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I. WHAT'S HAPPENING AT NIA

1. 3rd NIA Swiss Re Seminar on "Navigating Uncertainty: Insight Driven Innovation"



2020 has been a watershed year – the pandemic, undeniably has been the most consequential global event which resulted in a stalled global economy and heightened risk exposures across public and private sectors. As our societies grapple with risk exposures, financial and economic disruptions and adjust to a new way of life in a socially distanced environment, the insurance industry faced the challenge of navigating this new wave of uncertainty. The key lies in change-embracing emerging technology, building partnerships

and innovating data-driven solutions to stay ahead successfully in the market.

National Insurance Academy organized the third seminar along with Swiss Re on 26th February 2021 on the theme “Navigating Uncertainty: Insight Driven Innovation”, which epitomizes the industry's approach to drive growth and success in the post-COVID era.

2. MoU between National Insurance Academy and National Academy of Defence Financial Management

National Insurance Academy signed MoU with The National Academy of Defence Financial Management, Pune on 24th February 2021. The collaboration will offer customized courses / training programmes to National Academy of Defence Financial Management.

II. REGULATORY DEVELOPMENTS

1. Regulations:

- a. Consolidated Regulations. Click here for all the regulations pertaining to the respective subjects:

https://www.irdai.gov.in/ADMINCMS/cms/whatsNew_Layout.aspx?page=PageNo4133&flag=1

2. Exposure Draft:

- a. Report of the Working Group on Index Linked products. Click here for the report:

https://www.irdai.gov.in/ADMINCMS/cms/whatsNew_Layout.aspx?page=PageNo4367&flag=1

3. Circulars:

- a. Product Structure for Insurance of Remotely Piloted Aircraft System (RPAS) / Drones.

Click here for the circular:

https://www.irdai.gov.in/ADMINCMS/cms/whatsNew_Layout.aspx?page=PageNo4375&flag=1

- b. Issuance of digital insurance policies by insurance companies via Digilocker. Click here for the circular:

https://www.irdai.gov.in/ADMINCMS/cms/whatsNew_Layout.aspx?page=PageNo4371&flag=1

c. Modified guidelines on product filing in health insurance business. Click here for the circular:

https://www.irdai.gov.in/ADMINCMS/cms/whatsNew_Layout.aspx?page=PageNo4368&flag=1

d. Guidelines on Standard Vector Borne Disease Health Policy. Click here for the circular:

https://www.irdai.gov.in/ADMINCMS/cms/whatsNew_Layout.aspx?page=PageNo4360&flag=1

III. INSURANCE INDUSTRY FLASH FIGURES FOR JANUARY 2021

Click on:

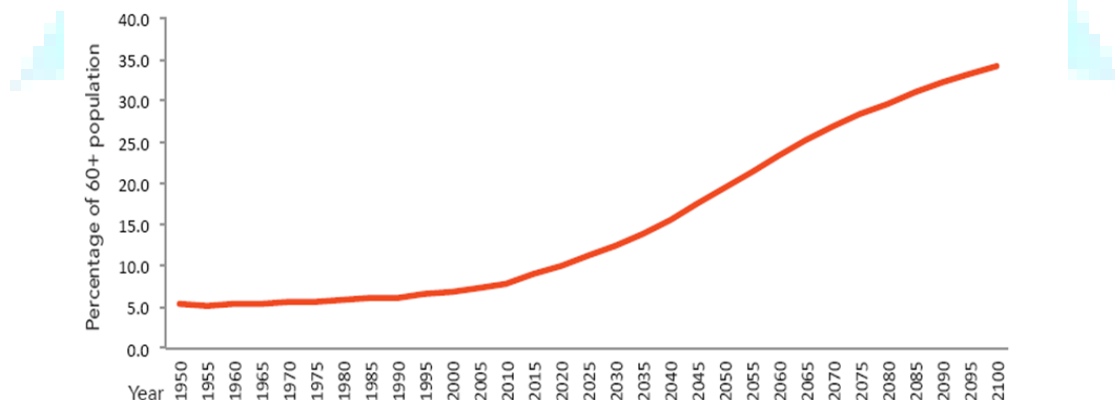
1. [Life Insurance](#) (Source: LI Council)
2. [Non-Life Insurance](#) (Source: GI Council)

IV. TOPICAL ARTICLE

Saral Pension: Live Life, King Size

Yes, we all want to live a long healthy life and that too with dignity.

As per 2011 census, India had approx. 8.3% of elderly population (60 years and above), which is going to become 20% of our population by 2050 (Figure-1).

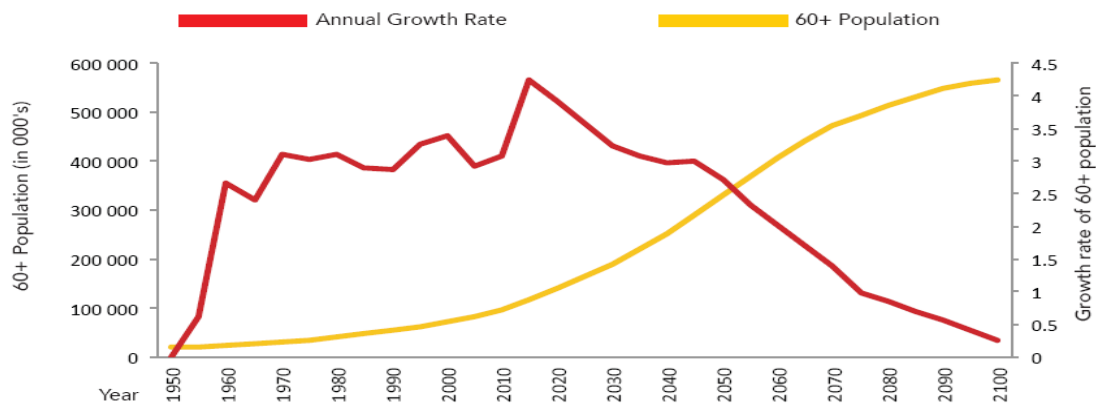


Source: United Nations (2015), World Population Prospects, 2015 Revision, Department of Economic and Social Affairs, United Nations.

Figure-1

The longevity is 68.3 years, and the people surviving up to 60 years are living quite longer. Life expectancy at the age of 60 has increased from 14 years in 1970–1975 to 18 years in 2010–2014 with women living about two years longer than men. According to the 2011 census, sex ratio of the 60-

plus population was 1,033 women per 1,000 men. Older women face adverse socioeconomic differentials in terms of financial and health care.



Source: United Nations (2015), World Population Prospects, 2015 Revision, Department of Economic and Social Affairs, United Nations.

Figure-2

Population ageing is an inevitable and irreversible demographic reality, resulting from the vast improvements in education and health care infrastructure. With longevity and declining fertility rates, the population of older persons is growing faster than the general population (Figure-2).

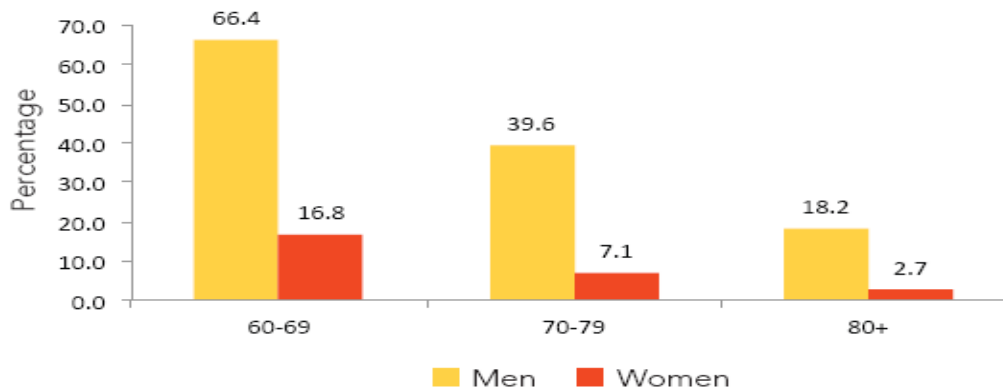
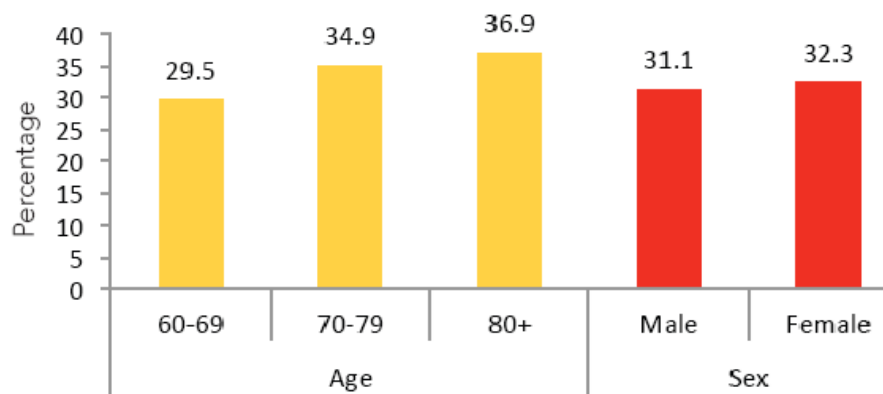


Figure-3

According to Figure-3, elderly people are still earning at higher age to feed themselves. If a person is forced to work at this age, there are high chances of being under paid.



NSSO (2015), Key Indicators of Social Consumption in India, Health (January–June 2014). 71st Round, National Sample Survey Office, Ministry of Statistics & Programme Implementation, Government of India

Figure-4

As per Figure-4, the older population is more prone to acute morbidities/co-morbidities and needs continuous medical care. The cost of health care is also growing exponentially.

Migration of the younger generation to greener pastures in search of better avenues has resulted into older population leading a lonely life. Traditional support of joint family system is diminishing, and the concept of nuclear family is coming up.

Approx. 90% of our population works in the un-organized sector and people working in this sector require a prolonged financial security after they stop working on account of retirement/disability/disease. There is a need for guaranteed periodic pay-outs throughout to live a financially secure and dignified life.

There are various reasons like lifestyle changes leading to early burn out, divorces, singlehood and even pollution leading to a person quitting his/her profession and moving to other place, which creates a need for having a permanent solution for the future's financial security.

Life Insurance companies definitely have a solution to this in the form of annuity products. In an annuity contract, policyholder pays a purchase price either in a lump sum or in instalments to the insurance company and receives periodic payments as per the policy conditions. There are primarily two types of annuity products- immediate annuity and deferred annuity.

IRDAI has recently asked the Life insurance companies to come out with a Standard Individual Immediate Annuity Product, "Saral Pension", to mitigate one's risk of outliving their financial savings by living longer.

A standardized product will make it easier for the customers to take an informed decision and form a long term mutually beneficial relationship with the insurer.

“Saral Pension”, a standard individual Single Premium, Non-Linked Non-Participating Immediate Annuity Plan will be available in the market from 1st April 2021. All the Life insurers shall mandatorily offer this standardized immediate annuity product, which will be prefixed by the Insurer’s name.

A person aged between 40 to 80 years (last birthday) can take the Saral Pension immediate annuity plan, where the minimum monthly annuity shall be Rs 1000/- or Quarterly Rs 3000/- or Half yearly Rs 6000/- or Yearly Rs 12000/-. There is no maximum limit for getting the annuity.

The product offers the following two annuity options:

- a) Life annuity with 100% Return of Purchase Price; and
- b) Joint Life annuity with a provision of 100% annuity to the secondary annuitant on death of the primary annuitant and Return of 100% Purchase Price on death of last survivor.

In single life annuity plan, on the death of an annuitant, 100% of the purchase price will be returned back to the nominee/legal heirs. Whereas, in case of Joint life annuity, the surviving spouse will get the same annuity amount for life; and after the death of the surviving spouse, the purchase price will be paid to the beneficiaries/legal heirs.

However, if the spouse has pre-deceased the annuitant, then on the death of the annuitant, the Purchase price shall be payable to the nominee /legal heirs.

The product has a facility to get loan after six months from the date of commencement of the policy and even can be surrendered after six months from the date of commencement of the policy, if the annuitant/spouse/children are diagnosed with any of the critical illness, mentioned in the policy document.

With a large reach of the Life insurers through their well spread distribution channels, “Saral Pension” will be easily available to target segment through just a click or step away.

With an Annuity policy, future seems to be definitely bright for the greying population to live a quality life with dignity. Annuity may or may not help live longer, but will surely help to live better.

Source:

(i) IRDAI/Life/Cir/Misc/014/01/2021

(ii) Caring for Our Elders: Early Responses, India Ageing Report – 2017, UNFPA

(iii) <https://economictimes.indiatimes.com/news/economy/indicators/national-database-of-workers-in-informal-sector-in-the->

[works/articleshow/73394732.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst](https://www.business-standard.com/article/economy-policy/health-insurance-companies-get-over-900k-covid-19-claims-settle-84-121022600058_1.html#:~:text=Overall%2C%20the%20insurers%20have%20settled,breached%20475%2C000%20by%20October%2Dend.)

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

V. INSURANCE NEWS

Standardisation of products not against innovation, says IRDAI Chairman

Standardisation of products is not against innovation, rather it will cater to the common needs of the customers, said Subhash Chandra Khuntia, Chairman, Insurance Regulatory and Development Authority of India (IRDAI), thereby allaying concerns expressed by some sections of the industry.

“We have come out with some standard products in the life and general insurance space. Some people feel that standardisation is against innovation, but let me tell you these standardised products are required to cater to the common needs of the customers”, he said, speaking at the National Insurance Academy Swiss Re Seminar..

To read the whole article click on: https://www.business-standard.com/article/pf/standardisation-of-products-not-against-innovation-says-irdai-chairman-121022600471_1.html#:~:text=Standardisation%20of%20products%20is%20not,some%20sections%20of%20the%20industry.

Health insurance companies get over 900K Covid-19 claims, settle 84%

Health insurance companies are seeing the number of Covid-19-related claims rising, even as the pace of growth has slowed since the August-December period.

As of February 25, general and standalone health insurers have received 908,849 Covid-related claims, amounting to Rs 13,752.41 crore.

To read the whole article click on: https://www.business-standard.com/article/economy-policy/health-insurance-companies-get-over-900k-covid-19-claims-settle-84-121022600058_1.html#:~:text=Overall%2C%20the%20insurers%20have%20settled,breached%20475%2C000%20by%20October%2Dend.

IRDAI launches standard personal accident cover, maximum Rs 1 cr assured

The insurance regulator has come out with a standard personal accident cover, which the general and standalone health insurers have to mandatorily offer from April 1 this year. The product, named Saral Suraksha Bima, will have a maximum sum assured of Rs 1 crore and minimum Rs 2.5 lakh.

To read the whole article click on: https://www.business-standard.com/article/economy-policy/irdai-launches-standard-personal-accident-cover-maximum-rs-1-cr-assured-121022600055_1.html

IRDAI withdraws circular on dividends payouts for FY20 over Covid-19

Insurance sector regulator IRDAI withdrew its circular on dividend payouts for 2019-20 by insurers in the wake of COVID-19, citing improving economic conditions, and said they should take a conscious call on dividends for the current year.

The Insurance Regulatory and Development Authority of India (IRDAI) had in April 2020 asked insurance companies to manage their resources prudently.

It had directed all the insurers to align their dividend payouts for 2019-20 so as to be in conformity with their strategies to ensure they have adequate resources for the protection of interests of the policyholders.

To read the whole article click on: [https://www.business-standard.com/article/economy-policy/irdai-withdraws-circular-on-dividends-payouts-for-fy20-over-covid-19-](https://www.business-standard.com/article/economy-policy/irdai-withdraws-circular-on-dividends-payouts-for-fy20-over-covid-19-121022501512_1.html#:~:text=Irdai%20withdraws%20circular%20on%20dividends%20payouts%20for%20FY20%20over%20Covid%2D19,-)

[121022501512_1.html#:~:text=Irdai%20withdraws%20circular%20on%20dividends%20payouts%20for%20FY20%20over%20Covid%2D19,-](https://www.business-standard.com/article/economy-policy/irdai-withdraws-circular-on-dividends-payouts-for-fy20-over-covid-19-121022501512_1.html#:~:text=Irdai%20withdraws%20circular%20on%20dividends%20payouts%20for%20FY20%20over%20Covid%2D19,-)

[Press%20Trust%20of&text=Insurance%20sector%20regulator%20Irdai%20on,dividends%20for%20the%20current%20year](https://www.business-standard.com/article/economy-policy/irdai-withdraws-circular-on-dividends-payouts-for-fy20-over-covid-19-121022501512_1.html#:~:text=Irdai%20withdraws%20circular%20on%20dividends%20payouts%20for%20FY20%20over%20Covid%2D19,-)

Coming soon: Pay life insurance premium in advance, get a discount

Soon, you can pay your insurance renewal premium in advance and get a discount.

The Insurance Regulatory and Development Authority of India (IRDAI) has issued draft guidelines to the life insurance companies proposing to allow these companies to offer discounts for renewal premium collected in advance. "It has been decided to permit life insurers to offer discounts on renewal premiums paid in advance subject to conditions," the draft norms said.

To read the whole article click on: https://www.business-standard.com/article/finance/coming-soon-pay-life-insurance-premium-in-advance-get-a-discount-121022500699_1.html

IRDAI approves Axis entities' stake acquisition in Max Life Insurance

The Insurance Regulatory and Development Authority of India (IRDAI) has approved the acquisition of up to 12 per cent stake in Max Life Insurance Company by Axis Bank and its subsidiaries Axis Capital and Axis Securities.

The IRDAI approval was an integral step in this long-awaited joint venture transaction which was first announced in April 2020.

To read the whole article click on: <https://www.ndtv.com/business/irdai-approves-axis-entities-stake-acquisition-in-max-life-insurance-2378282>

Life insurance: We need insurance agents in the digital era

The insurance sector is poised for a digital transformation in marketing, underwriting and processing of claims. More and more policies are being sold online. Services are being made available in self-service mode on customer portals. Payments of renewal premiums are also being made via digital medium in increasing numbers. This is not just because of a pandemic situation forcing people to opt for digital channels. This is primarily because digital channels are keeping operational costs of insurers low and customer experience high. After all, it is the experience that matters more than just “insurance cover”. Under such circumstances, the question is what the role of insurance agents can be in this digital era.

To read the whole article click on: <https://www.financialexpress.com/money/insurance/life-insurance-we-need-insurance-agents-in-the-digital-era/2202056/>

Sustainability ‘insured’

It’s been a year since the outbreak of Covid-19, and the long-drawn-out path ahead will strain the world’s resources.

Governments need to replace short-term stimulus packages with sustainable strategies like the ‘whole of society’ approach. In India, this approach is poised to play a pivotal role in bringing about radical reforms across key sectors. This is an opportunity to not just support a broad-based

domestic recovery, but also leverage the country's status as one of Asia's largest economies to play a leading role in the region's development.

To read the whole article click on:

<https://www.thehindubusinessline.com/opinion/sustainability-insured/article33934665.ece>

Bajaj Allianz Life Insurance launches post-retirement fund guarantee plan

Bajaj Allianz Life Insurance launched an insurance plan offering a guaranteed regular deferred annuity during the post-retirement life.

With life expectancy in the country growing to 78 years, there is fear about people outliving their savings. Besides, India suffers from the highest retirement fund gap and there is no social security, so the company believes there is need for such pension products.

To read the whole article click on: <https://www.financialexpress.com/money/insurance/bajaj-allianz-life-insurance-launches-post-retirement-fund-guarantee-plan/2201533/>

ESIC takes steps to ease conditions for women to avail sickness benefit

The Employees State Insurance Corporation (ESIC) took steps, such as relaxing contributory conditions for insured women to avail sickness benefit and decision to set up more hospitals, for improving delivery of services for insured persons under its health insurance scheme.

To read the whole article click on: https://www.business-standard.com/article/economy-policy/esic-takes-steps-to-ease-conditions-for-women-to-avail-sickness-benefit-121022301469_1.html

Govt may consider privatising Oriental Insurance or United India: Report

The government may consider privatising Oriental Insurance or the United India Insurance Co as their financial health has improved after a series of capital infusions, people aware of the development said.

To further strengthen their financial health, the government is expected to infuse Rs 3,000 crore in the public sector general insurance companies during the current quarter.

To read the whole article click on: https://www.business-standard.com/article/pti-stories/govt-may-consider-oriental-insurance-or-united-india-for-privatisation-121022100393_1.html

Why standardisation of health insurance policies leads to increase in premium?

Standard health insurance policies used to be cheaper but capping on daily room rent, ICU charges etc causes problems for policy holders. On the other hand, premium products don't contain most of the constraints and are more user friendly, but are expensive.

However, after the policies are being standardised as per the directive of the Insurance Regulatory and Development Authority of India (IRDAI), policyholders are getting renewal notices with higher premium even if there are no changes in age slab or the sum insured.

To read the whole article click on: <https://www.financialexpress.com/money/insurance/why-standardisation-of-health-insurance-policies-leads-to-increase-in-premium/2201133/>

Bonus for Post Office Life Insurance policies declared

The wait is over for the of Post Office Life Insurance policyholders to know how much bonus have they earned in their policies. The government has declared the bonus applicable to Post Office Life Insurance (PLI). The rates of Bonus will be applicable for the Financial Year 2021-22 and will be effective from 01.04.2021.

To read the whole article click on: <https://www.financialexpress.com/money/insurance/bonus-for-post-office-life-insurance-policies-declared-check-details/2200893/>

IRDAI sets up panel to relook guidelines on information, cybersecurity

The Insurance Regulatory and Development Authority of India (IRDAI) has formed a working group committee to relook its information and security guidelines amid the exponential increase in cyberattacks across the globe in the wake of covid-19.

To read the whole article click on: <https://www.livemint.com/money/personal-finance/irdai-sets-up-panel-to-relook-guidelines-on-information-cybersecurity-11614229143674.html>

Don't Buy Policy from Digital National Motor Insurance, Warns IRDAI

The insurance regulator clarified that Digital National Motor Insurance has been selling motor insurance policies, although it has not been licensed or granted registration by the regulator to sell insurance policies of any kind.

To read the whole article click on: <https://www.moneylife.in/article/dont-buy-policy-from-digital-national-motor-insurance-warns-irdai/62975.html#:~:text=Insurance%20Regulatory%20and%20Development%20Authority,insurance%20policies%20without%20a%20license.>

Flipkart-ICICI Lombard insurance to cover hospitalisation cost

Flipkart has joined hands with ICICI Lombard to offer Hospicash insurance to consumers. Compared to the standard indemnity health insurance policies, Hospicash allows consumers to avail a fixed amount for each day of hospitalisation. The insurance covers both accidental hospitalisations or planned surgeries and treatments. The fixed daily amount enables consumers to pay for incidental medical or emergency expenses.

To read the whole article click on: <https://www.livemint.com/insurance/news/flipkarts-new-insurance-to-cover-hospitalisation-cost-daily-limit-to-benefits-11613560137639.html>

Sri Lanka: Insurers' investment risks increase

Asset risk at Sri Lankan insurers has increased due to the sovereign's weaker credit profile and the consequent lowering of national ratings of some state-owned and private-sector institutions, says Fitch Ratings in a report.

To read the whole article click on: <https://www.asiainsurancereview.com/News/View-Newsletter-Article/id/75655/Type/eDaily/Sri-Lanka-Insurers-investment-risks-increase>

Munich Re shakes up Southeast Asia L&H leadership

Munich Re has made two senior appointments for its life and health business in Southeast Asia. Aravind Srinivas has been appointed as Managing Director for life and health, Southeast Asia, succeeding Tobias Frenz, who now heads digital solutions in Asia-Pacific, Middle East and Africa.

To read the whole article click on: <https://www.insurancebusinessmag.com/asia/news/breaking-news/munich-re-shakes-up-southeast-asia-landh-leadership-246780.aspx>

Now, crop insurance for shrimp farmers

The Chennai-based Central Institute of Brackishwater Aquaculture (CIBA) is working on modalities to introduce crop insurance for shrimp farmers- who are highly vulnerable to suffering total losses. A consultation meeting was recently organised at CIBA to develop a pragmatic crop insurance product for shrimp aquaculture. Officials from leading insurance companies, farmers, farmer representatives, scientists and other stakeholders participated.

To read the whole article click on: <https://www.newindianexpress.com/states/tamil-nadu/2021/feb/17/now-crop-insurance-for-shrimp-farmers-2265067.html>

IRDAI urges general insurers to file products for drone coverage

The Insurance Regulatory and Development Authority of India (IRDAI) has asked general insurance companies to file the “model product” suggested by one of its working groups, regarding drones, given that only a handful of insurers offer coverage to drones under aviation insurance at present. Alternatively, they can design and develop their own product and file it with the insurance regulator at the earliest to meet the demands of this growing sector.

To read the whole article click on: https://www.business-standard.com/article/economy-policy/irdai-urges-general-insurers-to-file-products-for-drone-coverage-121021200011_1.html

Liberty General Insurance rolls out AI based automated car inspections

Liberty General Insurance has automated vehicle inspections for car insurance policy renewals and claim assessments using AI-based technology. This is expected to transform the car inspection process, which is currently dominated by manual inspections - a people-intensive job leading to delays in the claims and policy issuance process.

To read the whole article click on: <https://cio.economictimes.indiatimes.com/news/enterprise-services-and-applications/liberty-general-insurance-rolls-out-ai-based-automated-car-inspections/81044866>

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