



**National Insurance Academy wishes you a very HAPPY NEW YEAR 2020**

**In This Issue:**

**I. Events at NIA**

1. 21<sup>st</sup> Annual C.D. Deshmukh Memorial Seminar
2. Orientation Programme for Independent Directors of General Insurance Companies
3. Induction Training Programme for the Direct Recruit Officers of GIC Re
4. Induction Training Programme for Direct Recruit Officers of The New India Assurance Co. Ltd. (Contingency Batch)

**II. Upcoming Events at NIA**

1. 2<sup>nd</sup> International Seminar by NIA and Swiss Re

**III. Insurance Industry Flash Figures**

**IV. Topical Articles**

**I. EVENTS AT NIA**

**1. 21<sup>st</sup> Annual C.D. Deshmukh Memorial Seminar**



National Insurance Academy conducted 21<sup>st</sup> Annual C.D. Deshmukh Memorial Seminar on the theme “Life Insurance Industry in a US\$ 5 Trillion Indian Economy” on January 10, 2020.

**2. Orientation Programme for Independent Directors of General Insurance Companies**



### 3. Induction Training Programme for the Direct Recruit Officers of GIC Re



25, Balewadi, Baner Road, NIA P.O. Pune-411 045 (India)  
Tel.: +91-20-27204000, 27204444 Fax: +91-20-27204555, 27100396  
Email: [contactus@niapune.org.in](mailto:contactus@niapune.org.in) Website: [www.niapune.org.in](http://www.niapune.org.in)

**INDUCTION TRAINING  
PROGRAMME FOR DIRECT RECRUIT OFFICERS OF GIC RE  
06.01.2020 TO 14.02.2020**



#### 4. Induction Training Programme for Direct Recruit Officers of The New India Assurance Co. Ltd. (Contingency Batch)



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](mailto:contactus@niapune.org.in) Website : [www.niapune.org.in](http://www.niapune.org.in)

**INDUCTION TRAINING PROGRAMME FOR DIRECT RECRUIT  
OFFICERS OF THE NEW INDIA ASSURANCE CO.LTD  
06.01.2020 TO 14.02.2020**



## II. UPCOMING EVENTS AT NIA

### 1. 2nd International Seminar by NIA and Swiss Re

National Insurance Academy and Swiss Re are organising 2<sup>nd</sup> International Seminar on “Digital Disruption: Embracing Digital Innovation in (Re) Insurance Business” on 07 February 2020. For more details, click on: <http://niapune.org.in/events/ni-swiss-re-intl-seminar>

## III. INSURANCE INDUSTRY FLASH FIGURES FOR DECEMBER 2019

Click on:

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

## ***IV. TOPICAL ARTICLES***

### **1. Products Approved Under Regulatory Sand Box Approach – An Overview**

IRDAI had opened the window to all insurers, intermediaries and service providers to file products and processes under the Regulatory Sandbox approach. This approach encourages innovations in products and processes which may be out of the box and disruptive to the present regime but can be experimented in the market for 6 months initially to gauge its suitability and efficacy before a permanent approval is accorded.

Out of the 177 proposals submitted only 33 have been given go ahead. A look over the range of these product reveals one common theme which is the leveraging InsureTech for selecting prospects, underwriting and rating, and estimating claims based on this digitally enabled data through Artificial Intelligence.

In motor insurance 'Pay as you go' makes premium proportional to distance travelled rather than cubic capacity and IDV. This is likely to benefit a large number of personal vehicle users by reduced premium.

The private car Floater policy product envisages a single policy for multiple vehicles of the owner with a single premium which will be liked by multiple car owner for ease of transaction. Audatex solution has been approved for online salvage auction platform.

Wearable device enabled health insurance and wellness products proposed aims at incentivizing the insured to acquire and practice good health habits of walking, quit smoking, dieting etc. to get better premium rates to become healthier. This is a win-win for both insurer and insured. The co-pay grading has been attached to compliance levels of these health parameters. Similarly short term need based health insurance plan has been approved.

All these innovations augur well for the customers and is expected to drive growth and penetration.

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

## ***V. INSURANCE NEWS***

### **Budget 2020: Need to Raise Tax Benefit Limit on Health Insurance Premiums**

The Indian health insurance sector has witnessed numerous structural changes in recent years. The National Health Protection Scheme under Ayushman Bharat and the introduction of new-age technology has redefined the health insurance landscape. The health insurance sector is steadily gaining momentum, the gross direct premium income underwritten by health insurance grew 15% year-on-year (y-o-y) to \$4.5 billion till November 2019.

To read the whole article click on: <https://www.financialexpress.com/budget/budget-2020-need-to-raise-tax-benefit-limit-on-health-insurance-premiums/1836908/>

### **LIC Increases Market Share in First-Year Premium Income**

Life Insurance Corporation of India (LIC) has increased its share of the first-year premium income in the first nine months of this fiscal. LIC's share rose to 70.52% from 66.24% recorded in 2018-19.

"During the current fiscal, our market share improved in terms of first-year premium income. We have crossed last year's collection of ₹1,42,000 crore in total first-year premium, 67 days ahead of the schedule," Mukesh Kumar Gupta, managing director, LIC, said.

To read the whole article click on: <https://www.thehindu.com/business/markets/lic-increases-market-share-in-first-year-premium-income/article30668828.ece>

### **Insurers Get More Time to Adopt New Accounting Standards**

The IRDAI has deferred the implementation of IndAS (Indian Accounting Standards) until the International Accounting Standards Board (IASB) issues final amendments to International Financial Reporting Standard 17 (IFRS 17).

The regulator had planned to implement an IndAS on insurance contracts, that is the equivalent of IFRS 17, as well as IndAS 109, relating to financial instruments, from 1 April, but the IASB

decided to amend IFRS 17, due to concerns raised around accounting treatments, operational complexity and implementation challenges aired by various stakeholders.

To read the whole article click on: <https://www.asiainsurancereview.com/News/View-NewsLetter-Article/id/49969/Type/eDaily/India-Insurers-get-more-time-to-adopt-new-accounting-standards>

## **Crop Insurance Drives General Insurers' Direct Premium Growth**

General Insurance companies saw their gross direct premium growing at 13% year-on-year in December, aided by a strong performance from crop insurance. According to a Kotak Institutional Equities report, excluding crop insurance, the growth of the general insurers would have been around 6% due to the slowdown in motor and fire insurance business. Market participants say that weak growth in motor insurance is largely due to the fall in vehicle sales.

To read the whole article click on: <https://www.financialexpress.com/industry/crop-insurance-drives-general-insurers-direct-premium-growth/1829744/>

## **Aarogya Sanjeevani Policy: Is Standard Health Insurance Product Good For First-Time Buyers?**

From April 1 this year, all general and standard health insurers will have to roll out a standard health insurance policy, according to recent guidelines issued by the Insurance Regulatory Development Authority of India (IRDAI). Named 'Aarogya Sanjeevani Policy', the standard health insurance policy will be a "standardized product" covering basic hospitalization needs of customers.

The minimum sum insured under the policy will be Rs 1 lakh while the maximum sum insured will be Rs 5 lakh with a co-pay of 5 per cent and room rent limit up to 2 per cent.

To read the whole article click on:

<https://www.financialexpress.com/money/insurance/aarogya-sanjeevani-policy-details-premium-benefits-of-irdai-standard-health-insurance-product-should-you-buy/1830511/>

## **IRDAI Chief Warns Firms against Unfair Trade Practises, Predatory Pricing**

The insurance industry may meet the fate of aviation and telecom sectors if product prices are kept low, warned Insurance Regulatory and Development Authority of India (Irdai) Chairman Subhash C Khuntia.

Khuntia said insurance brokers account for around 43 per cent of the premium collected in the case of group health insurance products. "But, I need to give a word of caution here. Though the share is very high, the loss ratio is also high. It's not sustainable at present. Insurance companies, intermediaries and policyholders need to unite to create a sustainable atmosphere," Khuntia said in New Delhi at an event organised by the Insurance Brokers Association of India.

To read the whole article click on: [https://www.business-standard.com/article/economy-policy/irdai-chief-warns-firms-against-unfair-trade-practises-predatory-pricing-120011800024\\_1.html](https://www.business-standard.com/article/economy-policy/irdai-chief-warns-firms-against-unfair-trade-practises-predatory-pricing-120011800024_1.html)

## **IRDAI's Draft Norms: Push Towards Clearer and Standardised Insurance Documents**

In yet another attempt at ensuring uniformity in health policies, the insurance regulator has issued draft norms on the standardisation of general clauses. From being a lengthy and verbose document written in a language that can lead to some serious hair-splitting, the health insurance space has moved towards standardisation of exclusions, definitions and policy wordings, over the last few months. In addition, the Insurance Regulatory and Development Authority of India (IRDAI) also made it mandatory for all general and health insurers to offer a standard health product from April 1, 2020.

To read the whole article click on: <https://www.moneycontrol.com/news/business/personal-finance/irdais-draft-norms-push-towards-clearer-and-standardised-insurance-documents-4823001.html>

## **Coming Soon: Floater Motor Insurance Policies**

The Insurance Regulatory and Development Authority of India (IRDAI) between September and

October last year, invited applications for the regulatory Sandbox. A Sandbox is a workspace where tech-driven companies can ideate, experiment, test and innovate financial products. The regulator received 173 proposals of which it has approved 33. Of all the ideas, the proposal to introduce own damage motor floater policies stands out.

To read the whole article click on: <https://www.livemint.com/insurance/news/coming-soon-floater-motor-insurance-policies-11579232200424.html>

### **BSE, Ebix to Launch Insurance Distribution Business in February**

Asia's oldest exchange BSE and its JV partner Ebix are set to launch their insurance distribution business next month. The venture, branded BSE-Ebix Insurance Broking, will enable distribution outlets, wealth management advisers, and Points of Sale Persons (PoSPs) to sell life and non-life insurance products.

To read the whole article click on: <https://www.financialexpress.com/industry/banking-finance/bse-ebix-to-launch-insurance-distribution-business-in-february/1824420/>

### **IFRS to Enable Greater Disclosure by Insurance Firms: Pravin H Kutumbe, Member, IRDAI**

Insurance companies in the country will have to make greater disclosures under the new International Financial Reporting Standards (IFRS), Pravin H Kutumbe, Member, Finance & Investment, IRDAI, has said.

He added that the insurance industry players will not just disclose numbers but also the logic and reasoning behind these numbers.

To read the whole article click on: <https://www.financialexpress.com/money/insurance/ifrs-to-enable-greater-disclosure-by-insurance-firms-pravin-h-kutumbe-member-irdai/1821945/>

## **Govt to Make Single Regulator for Pension Products to Tap Long Term Funds**

A unified pension products regulator is on the anvil consolidating supervisory powers from SEBI, IRDAI where all superannuation products, schemes and corpus of private insurers will be under the single authority in a bid to make long term funds available to the government for infrastructure and growth schemes, said sources.

To read the whole article click on: <https://www.livemint.com/news/india/govt-to-make-single-regulator-for-pension-products-to-tap-long-term-funds-11578925164503.html>

## **Budget 2020: FM may Announce Second Capital Infusion for Non-Life Insurers**

Finance Minister Nirmala Sitharaman may announce second-round capital infusion for public sector general insurance companies in the upcoming Budget to improve their financial health.

The government infused Rs 2,500 crore in the three insurers -- National Insurance, Oriental Insurance and United India Insurance -- through first supplementary demands for grants for 2019-20 last month.

To read the whole article click on: [https://www.business-standard.com/article/economy-policy/second-round-of-capital-infusion-for-non-life-insurers-likely-in-budget-120011200346\\_1.html](https://www.business-standard.com/article/economy-policy/second-round-of-capital-infusion-for-non-life-insurers-likely-in-budget-120011200346_1.html)

## **Need Cost-Effective Products For Lower-Middle Class: LIC Chairman**

People below the poverty line require new forms of social security and should benefit from corporate social responsibility while there is a need for cost-effective and tax-exempt products for the lower-middle class, according to M R Kumar, Chairman of State-Owned Life Insurance Corporation (LIC).

Addressing the 21st C D Deshmukh memorial seminar at the National Insurance Academy, Pune, the LIC chairman said although life insurance had been one of the fastest-growing sectors in India since it opened up in 2001, the vast uninsured population and market potential put the achievement of insurance players in the shade.

To read the whole article click on: [https://www.business-standard.com/article/companies/need-cost-effective-products-for-lower-middle-class-lic-chairman-120011100075\\_1.html](https://www.business-standard.com/article/companies/need-cost-effective-products-for-lower-middle-class-lic-chairman-120011100075_1.html)

## **HDFC Completes Majority Acquisition in Apollo Munich Health Insurance for ₹1,495.81 crore**

Mortgage lender HDFC said it has completed the acquisition of majority stake in Apollo Munich Health Insurance for ₹1,495.81 crore.

HDFC bought 50.80 per cent stake of Apollo Hospitals Group in Apollo Munich for ₹1,485.14 crore and 0.36 per cent shareholding of employees for ₹10.67 crore.

To read the whole article click on: <https://www.livemint.com/companies/news/hdfc-completes-majority-acquisition-in-apollo-munich-health-insurance-for-rs-1-495-81-crore-11578577371499.html>

## **Indian Insurance Firms Build Own Tech Teams as Focus Turns to Data**

Indian insurance firms, which depend on technology services vendors to man their IT processes, are increasingly building in-house technology teams, eyeing data and analytics as core to their business strategy. The insurers have stepped up hiring from premier institutes, including the Indian Institutes of Technology and Indian Statistical Institute. Some are also expected to increase the number of freshers hired to more than a couple of hundred.

To read the whole article click on: <https://economictimes.indiatimes.com/jobs/indian-insurance-firms-build-own-tech-teams-as-focus-turns-to-data/articleshow/73147742.cms>

## **LIC Pension and Group Scheme Vertical's Premium Income Crosses Rs 1 trn**

LIC Pension and Group Schemes Vertical, which is looking after group schemes and superannuation business, has created a new record by collecting more than Rs 1 trillion premium income during the current financial year.

This is the first time ever any single vertical of the insurer has crossed this record premium income figure, LIC said in a statement.

To read the whole article click on: [https://www.business-standard.com/article/companies/lic-pension-and-group-scheme-vertical-s-premium-income-crosses-rs-1-trn-120010701400\\_1.html](https://www.business-standard.com/article/companies/lic-pension-and-group-scheme-vertical-s-premium-income-crosses-rs-1-trn-120010701400_1.html)

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

