

II. Upcoming Events at NIA

1. 21st Annual C D Deshmukh Memorial Seminar: 10th January, 2020

National Insurance Academy, Pune is organizing the 21st Annual C D Deshmukh Memorial Seminar on 10th January, 2020 at NIA Campus, Pune.

The theme of the seminar is "Life Insurance industry in a USD5 Trillion Indian economy."

The Topics for panel discussions during the seminar are:

1. Navigating the changing Insurance Landscape
2. Digital Agility- Key to Disruption
3. Differential Customer Service- A key determinant for growth
4. Opportunities in Pension Market

The seminar aims at sharing the valuable thoughts and life time experience by eminent speakers, who will be the leading personalities in the field of Insurance, Pension, Academic & regulatory bodies.

Interested organisations/individuals can join the seminar as delegates as per details given below:-

S.No.	Geographical Area	Delegate fees
1	Organizations in India, Nepal and Bhutan (Residential)	₹12,800 + 18 % GST per person
2	Organizations in India, Nepal and Bhutan per person (Non - Residential)	₹6,400+ 18% GST per person (Non- Residential)
3	Organizations from SAARC countries/ FAIR members (Residential)	US\$ 232+ 18% GST per person
4	Organizations from SAARC countries/ FAIR members (Non-Residential)	US\$ 139 + 18% GST per person
5.	Organizations other than SAARC countries/ FAIR members (Residential)	US\$ 300+ 18% GST per person

The delegate fees quoted above covers course material, residential accommodation and boarding. Other government levies/duties will be charged extra.

For more details contact at uebagwan@niapune.org.in.

Invitation for technical paper

NIA has also invited Technical papers on the theme of the seminar "Life Insurance industry in a USD5 Trillion Indian economy" and the last date for submission of Technical paper is 15th December, 2019. For more details, kindly visit <http://www.niapune.org.in/>

2. PROGRAMME FOR BROKERS: CREATING CUSTOMER VALUE, 13th -14th December, 2019

Programme will help in Understanding key developments in Insurance Industry and their implications thereof, Understand the changing role of Brokers and the change of expectations from them, Acquire new ideas to serve customers and insurers with greater effectiveness and to be a trusted partner and Understand ethical practices and standards of professionalism in the market for building long standing trusted relationship and customer bonding.

III. INSURANCE INDUSTRY FLASH FIGURES FOR October, 2019

(Source: Life Insurance & General Insurance council)

Click on:

- [Life Insurance](#)
- [Non-Life Insurance](#)

IV. TOPICAL ARTICLE

1. Life Insurance Individual Business: Break up (Q1:2019-20)

In a Life Insurance contract, the Life assured transfers his risk to an Insurer by paying a premium and Insurer promises to make a payment as per stipulated term & conditions of the policy.

A Life Insurance product has multiple usages, some of them are as follows:-

- Provides Financial Protection against untimely Death of Bread earner
- Saving for old age
- Compulsorily Promotion for saving
- Credit worthiness
- Social security
- Tax Benefit

As in Life Insurance being a Long term contract, the premium garnered helps in building our Nation through long term investments.

Life Insurance products are generally categorized as an Individual and group. In the Quarter-1, 2019-20, Individual business contributed 29.8 % in First Year Premium income & 99.7% in policies/schemes.

Through Figure: 1 and Table-1, 2, 3 & 4, we have further drill down the Life Insurance Individual business.

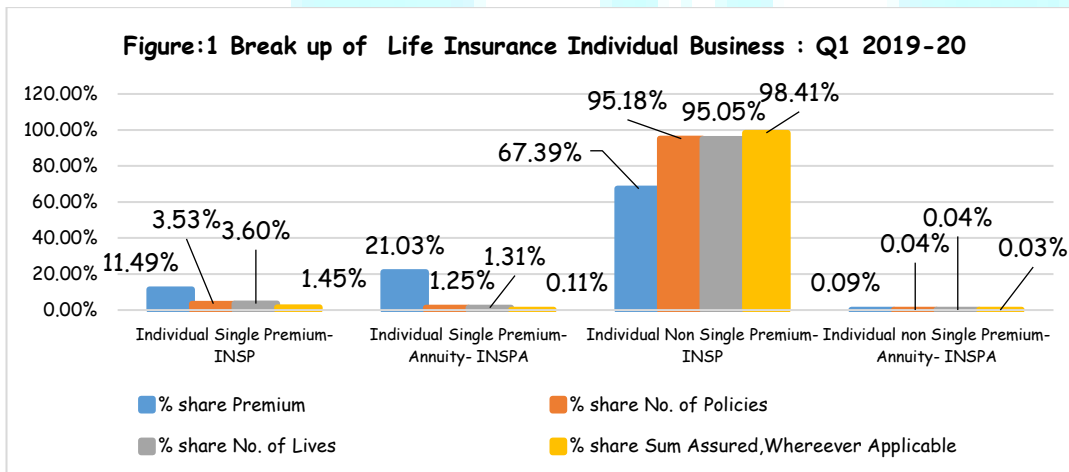


Table:1 Individual Single Premium- (ISP)

Particulars	% share Premium	% share No. of Policies	% share No. of Lives	% share Sum Assured
From 0-10000	1.22%	16.22%	16.99%	2.16%
From 10,000-25,000	3.54%	2.11%	2.18%	4.77%
From 25001-50,000	14.03%	35.06%	34.96%	11.50%
From 50,001- 75,000	6.91%	12.23%	12.30%	6.70%
From 75,000-100,000	8.49%	10.22%	10.36%	7.66%
From 1,00,001 -1,25,000	5.97%	5.91%	6.00%	5.44%
Above Rs. 1,25,000	59.83%	18.24%	17.22%	61.77%
Total	100.00%	100.00%	100.00%	100.00%

Table:2 Individual Single Premium (ISPA)- Annuity

Particulars	% share Premium	% share No. of Policies	% share No. of Lives	% share Sum Assured
From 0-50000	0.20%	1.05%	1.08%	1.02%
From 50,001-100,000	1.01%	5.99%	5.88%	1.05%
From 1,00,001-150,000	2.30%	9.87%	9.60%	1.28%
From 150,001- 2,00,000	5.39%	17.55%	17.04%	1.93%
From 2,00,001-250,000	2.27%	5.93%	5.89%	2.41%
From 2,50,001 -3,00,000	3.84%	8.08%	8.23%	2.80%
Above Rs. 3,00,000	85.01%	51.53%	52.28%	89.51%
Total	100.00%	100.00%	100.00%	100.00%

Particulars	% share Premium	% share No. of Policies	% share No. of Lives	% share Sum Assured
From 0-10000	7.81%	41.32%	39.77%	17.94%
From 10,000-25,000	25.06%	33.99%	34.64%	33.28%
From 25001-50,000	18.78%	14.61%	15.36%	19.59%
From 50,001- 75,000	7.53%	3.76%	3.64%	7.53%
From 75,000-100,000	9.71%	2.81%	2.95%	5.52%
From 1,00,001 - 1,25,000	3.40%	0.83%	0.86%	2.79%
Above Rs. 1,25,000	27.71%	2.69%	2.78%	13.36%
Total	100.00%	100.00%	100.00%	100.00%

Particulars	% share Premium	% share No. of Policies	% share No. of Lives	% share Sum Assured
From 0-50000	17.97%	61.95%	61.43%	43.60%
From 50,001-100,000	18.54%	21.13%	21.62%	24.44%
From 1,00,001-150,000	6.52%	4.05%	4.25%	6.05%
From 150,001- 2,00,000	11.65%	4.62%	4.79%	5.88%
From 2,00,001-250,000	4.14%	1.79%	1.83%	2.42%
From 2,50,001 -3,00,000	5.24%	1.49%	1.56%	2.63%
Above Rs. 3,00,000	35.94%	4.97%	4.52%	14.98%
Total	100.00%	100.00%	100.00%	100.00%

(By Mr. Sandeep Pande, Research Associate, NIA) Source: Public Disclosures of LI companies

V. Insurance News

Irdai issues draft norms on wellness services in health insurance products

The Insurance Regulatory and Development Authority of India (Irdai) on Thursday issued draft guidelines on the wellness and preventive features in health insurance products to enhance the scope of services offered.

It said that the wellness and preventive features shall be designed only with the objective of maintaining good health and improving it, and that insurers should factor in the pricing impact of the wellness and preventive features offered and disclose the same in the 'File and Use' or 'Use and File' application.

Further, the insurer should take into account the cost towards wellness services while pricing the underlying health insurance product, and the price factored in should be disclosed in all insurance advertisements where wellness features are promoted.

To read the whole article click on: https://www.business-standard.com/article/economy-policy/irdai-issues-draft-norms-on-wellness-services-in-health-insurance-products-119110800088_1.html

Here's why your general insurance premium may rise by 10-15% after January 1

The New Year is likely to make your wallets lighter since there is likely to be a higher outgo on your general insurance premium. Sources told Moneycontrol that the insurance premiums are set to rise by 10-15 percent in 2020.

This is on account of a rise in reinsurance rates, which insurance companies have to pay to secure a cover. When insurance companies pay a higher amount to get the same risk covered, this excess is passed on to customers in the form of a premium increase. Renewals of reinsurance contracts begin from January 1.

To read the whole article click on: <https://www.moneycontrol.com/news/business/personal-finance/heres-why-your-general-insurance-premium-may-rise-by-10-15-after-january-1-4655291.html>

Life Insurance Plans for every working woman

Women have been breaking barriers in all the realms of life - whether it is the glass ceiling in the corporate world or international records in different sectors. But when it comes to investments, women in India have rather been reluctant to deviate from the traditional forms of investments like gold and bank deposits. However, there is one investment that is extremely crucial for everyone that we don't talk about often - life insurance.

Even though life insurance has evolved into a diverse range of instruments that offer life cover and surety, our thoughts on this worthy investment remain primitive. There are different life insurance schemes that cater to the needs of women in different stages of their life.

To read the whole article click on: <https://timesofindia.indiatimes.com/spotlight/life-insurance-plans-for-every-working-woman/articleshow/71048584.cms>

LIC invests Rs 2,500 crore in PNB Housing Finance via NCDs

PNB Housing Finance on Thursday said that Insurance Corporation of India (LIC) has invested Rs 2,500 crore in the company by subscribing to its secured redeemable non-convertible debentures (NCDs). The issuance of bonds having a tenure of 10 years is via private placement.

The housing finance company said the proceeds would be used for its normal course of business operations. Sanjaya Gupta, managing director of PNB Housing Finance, said in a statement: "As we indicated in the last earnings call, this is the second NCD issuance by the company for FY19-20 after the first lot of Rs 500 crore was subscribed by a foreign bank." The NCD facility will augment the firm's liquidity and ALM position across buckets. During the current fiscal, PNB Housing Finance has so far mobilised about Rs 27,000 crore through long-term sources, including Rs 6,379 crore through fixed deposits, Rs 5,899 crore through securitisation (direct assignment route), Rs 3,000 crore through NCDs, Rs 1,211 crore through external commercial borrowings and the rest in the form of bank facilities. Dependency on commercial paper was reduced to around 5% of total resources during the period, said Gupta.

To read the whole article click on: <https://www.financialexpress.com/market/lic-invests-rs-2500-crore-in-pnb-housing-finance-via-ncds/1758092/>

IRDAI's 100% FDI in insurance intermediaries will boost sector

Hyderabad: The latest move by the insurance regulator, Insurance Regulatory and Development Authority of India (IRDAI), allowing 100% foreign direct investment in insurance intermediaries, will pave the way for insurance brokers, aggregators, corporate agents and marketing firms to get better access to capital and boost the overall insurance sector.

The IRDAI notification dated October 30, 2019, removing the 49% cap on FDI in insurance intermediaries is in line with finance minister Nirmala Sitharaman's Budget announcement earlier this year stating the government's intent to open up FDI completely in this segment to boost the overall insurance sector.

The new norms called Indian Insurance Companies (Foreign Investment) Amendment Rules, 2019 came into play with the amendment of Rule 9 of the Indian Insurance Companies (Foreign Investment) Rules, 2015.

The new rules state that there will be no cap to foreign equity investment for insurance intermediaries but FDI proposals will be allowed under the automatic route subject to verification by the authority.

To read the whole article click on:

<https://timesofindia.indiatimes.com/city/hyderabad/irdais-100-fdi-in-insurance-intermediaries-will-boost-sector/articleshow/71962101.cms>

Porting your insurance may be beneficial, but make sure you do it right

Last month, two friends called to discuss issues in porting their insurances. In both cases the facts were similar—they had long-standing health insurance policies from a public sector insurer. All waiting periods had been completed, which meant that even claims pertaining to pre-existing conditions would be paid for. Both friends had ported their health policies to a private sector insurer. However, they were in for a surprise when they filed claims in the newly ported policies. The claims were rejected for non-disclosure of previous ailments. Ideally, this should not have happened because they had already run through the waiting periods of their previous policies.

In health insurance, waiting period is the time after which claims related to pre-existing conditions cannot be rejected. It is a maximum of four years but two-three years is becoming the norm. Additionally, the insurance regulator has recently introduced the concept of an eight-year look-back. This means that after eight years, a claim cannot be

rejected, except for proven fraud. These features imply that the more you renew your health insurance, the higher the certainty that a claim will be paid. This may have been a disincentive for persons to buy new health products had it not been for the facility of porting. Porting allows you to switch your health insurance to a new product, provided by any insurer. Porting can be done to another product with the same insurer or to a new insurer. In both cases, the insurer being switched to gives credit for the time spent in the previous health insurance by reducing the waiting period in the new product purchased. For example, in the two cases that I described, the new insurer had waived off the waiting periods completely because the previous policies had already run for over five years.

To read the whole article click on: <https://www.livemint.com/insurance/news/porting-your-insurance-may-be-beneficial-but-make-sure-you-do-it-right-11574268487000.html>

Surveyors not required for health, motor, aviation policy claims: IRDAI

Insurance regulator IRDAI has said licensed surveyors are not mandatory for settling any claims in the line of business (LoB) like claims under insurance policies including travel and personal accident covers, aviation hull insurance, motor, health and cyber insurance policies. According to IRDAI, any claims, in respect of loss or damage to crop, trees, plantations and forests which are covered by the government sponsored schemes and claims under policies of motor vehicle insurance where the claim is on account of theft or injury or death to third parties, can now be settled without mandatorily involving a certified surveyor.

The insurer normally sends a surveyor or a loss assessor to determine the damage when a claim is lodged. The surveyor and loss assessors are expected to observe the damage and submit their report about it independent of the insurer and the insured. In a notification on Tuesday, Sujay Banarjee, Member (Distribution), IRDAI, said the regulator has enlarged the exemptions of some more portfolios where use of a surveyor is not mandatory now. However, industry sources said that in segments like fire and engineering, the general insurers will have to continue the mandatory practice of appointing a surveyor to settle any claims which are above Rs 50,000.

To read the whole article click on: <https://indianexpress.com/article/business/surveyors-not-required-for-health-motor-aviation-policy-claims-irdai-6129525/>

International News: Asia: Insurance premium rates continue to rise

Insurance pricing in the third quarter of 2019 in Asia increased by 5% year-over-year, the largest composite increase in the region in five years, says the 3Q2019 Marsh Global Insurance Market Index.

Property insurance pricing rose 6%, with international carriers seeking increases across the region.

- CAT pricing in several Asian countries — including Singapore, Hong Kong, and India — increased by double digits.
- CAT losses from the fourth quarter of 2018 in the region impacted insurer's profitability, with price corrections occurring at an accelerated pace.
- Non-CAT pricing showed variability, from single-digit decreases to single-digit increases.

Casualty pricing increased by 1%, and continued to trend toward stable after several years of moderate decreases.

- The moderation of casualty pricing was largely due to increases in auto/motor liability reported in most Asian countries. These increases were consistently in the low to mid-single digit range.
- Decreases in general liability were observed across the region, with pricing down as much as 10% in some countries.

Financial and professional liability pricing increased 5%, the largest increase observed in several years.

- Overall capacity remains adequate for the majority of Asian risks.
- The financial and professional line is starting to experience firming in some limited segments, primarily Asia D&O risks with US listings.
- Insurer appetites to compete on financial institution business generally declined, especially for risks with claims or notification activity where pricing is firming.

Asia's overall insurance price increase in 3Q2019 was slower than that globally where insurance prices rose by 8% during the same period. Globally in the third quarter: pricing increased in all three major product lines — property, casualty, and financial and professional liability — for the second straight quarter. Property insurance pricing increased by 10%. Casualty pricing increased by 1%. Financial and professional liability rose by nearly 14%.

To read the whole article click on: <https://www.asiainsurancereview.com/News/View-Newsletter-Article/id/49225/Type/eDaily/Asia-Insurance-premium-rates-continue-to-rise>