



In This Issue:

I. What's Happening at NIA

1. Deliberations on "Future of Financial Markets"

2. Insurance Selling skills in the New Normal

II. Regulatory Developments

III. Industry Flash Figures

IV. Topical Article

V. Insurance News

I. WHAT'S HAPPENING AT NIA

1. Deliberations on "Future of Financial Markets"

Shri G. N. Bajpai, Professor Emeritus and Member, Governing Board, NIA, Ex- Chairman SEBI and LIC of India addressed the esteemed audience on the topic: "Future of Financial Markets" at National Insurance Academy, Pune on 1st May 2022.

Members of the NIA's Governing Board, Executive Directors from LIC of India and the General Managers from the GIPSA Companies and GIC Re along with the faculty members of the academy were present on the occasion.



2. Insurance Selling skills in the New Normal

National Insurance Academy organised an online fourth edition of training programme on 'Insurance Selling skills in the New Normal' in May 2022. The training was designed for the frontline sales executives of insurance sector with the dual purpose to 'enhance the sales-skills' and 'build inner-abilities'.

The training was organized over two weekends and In-between participants were given an engaging reflective exercises, assignments and online quizzes.



So far more than 150 participants from 25 companies have attended the training program.

For more programme related information, please contact Dr Archana

Singh(sarchana@niapune.org.in) / Mr Shrikant Ramteke(ramtekes@niapune.org.in).

II. REGULATORY DEVELOPMENTS

1. Circulars:

a. Motor Insurance advertisements issued by General Insurers on (i) extra services of Third-Party Service Providers (ii) discounts, saving amounts etc. Click here for the circular: https://www.irdai.gov.in/ADMINCMS/cms/whatsNew_Layout.aspx?page=PageNo4707&flag=1

b. Revision of Health Insurance Regulatory Returns. Click here for the circular: https://www.irdai.gov.in/ADMINCMS/cms/whatsNew_Layout.aspx?page=PageNo4710&flag=1

c. Modifications in definition of Critical Illnesses prescribed in Guidelines on Standardization in Health Insurance. Click here for the circular: https://www.irdai.gov.in/ADMINCMS/cms/whatsNew_Layout.aspx?page=PageNo4716&flag=1

d. Adhering the timelines of award settlement as per Rule 17(6) of the Insurance Ombudsman Rules, 2017. Click here for the circular: https://www.irdai.gov.in/ADMINCMS/cms/whatsNew_Layout.aspx?page=PageNo4717&flag=1

2. Committee:

a. **Reconstitution of Reinsurance Advisory Committee.** Click here for more details: https://www.irdai.gov.in/ADMINCMS/cms/whatsNew_Layout.aspx?page=PageNo4709&flag=1

3. Press Release:

a. The Insurance Regulatory and Development Authority of India (IRDAI), is organizing a conference on 30th May 2022 at Bengaluru, titled "InsurTech - Catalyst that Inspires", with an aim to emphasize upon the InsurTech ecosystem and its benefit for the insurance industry. Click here for press release:

https://www.irdai.gov.in/ADMINCMS/cms/whatsNew_Layout.aspx?page=PageNo4711&flag=1

III. INSURANCE INDUSTRY FLASH FIGURES FOR APRIL 2022

For monthly insurance industry data, click on:

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

IV. TOPICAL ARTICLE

Insurance Industry: Positivity All-around

Financial Year 2021-22 reaffirms the conviction that the Insurance industry is on the right track. Recent surge in the Insurance awareness and with the Insurance industry readily adopting the technology, the customers are going to be well informed and can easily access the products & services of the insurance companies. With the insurers offering products having more features at a very affordable price, it will further spread the insurance coverage to the untapped market.

Life Insurance Sector: -

The Life Insurance sector generated a First-year premium of Rs 3.14 Lakh Crore premium (Figure-1) with 2.91 Crores (Figure-2) individual policies in the FY 2021-22. The Life Insurance registered a growth of 12.93% in First year Premium and 3.56% in the number of individual policies during FY 2021-22.

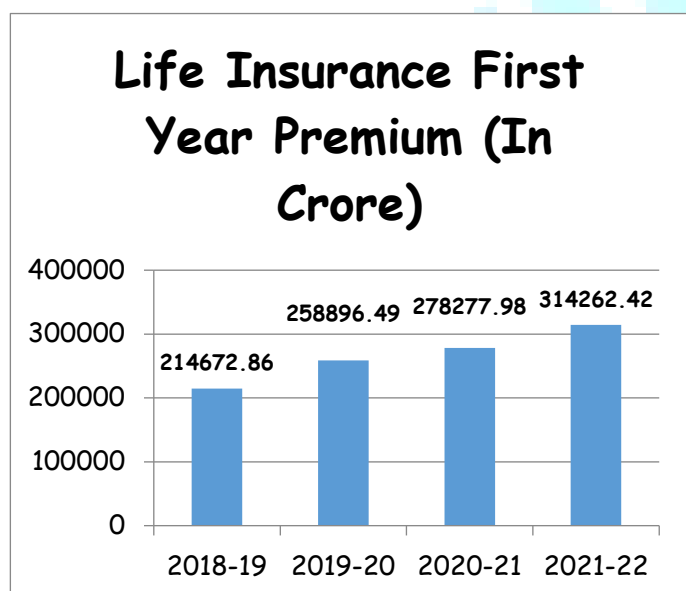


Figure-1

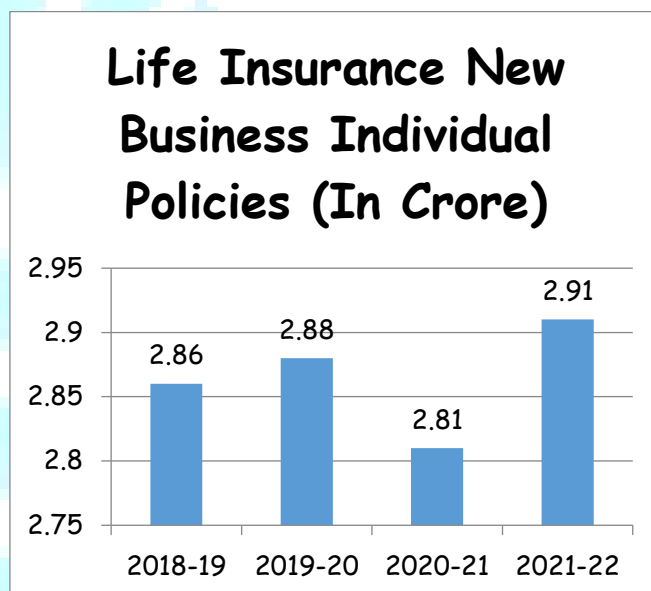


Figure-2

Health Insurance Sector-

Health Insurance sector generated a Gross Direct Premium Income (GDPI) of Rs 73582.13 Crores (Figure-3) in FY 2021-22 by registering a robust growth of 25.39%. The General Insurance Health GDPI growth was 22.89% whereas the standalone Health Insurance companies registered a growth of 32.55%.

Health Insurance Gross Direct Premium Income (In Crore)

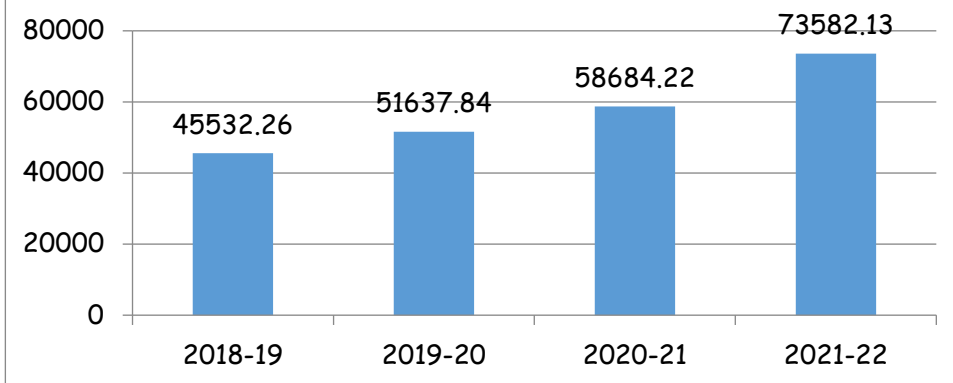


Figure-3

General Insurance sector-

(i) **Motor Insurance-**

Motor insurance generated a GDPI of Rs 70432.59 Crores (Figure-4) in FY 2021-22 by registering a growth of 3.9%. The contribution of motor segment GDPI was 31.9% of the total General Insurance GDPI. The Motor (Third Party) registered a growth of 5.44% whereas Motor (Own Damage) registered a growth of 1.74% over the previous FY.

(ii) **Fire Insurance-**

Fire Insurance with a market share of 9.76% is also a major GDPI contributor in General Insurance sector, which generated a GDPI of Rs 21545.29 Crores (Figure-5) by registering a growth of 7.02% in FY 2021-22.

Motor Insurance Gross Direct Premium Income (In Crore)

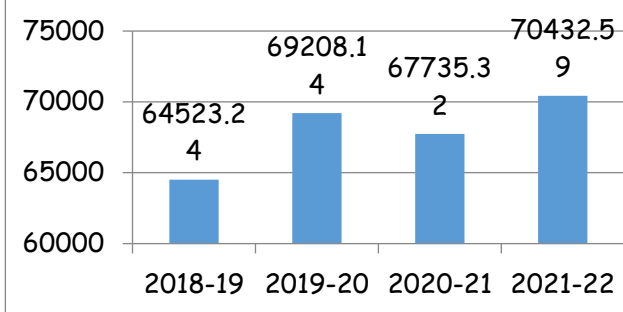


Figure-4

Fire Insurance Gross Direct Premium Income (In Crore)

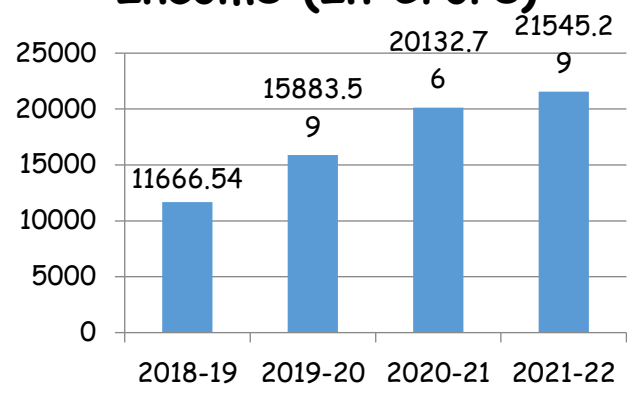


Figure-5

(iii) Personal Accident (PA) & Liability Insurance

Personal Accident GDPI for the FY 2021-22 was Rs 6888.67 Crores (Figure-6) with a growth of 35.06%, whereas Liability Insurance GDPI was Rs4202.11 Crores (Figure-7) with a growth of 33.14%.

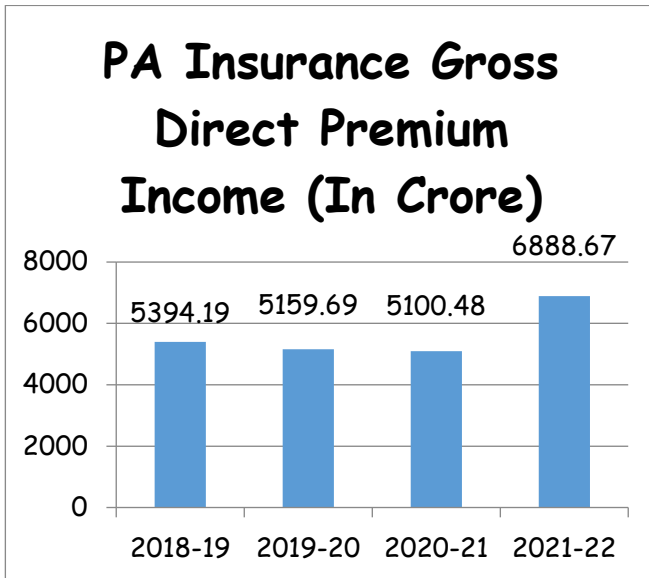


Figure-6

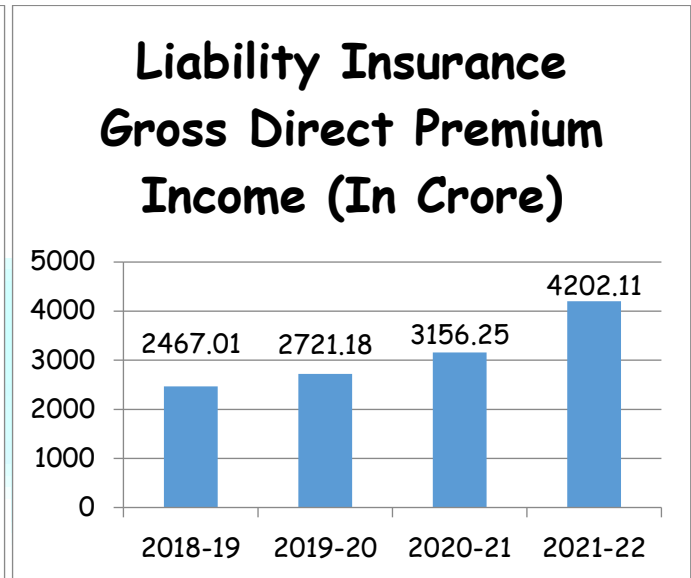


Figure-7

(iv) Marine Insurance & Engineering Insurance

The total Marine Insurance GDPI was Rs 4190.09 Crores (Figure-8) with a growth of 19.82% in which Marine Cargo registered a growth of 28.81% and Marine Hull registered a de-growth of 0.9%.

Engineering Insurance GDPI was Rs 3562.78 Crores (Figure-9) with a growth of 19.97%.

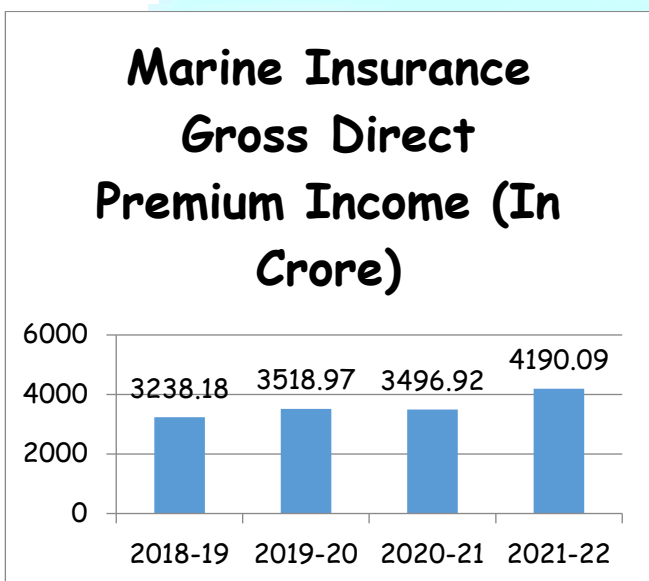


Figure-8

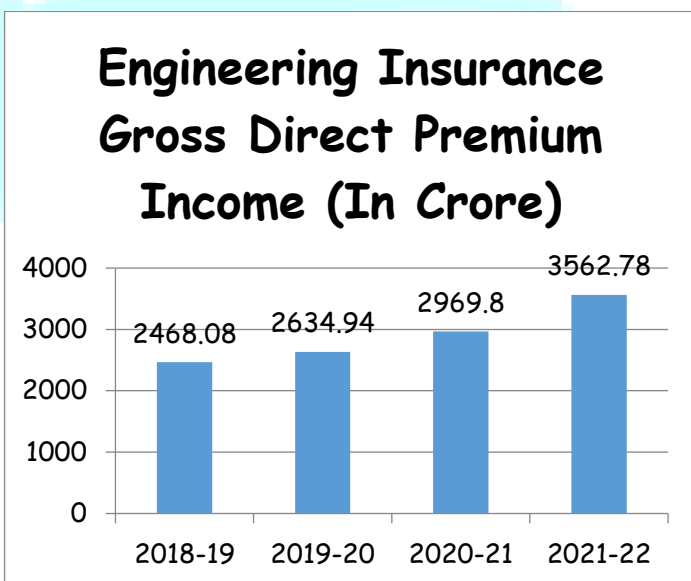


Figure-9

(v) **Miscellaneous Insurance-**

Miscellaneous Insurance GDPI registered a de-growth of 3.20% with a total of Rs 35516.07 Crores (Figure-10), primarily because of crop Insurance line of business. Crop Insurance GDPI was Rs 29529.54 Crores with a de-growth of 5.11%.

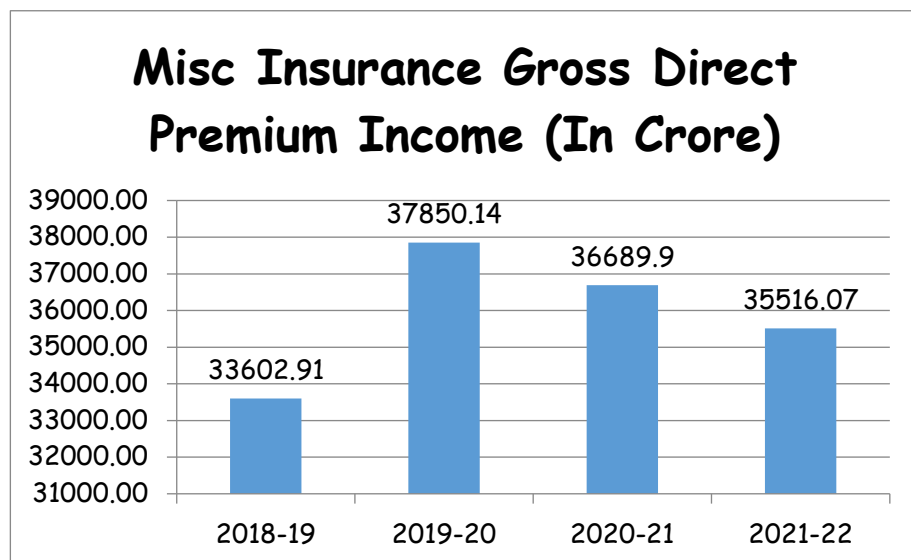


Figure-10

The consistent growth shown by the different line of businesses of General Insurance sector and Life Insurance sector, re-establishes the statement that the Insurance industry is growing at a decent pace and with the help of technology, it's going to spread out to each and every corner of the society to provide protection.

Source: IRDAI's Monthly New Business Figures, General Insurance Council

(By Sandeep Pande, Research Associate, NIA)

V. INSURANCE NEWS

Asia Pacific: Inaction on climate change could cost the region US\$96tn by 2070

The stakes would be highest in Asia Pacific if global average temperatures were to increase by 3°C, according to a report from the Deloitte Center for Sustainable Progress (DCSP) released on 23 May during the World Economic Forum's annual meeting.

If climate change continues unmitigated, the Asia Pacific economy is exposed to a cumulative \$96tn loss by 2070, says Deloitte's "Global Turning Point Report". This would be more than half (54%) of the estimated global loss of \$178tn over the next 50 years.

To read the whole article click on:<https://www.asiainsurancereview.com/News/View-NewsLetter-Article/id/80285/Type/eDaily/Asia-Pacific-Inaction-on-climate-change-could-cost-the-region-US-96tn-by-2070>

HSBC and Ping An executives plan to discuss breakup proposal

HSBC and Ping An executives plan to meet in mid-May to discuss the Chinese insurer's proposal that the bank should explore strategic options such as spinning off its Asian business, a source familiar with the matter said on Wednesday.

Ping An, the biggest shareholder in HSBC, called last week on the London-headquartered bank to look at ways to boost returns in a move viewed by some analysts as potentially being driven more by politics than finances.

The source declined to be identified due to the sensitivity of the situation.

Ping An, which is China's biggest insurance company, did not respond to requests for comment. HSBC declined to comment.

To read the whole article click on:https://www.business-standard.com/article/international/hsbc-and-ping-an-executives-plan-to-discuss-breakup-proposal-122050500013_1.html

World: Top reinsurers set aside millions in reserves for risks related to Russia-Ukraine war

Paris-headquartered French global reinsurer SCOR has set aside provisions of EUR85m (\$90m) for risks related to the conflict in Ukraine, the company says in its 1Q2022 financial statements.

To read the whole article click on:<https://www.asiainsurancereview.com/News/View-NewsLetter-Article/id/80104/Type/eDaily/World-Top-reinsurers-set-aside-millions-in-reserves-for-risks-related-to-Russia-Ukraine-war>

Asia:Regional reinsurer's strategic initiatives propel premiums to US\$23.5m in 2021

The management of Bangkok-based Asian Reinsurance Corporation (Asian Re) has implemented a number of strategic initiatives over the years, enabling the company's portfolio to grow substantially since 2017 with a CAGR of 23%, achieving premium of \$23.5m in 2021.

To read the whole article click on:<https://www.asiainsurancereview.com/News/View-NewsLetter-Article/id/80323/Type/eDaily/Asia-Regional-reinsurer-s-strategic-initiatives-propel-premiums-to-US-23-5m-in-2021>

Centre hikes premium for flagship insurance schemes as claims rise

The Centre has increased the premium rates for its flagship insurance schemes, Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) and Pradhan Mantri Suraksha Bima Yojana (PMSBY), for the first time in seven years due to "long-standing adverse claims experience", and to make them economically viable.

The premium for PMJJBY would increase from Rs 330 to Rs 436 a year effective June 1, and the PMSBY premium would rise from Rs 12 to Rs 20, the Ministry of Finance said in a statement.

PMJJBY provides life insurance cover worth Rs 2 lakh to all account holders aged 18-50 years.

PMSBY provides accident cover of Rs 2 lakh to account holders aged 18-70 years.

To read the whole article click on:https://www.business-standard.com/article/economy-policy/centre-hikes-premium-for-flagship-insurance-schemes-as-claims-rise-122053101447_1.html

IRDAI ready to embrace tech to take insurance services to hinterland: Panda

The Insurance Regulatory and Development Authority (IRDAI) is ready to adopt, enable and encourage technological innovations to protect the interest of policyholders and provide insurance services to people living in the hinterland, said chairperson Debasish Panda.

Addressing a press conference here on Monday, he said the insurance sector was at an inflection point and IRDAI was ready to travel together with innovators and the insurtech ecosystem in the country. "Using technology as extended arms to serve the needs of the low-income population, vulnerable sections, calamity-prone regions, MSMEs and millennials is the need of the hour," Mr. Panda said.

To read the whole article click on:<https://www.thehindu.com/business/irdai-ready-to-embrace-tech-to-take-insurance-services-to-hinterland-panda/article65476848.ece>

IRDAI Directs Motor Insurers To Stop Ads Displaying Services

The insurance regulator Insurance Regulatory and Development Authority of India (IRDAI) has asked motor insurance providers to discontinue advertisements showing services, like free pick-up and drop of vehicle, which are not part of the insurance cover.

General insurance companies enter into service agreements with motor workshops/garages for the purpose of providing motor insurance claim services for repair of accident vehicles.

IRDAI said it is noticed that the service agreements, in addition to claim services, extend certain assistance services not related to insurance claims such as free pick up and drop of vehicle, body wash, interior cleaning, inspection of vehicle, etc.

To read the whole article click on:<https://www.moneylife.in/article/irdai-directs-motor-insurers-to-stop-ads-displaying-services/67240.html>

IRDAI panel suggests 'micro insurance' modules for low-income group, small businesses

A committee appointed by regulator IRDAI has suggested over a dozen low-cost "micro insurance" modules with a view to expand protection plans for uncovered population and small businesses. The committee has suggested that the insurers should be allowed to adopt a modular approach using various permutations and combinations for Combi MI (Micro Insurance) products.

'MI' aims to protect low-income people with insurance products that are affordable. The objective of MI is to empower people to cope with and recover from common risks such as death of the breadwinner, paying for treatment of serious illnesses, reconstructing destroyed homes and businesses, among others.

To read the whole article click on:<https://www.financialexpress.com/money/insurance/irdai-panel-suggests-micro-insurance-modules-for-low-income-group-small-businesses/2509367/>

Monkeypox virus to get health insurance coverage? Find out

The update on Monkeypox virus is that in view of the increasing reports of Monkeypox cases in non-endemic countries, as part of a proactive and risk-based approach for management of Monkeypox and to ensure advance preparedness across the country, Union Ministry of Health and Family Welfare has issued 'Guidelines on Management of Monkeypox Disease', today.

While Coronavirus continues to play havoc with the lives and livelihood of the world population, the emergence of Monkeypox virus is in the news. Monkeypox is a virus transmitted to humans from animals with symptoms very similar to those seen in the past in smallpox patients, although it is clinically less severe.

To read the whole article click on:<https://www.financialexpress.com/money/insurance/monkeypox-virus-to-get-health-insurance-coverage-find-out/2543511/>

The need for Property Insurance in today's scenario

The geographical location of the country makes it prone to disasters. In fact, over 68% of the country is vulnerable to earthquakes, 15% is vulnerable to floods, another 10% is vulnerable to cyclones and the complete hilly region is prone to landslides. Recent major disasters cover every part of the country which include floods in Chennai, West Bengal, Bihar, North-East and Kerala, landslides in Kedarnath, Uttarakhand and Himachal, cyclones in Odisha and Andhra Pradesh, earthquakes in Gujarat, Maharashtra, Assam and J&K. In these disasters, property worth billions of dollars have been lost, and in some cases progress worth decades has been wiped out.

To read the whole article click on:<https://www.financialexpress.com/money/insurance/the-need-for-property-insurance-in-todays-scenario/2544144/>

India: Motor third-party liability insurance tariffs to be raised wef 1 June

Third-party liability (TPL) motor insurance premiums for various categories of vehicles will be increased in general with effect from 1 June by the Ministry of Road Transport and Highways (MoRTH).

This is the first time that MoRTH has determined the TPL tariffs. The changes in TPL premium rates are the first since 16 June 2019 because of a moratorium on tariff hikes due to the COVID-19 pandemic. The changes consist largely of tariff increases at different rates across vehicle types.

To read the whole article click on: <https://www.asiainsurancereview.com/News/View-NewsLetter-Article/id/80297/Type/eDaily/India-Motor-third-party-liability-insurance-tariffs-to-be-raised-wef-1-June>

Insurance to cover M&A risks is on the rise here: Aon Asia Pacific

Indian companies that have undertaken merger and acquisition (M&A) activity in the last few years have increasingly used insurance to hedge their bets but the country as a whole remains underpenetrated when it comes to using insurance in corporate deals, said Anne Corona, CEO - Asia Pacific at Aon, a professional services firm.

According to her, most M&As, particularly those with an international component, seek to protect some of it. "India is a growing and underserved market.

To read the whole article click on: https://economictimes.indiatimes.com/industry/banking/finance/insure/insurance-to-cover-ma-risks-is-on-the-rise-here-aon-asia-pacific/articleshow/91821226.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

LIC holdings surge to a record high in Q4

Even as the bourses are getting ready to launch LIC shares next week, the value of holdings by the insurance behemoth in BSE200 companies has surged to a record high of \$127 billion in March 2022, compared with \$124 billion at the end of December 2021, according to Kotak Institutional Equities. The combined holdings by banks and financial institutions (BFIs) as of March 2022 stood at \$167 billion, suggesting shares worth \$40 billion were held by other financial institutions, excluding Life Insurance Corporation of India.

To read the whole article click on: <https://www.financialexpress.com/market/lic-holdings-surge-to-a-record-high-in-q4/2524028/>

Income support and crop insurance give farm sector a leg up in Telangana

Agriculture and allied sector, supported by the Telangana government's income support and crop insurance schemes for farmers, has been a significant contributor to economic growth in the state since 2016-17.

According to state government data, around 6.3 million farmers have so far received Rs 50,000 crore under the RythuBandhu scheme launched in 2018. The Central government emulated the RythuBandhu and launched Pradhan Mantri Kisan Samman Nidhi (PM Kisan) in 2019.

To read the whole article click on:<https://www.financialexpress.com/economy/income-support-and-crop-insurance-give-farm-sector-a-leg-up-in-telangana/2543024/>

Your Money: Keeping the agent-policyholder tie intact

In the insurance industry, policy servicing is an integral part of the product itself. Without policy servicing, the product ceases to exist. Unless the agents and policyholders are in touch with each other, the policyholders may miss out something very important concerning the use of the policy. Some unscrupulous persons may make the policyholder surrender his policy to buy a new one. This results in loss for the policyholder, the insurer, and the agent.

Many policyholders complain that the agents do not keep in touch with them. This can happen for a variety of reasons. In some cases, agents are terminated or have exited from the industry on their own volition. But there are other cases which merit special attention.

To read the whole article click on:<https://www.financialexpress.com/money/insurance/your-money-keeping-the-agent-policyholder-tie-intact/2539133/>

What is the difference between Embedded Value and Enterprise Value?

With a flurry of initial public offers hitting the markets, it's important for investors to pick and choose issues of fundamentally strong companies. It involves determining the economic value of a company and assigning a value to it.

This process is known as 'valuation' of a company. It includes an analysis of the company's management, its capital structure, its future earnings prospects, or the market value of its assets.

To read the whole article click on:https://www.business-standard.com/podcast/markets/what-is-the-difference-between-embedded-value-and-enterprise-value-122052900986_1.html

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