regulatory and Development Authority of India (IRDAI) – goes through a plethora of changes and developments every year to make the insurance products much more customer-centric. This helps consumers take maximum advantage of their insurance products and they also start showing much more faith and trust in insurance for financial well-being.

To read the whole article click on: <https://indianexpress.com/article/business/important-irdai-regulations-that-changed-the-face-of-health-insurance-industry-in-2020-7118541/>

Insurance companies to offer a standard term life insurance from January 1

IRDAI, in October had directed all the life insurance companies to mandatorily come out with a standard, individual term life insurance policy called 'Saral Jeevan Bima' from January 1, 2021. Following the guidelines, insurance companies will start to offer the standard term life insurance in the new year. IRDAI had asked all the life insurance companies to file the product with the IRDAI latest by December 31 this year.

To read the whole article click on: <https://www.livemint.com/insurance/news/insurance-companies-to-offer-a-standard-term-life-insurance-from-january-1-11609120501084.html>

Standard Personal Accident Insurance Plan from April 1, 2021: Should you buy? Features, Benefits Explained

There is a wide variety of personal accident insurance products in the market at present. Each product has unique features, making it a challenge for the insured to choose the right product. To overcome this challenge, a standard product with common coverage and policy wordings across the industry is set to be introduced in 2021.

To read the whole article click on: <https://www.financialexpress.com/money/insurance/standard-personal-accident-insurance-plan-april-1-2021-features-benefits-explained/2158756/>

Cashless settlement is just 32% of overall claims in health insurance: Report

Despite two decades of health insurance in the country, most policyholders need to file reimbursement claims. Cashless claims continue to be a small proportion. Around 68% of the claims are reimbursement claims and only 32% are cashless, according to a report titled India Health Insurance XP Survey – 2020 by Beshak, a research platform for insurance users.

To read the whole article click on: <https://www.livemint.com/insurance/news/cashless-settlement-is-just-32-of-overall-claims-in-health-insurance-report-11608727814212.html>

Ayushman Bharat PM-JAY SEHAT: PM Narendra Modi launches health insurance scheme for Jammu and Kashmir residents

Prime Minister Narendra Modi launched the Ayushman Bharat health insurance scheme (Ayushman Bharat PM-JAY SEHAT) for the residents of the Jammu & Kashmir on December 26, 2020 via video conferencing. Jammu and Kashmir Lieutenant Governor Manoj Sinha started the opening address of the virtual event and invited PM Modi to launch Ayushman Bharat PM-JAY SEHAT.

To read the whole article click on: <https://www.zeebiz.com/india/news-ayushman-bharat-pm-jay-sehat-pm-narendra-modi-launches-health-insurance-scheme-for-jammu-and-kashmir-residents-144624>

Shifting consumer perceptions and consumption patterns of health insurance buyer

India's total healthcare spending in FY2019-20 was at 3.6 percent of GDP, as per OECD, out of which public health expenditure was just 1.29 percent of GDP.

Over 65 percent of healthcare spends are paid by the consumer out of pocket, putting India at the highest end of the global spectrum. Consumers have always wanted the best quality healthcare for themselves, across all economic strata. Affording the best quality of healthcare is hence the primary and most important reason for people to have health insurance.

To read the whole article click on: <https://www.cnbctv18.com/finance/shifting-consumer-perceptions-and-consumption-patterns-of-a-health-insurance-buyer-7810081.htm>

Rebooting Economy 53: Why crop insurance is losing traction in India

Crop insurance is one of the key elements to stabilise farmers by compensating for crop losses arising out of drought, flood and other causes. In 2016, India overhauled crop insurance to expand its coverage of farmers and farm areas. Initially, it did expand the coverage but since then it has seen a downward slide, one of the key reasons for this being visible profiteering by insurance companies.

To read the whole article click on: <https://www.businesstoday.in/opinion/columns/indian-economy-why-crop-insurance-is-losing-traction-in-india-agriculture/story/425836.html>

IRDAI may not ban but may tweak sale of credit-linked health policies

What could come as a huge relief for general insurance companies is that the regulator may not bring a blanket ban or prohibition on the sale of credit-linked health insurance products. Instead, IRDAI may consider tweaking the mechanism in which credit-linked health insurance products are sold in the country.

To read the whole article click on: <https://www.cnbctv18.com/finance/irdai-may-not-ban-but-may-tweak-sale-of-credit-linked-health-policies-7795791.htm>

Lloyd's strategy to accelerate transition to sustainable economy

Lloyd's will cease all fossil fuel insurance from 1 January 2030 according to its first environmental, social and governance (ESG) report 'Lloyd's Environmental, Social and Governance Report 2020 - Our plan for becoming a truly sustainable insurance marketplace'.

To read the whole article click on: <https://www.asiainsurancereview.com/News/View-Newsletter-Article/id/75150/type/AIRPlus/Lloyd-s-strategy-to-accelerate-transition-to-sustainable-economy>

Reliance General Launces New AI-Based Solution

Reliance General Insurance announced the launch of a new Artificial Intelligence-based solution RAPID to expedite the vehicle claim process. The technology is equipped with image analytics powered by Microsoft Azure Cognitive Services and Azure Machine Learning capabilities. With the launch of RAPID, Reliance General hope to empower their customers to buy or renew policies anytime, anywhere. The AI-based solution would be able to assess damage through images.

To read the whole article click on:

<https://www.outlookindia.com/outlookmoney/insurance/reliance-general-launces-new-ai-based-solution-5720#:~:text=Reliance%20General%20Insurance%20on%20Monday,and%20Azure%20Machine%20Learning%20capabilities.>

Pandemic pushes sales of 1 crore health covers

Insurers are upselling health insurance to customers by skewing their pricing in favour of high-value policies. A Rs. 1 crore health insurance cover is available for as low as Rs. 18,000 for a 30-year old. As a result, a third of all health insurance premiums is now coming from the sale of high-value policies.

To read the whole article click on: <https://timesofindia.indiatimes.com/business/india-business/pandemic-pushes-sales-of-1cr-health-covers/articleshow/79905754.cms>

Covid-19 and the impact on reinsurance reserving

Reinsurance is key in Covid-19 reserving as insurers are currently projecting a substantial proportion of Covid-19 related claims to be recovered from their reinsurers. One of the key issues

for reinsurers dealing with Covid-19 losses will be how those losses are aggregated for reinsurance recovery purposes.

To read the whole article click on: <https://www.actuarialpost.co.uk/article/covid19-and-the-impact-on-reinsurance-reserving-19107.htm>

Micro health plans make it big

Bite-sized health insurance plans offering small premiums and cover size have turned popular during the coronavirus pandemic, bringing together innovative insurance companies and payment apps with their massive reach.

To read the whole article click on: <https://www.livemint.com/insurance/news/micro-health-plans-make-it-big-11608509921849.html>

Working to link hospitals with foreign insurance firms to boost medical tourism: Minister

The government is planning to form a working group to explore the possibilities of linking Indian hospitals, wellness centres and Ayurveda clinics with foreign insurance firms to boost medical tourism in the country, Tourism Minister Prahlad Patel has said. He said the aim is to ensure that foreign nationals seeking medical treatment in India can arrive in the country with their own insurance, which would be recognised by all health centres here.

To read the whole article click on: <https://www.ndtv.com/business/working-to-link-hospitals-with-foreign-insurance-firms-to-boost-medical-tourism-minister-2341242>

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