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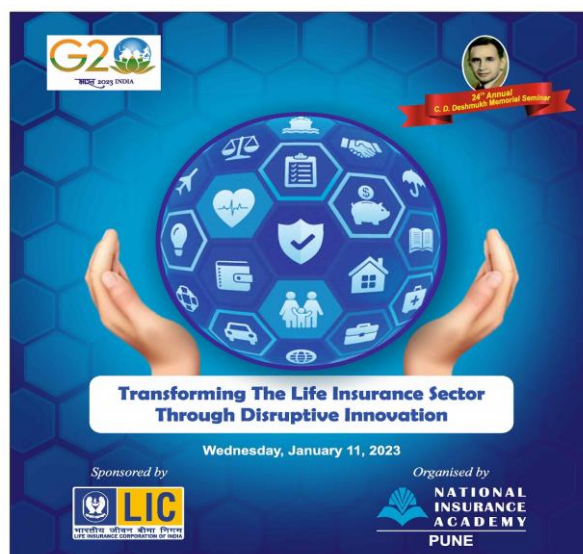
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**I. WHAT'S HAPPENING AT NIA**

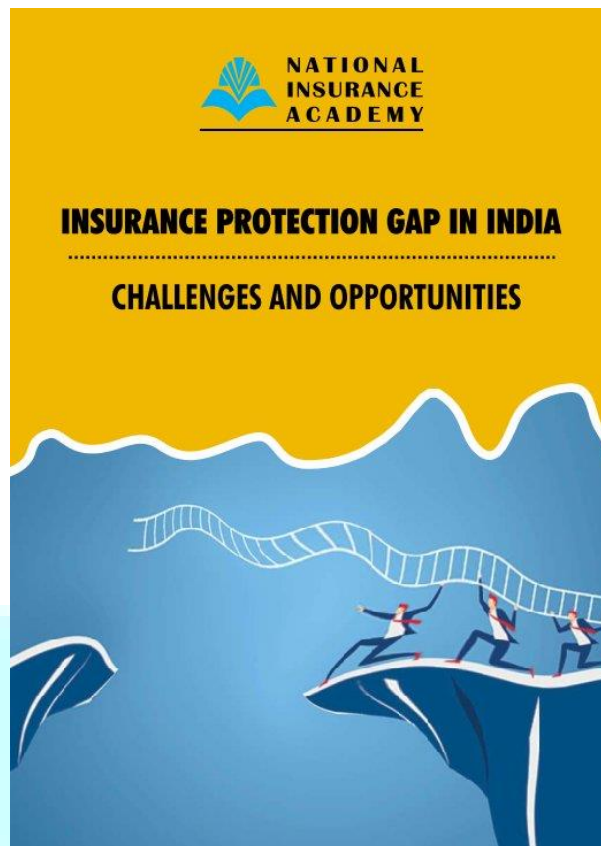
**1. 24th Annual Sir CD Deshmukh Memorial Seminar- "Transforming the Life Insurance Sector Through Disruptive Innovation".**

National Insurance Academy, Pune organized 24th Annual Sir CD Deshmukh Memorial Seminar on January 11, 2023, on the theme "Transforming the Life Insurance Sector Through Disruptive Innovation". Mr Devesh Srivastava, CMD GIC Re and Chairman NIA Governing Board, Mr Pramod Kumar Arora, Member (Actuary) IRDAI, and Mr Saurabh Mishra, Joint Secretary, DFS, MoF, Government of India presented the Special address during the seminar, while Mr M.R. Kumar, Chairperson, LIC of India presented the Keynote address.



## 2. Book on "Insurance Protection Gap in India: Challenges and Opportunities"

National Insurance Academy has published a book on "Insurance Protection Gap in India: Challenges and Opportunities". The book features ten essays from renowned experts in the insurance field, exploring the scope of the insurance protection gap in India and the challenges and opportunities to bridge this gap. For more details, please visit <https://niapune.org.in/research-and-publication/books>



## II. REGULATORY DEVELOPMENTS

### 1. Circulars:

a. Clarification to Investment Master Circular. Click here for the circular:

<https://irdai.gov.in/document-detail?documentId=2384721>

b. Profit Related Commission to Non-Executive Directors. Click here for the circular:

<https://irdai.gov.in/document-detail?documentId=2379631>

c. Guidelines on insurance claims of victims of subsidence and landslides in the calamity affected areas in the state of Uttarakhand. Click here for the circular:

<https://irdai.gov.in/document-detail?documentId=2074587>

d. Clarification on Classification of Shares issued by virtue of demerger. Click here for the circular: <https://irdai.gov.in/document-detail?documentId=2057425>

e. Sovereign Green Bonds (SGrBs)- Classification and Categorisation. Click here for the circular: <https://irdai.gov.in/document-detail?documentId=1836032>

f. Modifications to Surety Insurance Guidelines. Click here for the circular: <https://irdai.gov.in/document-detail?documentId=1772805>

g. IRDAI (Appointed Actuary) Regulations, 2022. Click here for the circular: <https://irdai.gov.in/document-detail?documentId=1717447>

h. Submission of Reinsurance Returns. Click here for the circular: <https://irdai.gov.in/document-detail?documentId=1640469>

### ***III. INSURANCE INDUSTRY FLASH FIGURES FOR DECEMBER 2022***

For monthly insurance industry data, click on:

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

### ***IV. TOPICAL ARTICLE***

#### **Judicial Pronouncements Impacting Insurance Covers and Rules**

Disputes following insurance claims which are litigated in Indian courts sometimes are appealed in High Courts and Supreme Court. Some of the disputes arise out of the implications of non-disclosure of material facts and some are related to the exclusion clauses in the policies. The courts adjudicate upon these points not merely on the ground of technicalities, but as the premier judicial bodies view these with a wider angle in the light of the provisions of our constitution particularly the fundamental rights of the right to life, right to equal treatment. They pronounce judgments that nudge or direct the IRDAI, insurers, and the government to enforce changes in the terms of the insurance products.

The Delhi High court heard the appeal of an insured against United India Insurance Company's repudiation of a health insurance claim based on the pre-existing and genetic disease exclusion clearly written in the policy. However, the court pronounced that this was a violation of the fundamental right to life and the right to equality. Following this judgment, the IRDAI mandated

all insurers to delete this exclusion. This resulted in getting the genetic disorder and mental disorders covered in health insurance policies.

In another case of loss of goods from a warehouse covered under a Burglary and housebreaking policy, New India Assurance repudiated the claim on the ground that there was no forcible entry. The insured went up to the Supreme Court and the court held that the insurer has to prove that the insured was made fully aware of such a condition at the time of accepting the proposal. There was no evidence to that effect and hence the court directed New India Assurance to pay. This judgment became the guiding principle and now the IRDAI mandates that utmost good faith is equally applicable to the insurer and the terms and conditions must be explained to the proposer and a declaration to that effect has to be taken.

Thus, in a ruled-based democratic constitutional state, the judiciary intervenes to uphold the rights of the citizens and influences the insurers to make related changes in their products which in turn augurs well to improve the confidence of the policyholders.

(By Mr KK Panda, Ex-Faculty Member, NIA)

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

### **Composite license for the insurance sector should be announced: LIC MD**

The life insurance sector expects that deductions under Section 80C will be increased and Annuity plans also get tax deductions like NPS. According to Raj Kumar, MD LIC, parity should be granted because annuities and NPS have similar nature.

To read the whole article click on: <https://timesofindia.indiatimes.com/business/india-business/composite-license-for-the-insurance-sector-should-be-announced-lic-md/articleshow/97491899.cms>

### **Government schemes helped boost insurance reach**

Government schemes and financial inclusion initiatives have driven insurance adoption across segments, according to the Economic Survey 2022-23 tabled in the Parliament.

The government's flagship initiative for crop insurance, Pradhan Mantri Fasal Bima Yojana (PMFBY), has led to significant growth in the premium income for crop insurance. Ayushman Bharat (Pradhan Mantri Jan Arogya Yojana) (AB PMJAY) aims at providing a health cover of ₹5 lakh per family per year for secondary and tertiary care hospitalisation.

To read the whole article click on: <https://www.livemint.com/money/personal-finance/economic-survey-government-schemes-helped-boost-insurance-reach-11675163233829.html>

## **Asia Pacific: Nat CAT insured losses reach US\$11bn in the region in 2022**

Preliminary data totals across Asia Pacific showed an insured loss for 2022 from Nat CAT events at \$11bn, according to Gallagher Re.

Globally, total insured losses are estimated at \$140bn, of which \$125bn are covered by private insurers and \$15bn by public insurance entities (example: US National Flood Insurance Program), the global reinsurance broker says in the “Gallagher Re Natural Catastrophe Report of 2022”. The report notes that 2022 became the fifth year since 2017 for total insured losses to cross the \$100bn threshold.

To read the whole article click on: <https://www.asiainsurancereview.com/News/View-Newsletter-Article?id=83532&Type=eDaily>

## **Budget 2023 | Pension income should be made tax-free, says Bajaj Allianz Life CEO**

Allowing corporate agents to tie up with more insurance companies will lead to an increase in competition, which will mean more choices for customers and a drop in mis-selling complaints, says Tarun Chugh, MD and CEO of Bajaj Allianz Life Insurance.

Also, deduction on premiums paid on life insurance policies must not be clubbed with other investment and savings products, all of which have a combined upper limit of Rs 1.5 lakh under section 80C, he said.

To read the whole article click on: <https://www.moneycontrol.com/news/business/personal-finance/budget-2023-pension-income-should-be-made-tax-free-says-bajaj-allianz-life-ceo-9966861.html>

## **Policybazaar.com CEO says what customers want is healthy, purposeful living and financial well-being**

“The pandemic years have been an era of resilience, reflection and recalibration. What matters

most to the customers now is healthy and purposeful living along with financial well-being. With the current enthusiasm of customers to cover their financial risks with a sturdy safety shield, awareness and adoption of insurance have increased manifold. The industry looks forward to reforms that could further catalyse this growth and generate opportunities for product innovation to serve a broader range of customer needs.

To read the whole article click on: <https://www.deccanherald.com/business/union-budget/policybazaarcom-ceo-says-what-customers-want-is-healthy-purposeful-living-and-financial-well-being-1186070.html>

## **PNB to rethink stake divestment strategy in Canara HSBC Life Insurance: MD &CEO Atul Kumar Goel**

Punjab National Bank (PNB), the country's second largest public sector bank, has decided to "rethink" its decision to divest holding in its associate company Canara HSBC Life Insurance, a top official said.

"Earlier we were thinking to shed our holding in Canara HSBC Life. Now we are going to immediately do a rethink. There is also a change in guidelines by insurance regulator IRDAI", Atul Kumar Goel told.

To read the whole article click on: <https://www.thehindubusinessline.com/money-and-banking/pnb-to-rethink-stake-divestment-strategy-in-canara-hsbc-life-insurance-md-ceo-atul-kumar-goel/article66451383.ece>

## **Certain Hyundai, Kia models being refused insurance cover in the US: Here's why**

Two of the largest automobile insurance companies in US are refusing insurance coverage to some models of Hyundai and Kia cars after they were deemed too easy to steal. Several reports state that the companies have stopped offering insurance on these vehicles in the cities that include Denver, Colorado and St. Louis, Missouri.

To read the whole article click on: <https://timesofindia.indiatimes.com/auto/cars/certain-hyundai-kia-models-being-refused-insurance-cover-in-the-us-heres-why/articleshow/97440908.cms?from=mdr>

## **Health Insurance: Co-pay should be the last option**

With health insurance policies becoming costlier, individuals often opt for higher co-payment which helps to reduce the premium. While the premium may be less in such a case, the policyholder will pay more towards the treatment rather than saving on the premium amount as the co-pay amount has to be paid before the insurance claim is paid off.

To read the whole article click on: <https://www.financialexpress.com/money/insurance/health-insurance-co-pay-should-be-the-last-option/2964697/>

## **New India Assurance (NIA) Launches 'Pay As You Drive' Vehicle Insurance Policy**

New India Assurance (NIA) launched its "Pay as You Drive" (PAYD) policy, dubbed as "revolutionary" with features like discounts on renewals, coverage beyond distance limit, and enhanced protections such as nil depreciation, roadside help, return to invoice, etc.

The policy comes with various benefits. For instance, the customer can save money through discounts on renewal premiums, provided the vehicle runs within the specified kilometers. The discount is applied on the basic "own damage premium".

To read the whole article click on: <https://timesofindia.indiatimes.com/blogs/voices/sachet-economy-is-leading-to-financial-empowerment/>

## **Reinsurance: Hesitant capital remains sidelined amid property CAT losses and higher inflation**

The ongoing gap between return-on-equity ratios and the overall cost of capital is one of the key drivers for higher reinsurance prices going forward, according to a new AM Best report capturing the views of panelists from a reinsurance industry briefing.

The Best's Market Segment Report, "Hesitant Capital Had Looming Role at 1 January Reinsurance Renewals," is based on a briefing last week in which a panel of AM Best analysts and industry executives discussed pricing pressures around the 1 January 2023 reinsurance renewal season.

To read the whole article click on: <https://www.asiainsurancereview.com/News/View-NewsLetter-Article?id=83520&Type=eDaily>

### **New Zealand: Auckland rains and floods cause thousands of insurance claims**

Torrential rains and flash floods in New Zealand's biggest city, Auckland, have resulted in more than 6,000 insurance claims.

AMI, State and NZI Insurance, which trade under IAG, said they had received 3500 claims for property damage for homes and businesses, as well as flooded vehicles, according to a report in stuff.co.nz.

To read the whole article click on: <https://www.asiainsurancereview.com/News/View-NewsLetter-Article?id=83523&Type=eDaily>

### **Taiwan: Retirement preparation platform to incorporate insurance**

The Financial Supervisory Commission (FSC) has asked the Taiwan Central Depository and Clearing Corporation to establish an online retirement preparation platform to meet the needs of an ageing society through promoting protection, retirement investment and public welfare. The platform is also to have built into it a "protection-type insurance product platform", to provide simple and affordable insurance products.

The insurance sub-platform will offer four types of products: term life insurance; sachet wholelife insurance, critical illness insurance and microinsurance.

To read the whole article click on: <https://www.asiainsurancereview.com/News/View-NewsLetter-Article/id/83524/Type/eDaily/Taiwan-Retirement-preparation-platform-to-incorporate-insurance>

### **Data Drive: The health insurance push**

Health insurance is driving growth within non-life insurance because of rising medical inflation, under-insurance, and awareness post-Covid. Existing retail health insurance schemes cover only 4% of the country's population, while 26% is covered under government schemes and 10% under group policies—the rest of the population has no cover. And only 15% of the hospitals' total in-patient revenue is covered by health insurance. In non-life insurance, private and standalone health insurers have gained significant market share at the expense of public sector insurers.



To read the whole article click on: <https://www.financialexpress.com/opinion/data-drive-the-health-insurance-push/2963350/>

## **Climate Change and Changing Insurance Needs**

The land subsidence at Joshimath has suddenly become the epicentre of climate change discussions. Hundreds of people have lost their homes and livelihoods. There is a looming question— are claims for houses destroyed by subsidence covered under insurance? Strangely, until the event, subsidence had never been discussed as a major risk for home insurance. Uttarakhand has in the past put the spotlight on other recurring natural catastrophes. We ought to pay attention to these catastrophes and assess the ways in which they could impact us.

To read the whole article click on: <https://www.livemint.com/money/personal-finance/climate-change-and-changing-insurance-needs-11675013207891.html>

## **Climate: 3 ways the re/insurance industry can accelerate net zero by facilitating capital**

Re/insurers can help solve the climate crisis by matching capital to risk where it's needed, such as via clean tech solutions, and by de-risking projects and technology development, which will encourage faster and more meaningful investment, says insurance and reinsurance broker Aon. In the report, “2023 Weather, Climate and Catastrophe Insight” published by Aon, Mr Richard Dudley, Aon’s global head of Climate Strategy says that there are three primary ways the industry can help accelerate the journey to net zero emissions.

To read the whole article click on: <https://www.asiainsurancereview.com/News/View-Newsletter-Article/id/83509/Type/eDaily/Climate-3-ways-the-re-insurance-industry-can-accelerate-net-zero-by-facilitating-capital>

## **India: Government can gain from establishing insurance captives**

In India, like large corporations and cooperatives, the government too can benefit from the use of insurance captives for public programmes like the Pradhan Mantri Fasal Bima Yojana (PMFBY) and Pradhan Mantri Jan Arogya Yojana (PMJAY), says Mr Ankur Nijhawan, CEO of AXA France Vie India Reinsurance Branch.

In India, captives have tremendous growth potential if they register within low-tax jurisdictions such as the GIFT City (Gujarat International Finance Tec-City). Given its tax incentives, GIFT City can emerge as a hub for captives for the entire Indian subcontinent.

To read the whole article click on: <https://www.asiainsurancereview.com/News/View-NewsLetter-Article/id/83510/Type/eDaily/India-Government-can-gain-from-establishing-insurance-captives>

## **Non-life insurance industry grows 16 per cent in April-December 2022**

The non-life insurance industry has delivered a strong performance as it grew 16.2% in the first nine months of the current financial year compared to 11.2% in the same period last year, according to a report by Care Ratings.

Health and motor insurance were the main drivers of growth, said the report. The gross direct premium underwritten reached Rs 1.87 lakh crore during the nine months of FY23, as against Rs 1.61 lakh crore in the same period in FY22. The non-life insurance industry continued to report double-digit growth in December 2022 after reporting near-flat growth in September 2022. The industry reached Rs 21,871.6 crore in December 2022, a 14.5% growth year-on-year.

To read the whole article click on:

<https://www.newindianexpress.com/business/2023/jan/27/non-life-insurance-industry-grows-16-per-cent-in-april-december-2022-2541823.html>

## **Why personal health insurance is more critical than ever amidst layoffs**

The past few months have been a difficult time for many individuals, with companies such as Google, Microsoft, Amazon, ShareChat, and Swiggy announcing layoffs. These layoffs have not only affected the employment status of thousands of individuals, but also their access to health insurance benefits provided by their former employers. This is a clear indication of how the present economic scenario is affecting the well-being of individuals, not just financially but also in terms of their health and well-being.

It is a well-known fact that healthcare is a basic human right and access to healthcare should not be dependent on one's employment status. This highlights the importance of having a personal health insurance cover.

To read the whole article click on: <https://www.financialexpress.com/money/insurance/why-personal-health-insurance-is-more-critical-than-ever-amidst-layoffs/2960821/>

### **Global: Calculation differences hinder comparisons of IFRS 17 results**

Comparing insurers' IFRS 17 results will be difficult initially due to differences between companies' approaches under the accounting standard, Fitch Ratings says in a new report.

One aim of IFRS 17, which took effect for most insurers on 1 January 2023, was to improve comparability. But Fitch Ratings' analysis of 10 major European insurers' accounting policies and calculations has found major differences that can significantly affect the results.

To read the whole article click on: <https://www.asiainsurancereview.com/News/View-Newsletter-Article?id=83483&Type=eDaily>

### **Financial protection levels increase steadily**

Urban India is a steady increase in financial protection levels, with the India Protection Quotient (IPQ) rising by eight points to 43 in 2023 from 35 in 2019.

The latest IPQ survey, commissioned by Max Life Insurance, was conducted among 3,500 respondents in India's top 25 cities, reported Press Trust of India.

The survey also reveals that the degree to which urban Indians are aware of life insurance products (measured by the Knowledge Index) moved up from 39 (in IPQ 1.0) in 2019 to 57 in this fifth edition of the report. Life insurance ownership levels increased by 800 bps from 2019 (IPQ 1.0) to 73% in IPQ 5.0.

To read the whole article click on: <https://www.asiainsurancereview.com/News/View-Newsletter-Article/id/83485/Type/eDaily/India-Financial-protection-levels-increase-steadily>

### **How to select the best family floater health insurance policy?**

Family floater option in insurance refers to a type of health insurance plan that covers multiple members of a family under one policy. This indicates that all family members covered by a single policy will split the total amount insured. A family plan extends the benefits of a policy to your entire family, typically including your spouse up to three children under a certain age, and sometimes even your parents.

To read the whole article click on: <https://timesofindia.indiatimes.com/business/india-business/how-to-select-the-best-family-floater-health-insurance-policy/articleshow/97270845.cms?from=mdr>

## **Edelweiss Tokio Life Launches Income-Oriented Insurance Plan**

Edelweiss Tokio Life Insurance has launched a new income-oriented life insurance product. Named Premier Guaranteed Star, the product is designed at offering guaranteed regular income till the policy term on payment of all due premiums.

The policy also offers the option of guaranteed regular income and/or guaranteed lump sum on maturity, the insurer said in a press release. It offers survival benefits in the form of income benefit payouts during the policy term for different durations like 10, 15, 20, 25 and 30 years.

To read the whole article click on: <https://www.outlookindia.com/business/edelweiss-tokio-life-launches-income-oriented-insurance-plan-news-256312>

## **Reinsurance: Sector introduces Open Exposure Data (OED) Standard for risk modelling**

Aon, a leading global professional services firm, announced the implementation of the Open Exposure Data (OED) Standard for the risk modelling of property reinsurance placements.

Led by Aon and reinsurers RenaissanceRe, SCOR, Hannover Re and Swiss Re, and curated by Oasis, the OED Standard is a non-commercial venture designed to test and support the hypothesis that open data standards in risk modelling are more effective than proprietary and commercial standards in terms of improving operational efficiency, reducing costs and increasing transparency and consumer choice.

To read the whole article click on: <https://www.asiainsurancereview.com/News/View-Newsletter-Article/id/83474/Type/eDaily/Reinsurance-Sector-introduces-Open-Exposure-Data-OED-Standard-for-risk-modelling>

## **Vietnam: Insurance regulator pledges to continue with supporting policies to help insurers**

The insurance regulator will continue to implement solutions to support the development of the insurance market in 2023 and beyond, according to Mr Ngo Viet Trung, director of the Insurance Management and Supervision Department of the Ministry of Finance.

Total assets of the insurance market were estimated at VND811,312bn (\$34.6bn) as of 31 December 2022, up 14.51% compared to 12 months previously. Total insurance premium revenue in 2022 is estimated at VND251,306bn, up 15.09% over 2021; while insurance payouts are estimated at VND4,018bn, an increase of 23.29% compared to 12 months previously, reported Finance Magazine.

To read the whole article click on: <https://www.asiainsurancereview.com/News/View-Newsletter-Article?id=83463&Type=eDaily>

## **Insurance sector needs capital injection of US\$6bn yearly to double the penetration rate**

The insurance industry will need a capital infusion of INR500bn (\$6.2bn) per year to double its penetration in the next five years, the IRDAI chairman, Mr Debasish Panda, has said.

He said the number had been arrived at based on an analysis of current GDP growth, inflation and penetration. The overall penetration rate for insurance was 4.2% as of 31 March 2021.

To read the whole article click on: <https://www.asiainsurancereview.com/News/View-Newsletter-Article/id/83462/Type/eDaily/India-Insurance-sector-needs-capital-injection-of-US-6bn-yearly-to-double-the-penetration-rate>

## **Insurance players target niche segments**

Insurance companies are gearing up for the challenges and opportunities that would emerge in the wake of changing licensing regulations for the industry.

The Department of Financial Services has released the draft insurance amendment bill that proposes to permit a composite licence for insurers. A composite licence may allow insurance companies to specialise in specific fields requiring lesser capital or become distributors of other insurance products.

To read the whole article click on: <https://www.telegraphindia.com/business/insurance-players-target-niche-segments/cid/1911459>

## **Business interruption due to cyberattacks: How to mitigate and determine the financial impact?**

In the past, Business Interruption (BI) was associated with unforeseen events, such as fire, earthquakes, storms, employee strikes, or other natural calamities. These events caused physical damages to property/plant equipment, etc., and led to disruptions in business operations. Such events adversely affect the ability of a business to operate at an optimal level and cause loss of business/income until the business operations are restored. The rapid rise in technological advancements and the ensuing digital adoption has led to increase in cyber incidents, which have added to a business's predicament.

To read the whole article click on: <https://timesofindia.indiatimes.com/blogs/voices/business-interruption-due-to-cyberattacks-how-to-mitigate-and-determine-the-financial-impact/>

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