



In This Issue:

I. Events at NIA

1. Insurance Awareness Rally on 40th Foundation Day of NIA
2. NIA continues its track record of 100% job placement of PGDM students
3. Overseas Training Programme conducted by NIA Faculty in Ethiopia
4. Workshop on Vigilance for CVOs

II. Upcoming Events at NIA

1. 21st Annual C.D. Deshmukh Memorial Seminar

III. Insurance Industry Flash Figures

1. Life Insurance
2. Non-Life Insurance

IV. Topical Articles

1. Current GST on Insurance Policies- A Dampener for Growth

V. Insurance News

I. EVENTS AT NIA

1. Insurance Awareness Rally on 40th Foundation Day of NIA



1. National Insurance Academy 40th foundation day, 16th December, 2019: Dedicates December month for creating "Insurance Awareness"

National Insurance Academy, Pune a premier institution for education, training and research in Insurance, Pension and allied areas celebrated it's 40th foundation day on 16th December, 2019.

Shri G. Srinivasan, Director, NIA outlined the different ways through which, NIA is creating and developing the knowledge in Insurance, Pension and allied areas through undertaking various activities.

NIA is organizing Management Development Programmes for the more than 6000 Top, Middle level & lower level executives of the insurance industry every year. The Academy is also running a Post Graduate Diploma in Management for the students since 2004, where along with the General Management subjects the additional focus is on imparting Risk Management and Insurance Domain knowledge. The students passing out from the academy are acquiring key positions in Insurance, Banking, other financial institutions and IT sector in not only in India but also all across the world. Every year the placement is 100% for the students.

NIA has organized many national & international seminars during the current Year. An International seminar on Climate Risk was organized along with Swiss Re. A seminar on the strategic Response on well-being from the Life Insurers, Health Insurers and Pension providers was organized. Recently a seminar on the theme of Navigating Insurance Ecosystem: A strategic Perspective on Building a Resilient industry was also organised. NIA also organized a HR seminar on "World of Work: Changing Landscape".

On the occasion of Foundation day, National Insurance academy has dedicated December as the month for creating Insurance Awareness among the students and the common people.

Several interactions with the students of various colleges were organized in Pune & Mumbai, where more than 600 students participated. Students of NIA also organized a camp on 14th December, 2019 for the general public to share information on the various Government run social security schemes namely PMJJBY, PMSBY and Atal Pension Yojana.

16th December, 2019 on the occasion of NIA's Foundation day, an Insurance Awareness Rally has been organized by the National Insurance Academy to spread the need for having an Insurance coverage and also educate the public about the various available social security Insurance schemes. The rally was led by Shri G. Srinivasan, Director, NIA, in which NIA Principal, Chair Professors, Faculties, Staff and students participated. The rally covered Baner Road, Balewadi High Street and came back through Balewadi Road.

2. NIA continues its track record of 100% job placement of PGDM students



All the students of PGDM 2018-20 batch have been placed successfully.

3. Overseas Training Programme conducted by NIA Faculty in Ethiopia



NIA Faculty members conducted a two week insurance technical training programme in Addis Ababa, Ethiopia.

4. Workshop on Vigilance for CVOs of Insurance Companies



25, Balewadi, Baner Road, NIA P.O. Pune 411 045 (India)
Tel.: +91-20-27204000, 27204444 Fax, +91-20-27204555, 27390396
Email: contactus@niapune.org.in Website: www.niapune.org.in

WORKSHOP ON VIGILANCE (NON-LIFE)
19.12.2019 TO 20.12.2019



II. UPCOMING EVENTS AT NIA

1. 21st Annual C.D. Deshmukh Memorial Seminar

National Insurance Academy is organising 21st CD Deshmukh Memorial Seminar on “Life Insurance Industry in a USD 5 Trillion Indian Economy” on 10 January 2020. For more details, click on: <http://niapune.org.in/uploads/programmes/2019-2020/Brochure%20C%20D%20Deshmukh%202019%20Final.pdf>

III. INSURANCE INDUSTRY FLASH FIGURES FOR NOVEMBER 2019

Click on:

1. [Life Insurance](#)
2. [Non-Life Insurance](#)

IV. TOPICAL ARTICLES

1. Current GST on Insurance Policies –A Dampener for Growth

Indian insurance policyholders, by and large, are paying heavy GST of 18 percent on the premium which means almost making a loading of the overall expense on insurance by a fifth. A middle class family having a car, a two wheeler and a health insurance policy pays around ₹ 40000 in premium per annum, and GST puts additional burden of ₹ 7200. For most of the families, this amounts to one month's net take home salary. This seems anachronistic in view of the lowly 3.70 percent penetration of insurance in India against the world average of 6.09.

We do not have a comparatively comprehensive social security net which calls for affordable insurance products for general public. The common man is deterred by this high rate of tax resulting in non-renewal of policies. Though a corporate gets input tax adjustment on policies taken, the individual has none.

IRDAI has moved the Government seeking 5% GST treating insurance as an essential service and the government needs to appreciate that. A lower rate will boost growth in policies and the government can expect more tax in nominal terms.

(By Mr. KK Panda, Faculty Member, NIA)

V. INSURANCE NEWS

India Needs More Awareness Campaigns to Counter Mental Health Disorders

A Lancet psychiatry study finds that, as of 2017, over 197 million – or one in seven – people in India suffered from a mental health disorder, a sharp increase from the 150 million reported in the 2016 National Mental Health Survey. At 4.7% in 2017 the contribution of mental disorders to India's disease burden, measured in terms of Disability Adjusted Life Years (DALYs) is double the 2.5% in 1990, making mental disorders the second largest contributor (14.5%) to years lived with disability (YLDs). A majority (91 million) suffer from depressive and anxiety disorders. Even more worryingly, the study found a positive association between socio-economic indicators such

as per-capita income and mean education and the prevalence of adult-onset depression and anxiety.

To read the whole article click on: <https://www.financialexpress.com/opinion/india-needs-more-awareness-campaigns-to-counter-mental-health-disorders/1804020/>

Growth in Motor Insurance Business Remains Moderate

General Insurance companies reported 16% year-on-year (y-o-y) growth in premium in November 2019, up from 11% in October. Motor business continues to moderate on the back of weak OEM sales and moderating third-party (TP) business, while fire and health have helped offset the weakness. Large private players, ICICI Lombard (down 6% y-o-y, up 7% ex-crop) and Bajaj (up 8% y-o-y) and HDFC ERGO (down 30% y-o-y, up 8% ex-crop) posted weaker-than-industry numbers. Chola MS (up 14% y-o-y) was in line while SBI (up 40% y-o-y ex-crop) maintained robust performance.

To read the whole article click on:

<https://www.financialexpress.com/money/insurance/growth-in-motor-insurance-business-remains-moderate/1803476/>

Smart, Cost-Effective Way to Increase Your Health Insurance Cover

One of the most common mistakes that people make when it comes to health insurance is depending on that one policy offered by the employer. It's important to understand that medical costs are skyrocketing and porting from a corporate health plan to a personal cover is quite cumbersome. But with a higher cover, comes higher premiums and not everyone may be able to afford it. "The smart way to go about increasing your cover is by understanding your needs and what your policy covers. Avoid any add-ons that you may not need," said Amit Chhabra, head-health insurance, Policybazaar.com.

To read the whole article click on: <https://www.livemint.com/money/personal-finance/smart-cost-effective-way-to-increase-your-health-insurance-cover-11577247247335.html>

Low-Income Group Women Prefer Savings Account to Insurance: Survey

Women from low-income groups, who live in constant fear of an uncertain future, prefer to keep their hard-earned money in savings bank accounts rather than buy insurance policies, according to a survey.

The nation-wide survey, conducted by IndiaFirst Life Insurance (promoted by Bank of Baroda and Andhra Bank), covered over 5,000 low-income women. A majority of them (75%) in the age group of 26-41 years were seen putting their money in savings bank accounts while only 12% were found to be opting for life insurance policies. The respondents included daily wage workers, women working in the handicraft sector, domestic helpers, agriculturists, farm workers and small business owners.

To read the whole article click on: <https://www.thehindu.com/news/national/other-states/low-income-group-women-prefer-savings-account-to-insurance-survey/article30398681.ece>

In 2-3 Years, 'Every Indian May Get Public Health Cover'

In the next two-three years, government health cover will become a reality for every Indian.

According to National Health Authority (NHA) officials, the Pradhan Mantri Jan Arogya Yojana (PMJAY), popularly known as Ayushman Bharat, which currently covers 40 per cent of the population, is likely to be extended to all citizens.

To read the whole article click on:

<https://www.thehindubusinessline.com/economy/policy/in-2-3-years-every-indian-may-get-public-health-cover/article30390832.ece>

General Insurers Want FDI Raised to 74%, Valuation Remains a Concern

General insurance firms are in favour of raising foreign direct investment (FDI) limit in the sector to 74 per cent.

The General Insurance Council (GIC), the representative body of general insurance, health insurance and reinsurance companies in India, met to discuss the view of insurance companies in raising the FDI. All the companies agreed on raising FDI limit to at least 74 per cent.

To read the whole article click on: https://www.business-standard.com/article/companies/general-insurers-want-fdi-raised-to-74-valuation-remains-a-concern-119122300489_1.html

Preference to GIC Likely to Continue in Reinsurance Business in India

While the Insurance regulator IRDAI (Insurance Regulatory and Development Authority of India) is reviewing existing reinsurance norms, the preferential treatment to General Insurance Corporation of India (GIC Re) is likely to continue, according to a top official at IRDAI.

Notably, in December 2018 the IRDAI (Re-insurance) Regulations 2018 came into force on 1st January 2019. The regulations aimed to consolidate the provisions governing reinsurance business in India and also introduced new norms for both life and general reinsurance business.

To read the whole article click on: https://www.business-standard.com/article/companies/preference-to-gic-likely-to-continue-in-reinsurance-business-in-india-119122300417_1.html

Insurance Company Cannot Raise Delay As Ground For Repudiation For The First Time Before Consumer Forum: SC

the Supreme Court has observed that an insurance company cannot raise delay as a ground for repudiation for the first time before the consumer forum, if it has not taken delay in intimation as a specific ground in letter of repudiation.

Two issues were considered by the Apex court in this case [Saurashtra Chemicals Ltd. vs. National Insurance Co. Ltd.]. One, whether the respondent-insurer had waived the condition relating to delay in intimation and lodging of the claim, by appointing a surveyor. Two, whether in the absence of any mention, of aspect of delay in intimation and violation of conditions of

Clause 6(i) of General Conditions of Policy, in the repudiation letter, the same could be taken as defence before the NCDRC.

To read the whole article click on: <https://www.livelaw.in/top-stories/insurance-company-delay-as-ground-for-repudiation-consumer-151034>

Government Move May Fuel Insurance Data Violation Fears

The Government's move to grant permission to a private development agency with foreign affiliation to access the confidential medical treatment data of patients covered under Ayushman Bharat-Karunya Arogya Suraksha Padhati (AB-KASP), is promising to rake up serious concerns of insurance data sanctity violation and breach of agreement between the Government and the health insurance provider.

To read the whole article click on: <https://www.thehindu.com/news/national/kerala/govt-move-may-rake-up-concerns-of-insurance-data-violation/article30373847.ece>

Government to make PFRDA Sole Regulator for Pension Products

The government is moving ahead to make Pension Fund Regulatory and Development Authority (PFRDA) as the sole watchdog for all pension products in the country, a senior official from the agency said.

In its pre-budget proposal, the body has sought for a doubling of the Income Tax exemptions for contributions towards pensions to Rs. 1 lakh under Section 80CCD (1B), PFRDA's Member (Finance) Supratim Bandyopadhyay, told reporters.

To read the whole article click on: <https://www.financialexpress.com/money/govt-to-make-pfrda-sole-regulator-for-pension-products-says-official/1800246/>

Icertis Hackathon to Attempt Solution to Farmers' Insurance Woes

At the Icertis hackathon, employees of the company will attempt to solve a very real problem that is of the farmers not getting their dues on time because of mismatch in insurance contracts and

delay in surveying the extent of damaged crops. When the problem statement was thought about, little did the contract management unicorn from Pune realise that the issue will find close resonance on actual happenings on the ground.

To read the whole article click on: <https://timesofindia.indiatimes.com/business/india-business/icertis-hackathon-will-attempt-solution-to-farmers-insurance-dilemma/articleshow/72909617.cms>

Toffee Insurance Secures \$5.5 Million Series A Funding

Toffee Insurance, a digital first insurtech startup, has secured series A funding of \$ 5.5 million. This funding round was led by IVM Intersurer with Omidyar Network, Flourish Ventures, Accion Ventures Lab and Kalaari Capital.

This is Toffee Insurance's second consecutive raise from four of the five key investors after their initial funding round of \$1.5 million last year.

To read the whole article click on: <https://www.thehindubusinessline.com/companies/toffee-insurance-secures-55-m-series-a-funding/article30341657.ece>

PFRDA Would Like to Junk Annuities and Go Flexi

PFRDA whole-time member Supratim Bandyopadhyay announced a slew of proposals for NPS at a media interaction. Three of these changes suggested by the PFRDA have received in-principle approval from the Finance Ministry, according to Bandyopadhyay. They will be sent to an inter-ministerial body for a final decision. A decision on these issues is expected in time for the Budget session.

To read the whole article click on: <https://www.livemint.com/money/personal-finance/pfrda-would-like-to-junk-annuities-and-go-flexi-11576851251626.html>

Competing only on Pricing is a Risky Proposition: HDFC Life CEO

Leading life insurance players have been focussing on building a balanced product portfolio,

increasing their share of protection (pure term cover) and traditional policies. Vibha Padalkar, MD and CEO of HDFC Life, believes that while there is scope for ramping up protection business, players have to be wary of the possible risks.

To read the whole article click on: <https://www.thehindubusinessline.com/money-and-banking/competing-only-on-pricing-is-a-risky-proposition-hdfc-life-ceo/article30355348.ece>

Climate Crisis Hits Insurance Plan For Crops

Delayed payouts have dogged the Pradhan Mantri Fasal Bima Yojana (PMFBY), the country's flagship farm insurance scheme, since its roll-out in the summer of 2016. Now, there's a new risk to be hedged, insurance companies say – climate crisis-induced extreme weather events.

Untimely rains and sudden drought have upended the farm insurance business, as loss-making insurers brace for an avalanche of claims this year from 12 states that witnessed widespread summer flooding. Maharashtra is by far the worst hit, data show.

To read the whole article click on: <https://www.hindustantimes.com/india-news/climate-crisis-hits-insurance-plan-for-crops/story-9lvuowbN2vclXtjfKi1kPI.html>

Women's Share in Life Insurance Policies is 36% in FY19: IRDAI Report

Women comprise 48 per cent of India's population but their participation in life insurance is lower than that of men. In 2018-19 (FY19), of 28.6 million policies sold by the life insurers, women have subscribed to 10.3 million, IRDAI's annual report for FY19 revealed.

The share of women in terms of number of policies is 36 per cent, higher than what it was in FY18 at 32 per cent. Similarly, share of women in the first-year premiums was 37 per cent in FY19, as against 32 per cent in FY18.

To read the whole article click on: https://www.business-standard.com/article/finance/women-s-share-in-life-insurance-policies-is-36-in-fy19-irdai-report-119122000034_1.html

Life Insurers Bat for 100% Foreign Investment in Sector via Automatic Route

Life insurers have sought 100 per cent foreign direct investment (FDI) limit for the sector through automatic route, which can help the sector attract capital of Rs 40,000-60,000 crore.

India has received nearly Rs 30,000 crore worth of FDI in the private sector insurance firms since 2015, when the government increased FDI limit from 26 per cent to 49 per cent.

To read the whole article click on: <https://www.moneycontrol.com/news/business/life-insurers-bat-for-100-foreign-investment-in-sector-via-automatic-route-4746041.html>

Life Insurance 2019: Regulator IRDA Steps in to Enhance Product Features, Makes Them Customer-Friendly

“Sabse Pehle Life Insurance,” was the life insurance industry’s first unified advertisement campaign started this year. While the industry has been looking to attract more eyeballs, the insurance regulator has ensured that the product per se became more investor friendly by modifying the surrender clauses, changing the revival period and ensuring that customers understand what they are paying for, through customised benefit illustrations.

To read the whole article click on: <https://www.moneycontrol.com/news/business/personal-finance/life-insurance-2019-regulator-irda-steps-in-to-enhance-product-features-makes-them-customer-friendly-4743881.html>

If You Are an Organ Donor and Already Have a Health Policy, Insurers Can’t Deny Renewal

While more people are now pledging to donate their organs after death, live organ donation is still in its nascent stage in the country. According to government-run National Organ and Tissue Transplant Organisation, in 2013, India had 313 deceased organ donors, which increased to 905 in 2017. But numbers on the live donation front look disappointing. According to a news report, for every 200,000 people waiting for a kidney transplant, only 10,000 are able to find a donor. Most kidney transplants are done through live donations.

To read the whole article click on: <https://www.livemint.com/insurance/news/if-you-are-an-organ-donor-and-already-have-a-health-policy-insurers-can-t-deny-renewal-11576648012519.html>

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