



**In This Issue:**

**I. Events at NIA**

1. INSURANCE SUMMIT
2. Managerial Effectiveness Programme for LIC Nepal Ltd
3. Induction training programme of The New India Assurance Co. Ltd Direct Recruit AOs

**II. Upcoming Events at NIA**

1. Risk Management Certification course from 7th November, 2019 to 9th November, 2019
2. Munich Re and National Insurance Academy Engineering Workshop, Duration: 18th to 20th November 2019
3. Programme on Indian Accounting Standard (IND-AS), Duration: 19<sup>th</sup> to 21<sup>st</sup> December, 2019

**III. Insurance Industry Flash Figures for September, 2019**

1. Life Insurance
2. Non-Life Insurance

**IV. Topical Article**

1. Who says recession?  
Life Insurance sector is blooming.

**V. Insurance News**

**I. Events at NIA**

1. Insurance Summit organised by NIA on 10<sup>th</sup> October, 2019 at Hotel Trident, Nariman Point, Mumbai



2. Managerial Effectiveness Programme for LIC Nepal Ltd



## Insurance Summit, 10<sup>th</sup> October, 2019 at Hotel Trident, Nariman Point, Mumbai

The flagship event of National Insurance Academy, Insurance Summit, 2019 was organized on 10<sup>th</sup> October, 2019 at Hotel Trident, Nariman Point, Mumbai. The theme of the summit is "Navigating Insurance Ecosystem: A Strategic Perspective on Building a Resilient Industry."

The welcome address was given by Mr. G Srinivasan, Director, NIA. Mr. Srinivasan welcomed all the panel members, delegates and participants. He talked about the important role that NIA has played for the last 15 years in developing insurance talent through its skilling and re-skilling of insurance professionals and the two-year PGDM programme. He threw light on the various upcoming courses that will be launched by NIA and which includes certification course on Risk Management in collaboration with RIMS (Risk and Insurance Management Society), USA and engineering insurance in association with Munich Re and an online (e-learning) certification course on crop insurance in tandem with PMFBY.

He highlighted the positive aspects of the insurance industry by lauding the Ayushman Bharat and PMFBY schemes of the government. He further said that this sector has bright scope and will grow manifold in the coming years. According to him, the major challenges faced by the insurance sector is how to make India a fully insured country, simplification of insurance products, harnessing technology for claim settlement and fraud analysis along with a need to foster an environment of innovation for the workforce involved in the industry and hope that the Regulatory Sandbox framework of IRDAI will rapidly stimulate the innovation process.

The special address was given by Mr Girish Radhakrishnan, Chairman-cum-Managing Director, United India Insurance Company Ltd.

Mr Radhakrishnan talked about the future possibilities of the insurance sector. He said that we are experiencing a tectonic shift and by 2020 there is a possibility of AI based automation across the insurance industry. Changes in insurance sector are happening at a blinding speed and focused on the future prospects involving risk personalisation via customer profiling. The uniformity of premium rate will be eliminated. Charging of premium is going to be data driven by using technologies like telematics and block chain. He emphasized on the fact that in the future, All In One policies will dominate the retail market by replacing the traditional policy covers and will include all sorts of risk concerning an individual under a single framework. He ended his speech with a quote of Warren Buffet, "Risks happen when you don't know what you are doing".

The inaugural address was given by Mr A.V. Giriya Kumar, Chairman-cum-Managing Director, Oriental Insurance Company Limited.

Mr A.V Giriya Kumar began his speech by mentioning that global insurance premium has crossed 5 trillion dollars and there will be about 3% to 4% global growth in 2 years. The global average penetration is 6.1% and India's penetration is 3.93%. He talked about the role of insurance ecosystems and talked about Ping An, a Chinese insurance company, being the world's biggest ecosystem administrator with 1 million employees who handles 350 million online customers using a single online account. He talked about three types of values- creating value through innovation,

harnessing the network or distribution and data integration. He talked about the difference between the US/EU and the Indian market where he mentioned that the former has niche products for small and limited customers. As per him, the paradox of the insurance industry is that the people who need insurance the most don't have the means to buy it. For the efficient use of the new technology, he emphasized that the human capital quality must be top notch. He emphasised the importance of risk management due to changing risk landscape. He ended his speech with a concern that that in the insurance sector, policy holder protection is neglected, which should be corrected before adding technological disruption.

The keynote address was given by Mr Pravin Kutumbe, Member Finance and Investment, IRDAI.

Mr Pravin Kutumbe was satisfied that in spite of the downturn in the economy, life insurance is growing at a rate of 20% and General insurance is growing at a rate of 12% during the current FY 2019-20. He spoke about the role of Enterprise Risk Management in covering the overall risk management. The major challenge in the sector is that of ignoring the asset side management and focussing mainly on the liability. Climate change is the predominant risk which has increased the physical risk and investment risk. Many people are not covered under catastrophic risk due to lack of awareness among the people. Government must encourage people to insure against such catastrophic risks. New technology will open new avenues for it. The ultimate aim of technology should be to improve the welfare of the society. Improvement of customer satisfaction must be the integral function of the insurers. He declared that the new Sandbox Regulations is going to unleash the creative and innovative urge of all the stakeholders.

Mr Segar Sampath Kumar, Chair Professor Non-Life, NIA, thanked every panel member for their valuable insights, media for the event coverage and young and creative minds of NIA for making the event successful.

#### **Induction training programme of Direct Recruit Administrative Officers:**

15<sup>th</sup> August to 18<sup>th</sup> October, 2019

An induction training programme of Direct Recruit Administrative Officers of The New India Assurance Company Limited was conducted by National Insurance Academy, Pune from 15<sup>th</sup> August, 2019 to 18<sup>th</sup> October, 2019.

284 young officers from the company reported for the induction training programme from all across the country and they were exposed to the Insurance industry through inbound and outbound training imparted by the eminent faculties, having a vast knowledge and experience. Top management from the New India Assurance Company Limited shared the vision & mission of the company with the new officers and tell the rich tradition of the company during the programme.

During the training programme, young & talented officers of The New India Assurance Company Limited underwent 10 weeks training programme at NIA, Pune and also had a 4 weeks On Job Training at their work place.

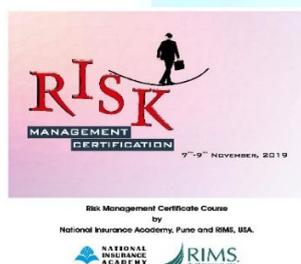
On 18<sup>th</sup> October, 2019 a special cultural event "SYNERGY" was organized by the young training officers of The New India Assurance Co. Ltd., where the participants gave solo & group performances.

The main attraction of the event was the fashion show. All the performances were appreciated by the special invites & the dignitaries.



Some of the glimpses of the Cultural event "SYNERGY" organized on 18th October, 2019

## II. Upcoming Events at NIA



1. **National Insurance Academy, Pune & RIMS, USA** is organising 03 day Risk Management Certificate course from 7<sup>th</sup> November, 2019 to 9<sup>th</sup> November, 2019, exclusively for executives working in insurance companies & financial institutions, risk management departments, brokers, students specialised in insurance & finance.
2. **Munich Re and National Insurance Academy Engineering Workshop**, 18<sup>th</sup> to 20<sup>th</sup> November 2019
3. **Programme on Indian Accounting Standard (IND-AS) for the officials of United India Insurance Co. Ltd**, 19<sup>th</sup> to 21<sup>st</sup> December, 2019

### III. INSURANCE INDUSTRY FLASH FIGURES FOR September, 2019

Click on:

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

### IV. TOPICAL ARTICLE

#### Who says recession? Life Insurance sector is blooming.

With so many things happening in the financial space around us, we even forget to look around a financial sector which is prospering like anything.

Life Insurance industry is showing a robust growth in the current Financial Year (2019-20) and registered a growth of 35.11% by clocking a First year premium of Rs 125758.1 Crore upto 30<sup>th</sup> September, 2019 against Rs 93078 Crore for the same period last Financial Year.

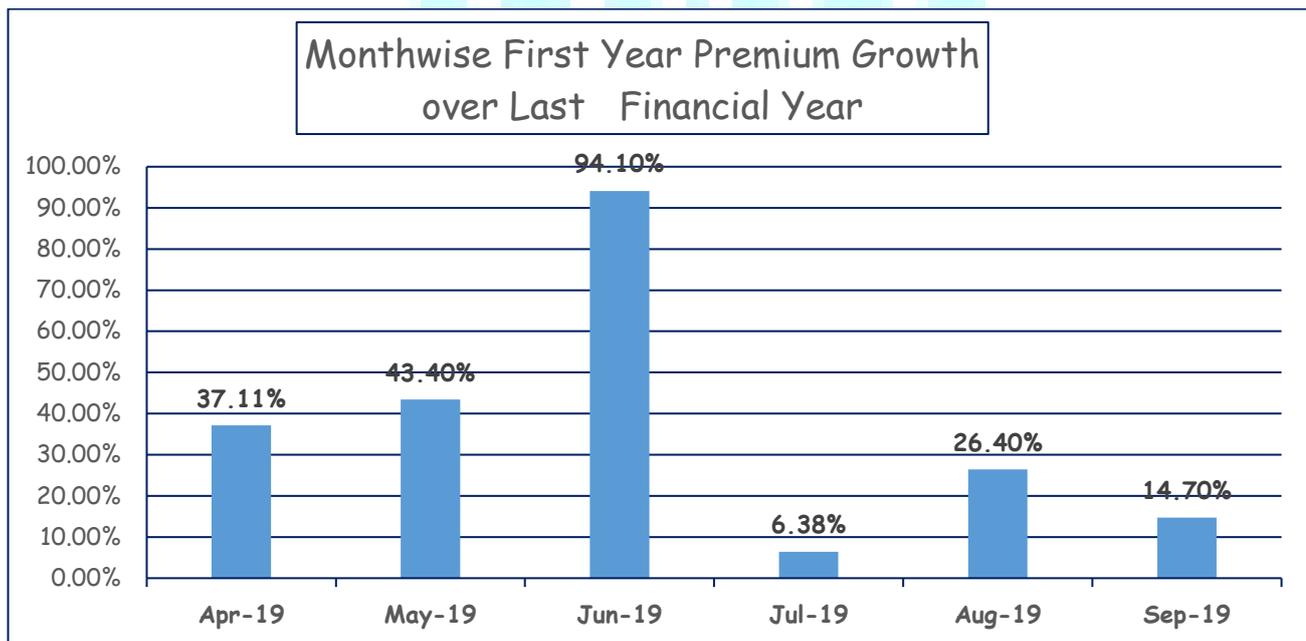


Figure: 1

As per figure1, if we look into the monthly performance of CY over the last FY, we can easily find out that the mood of Indian public is very upbeat about the Life Insurance industry.

Keeping aside the current crisis in Punjab and Maharashtra Cooperative (PMC) Bank and a guarantee of only Rs 1 Lac per Bank account, the Life insurance sector seems to be enjoying the full faith of investors.

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

## V. INSURANCE NEWS

### Has your motor insurance cover lapsed? Here's all you need to know about renewing it

The specter of heavy penalties under the amended Motor Vehicles Act has resulted in a windfall of sorts for insurance companies—a surge in demand for motor covers.

Several insurers have reported a rise in enquiries and sales. “We have seen a growth of over 30% in sales across channels— agency as well as online channels— this month,” says Rajeev Chawdhary, Executive VP, IFFCO Tokio General Insurance. “Enquiries through the online channel have nearly doubled in the past month,” adds Roopam As .. Asthana, CEO and Wholetime Director, Liberty General Insurance.

This is not surprising given the steep penalty that awaits those driving a vehicle without the mandatory third-party liability cover. Such individuals will have to cough up Rs 2,000 the first time they are caught. Repeat offenders will have to pay Rs 4,000. “In case of many two-wheelers, the premium is lower than the penalties,” notes Anik Jain, Co-founder and CEO, Symbo Insurance, an online intermediary.

To read the whole article click on: <https://economictimes.indiatimes.com/wealth/insure/motor-insurance/has-your-motor-insurance-cover-lapsed-heres-all-you-need-to-know-about-renewing-it/articleshow/71347106.cms>

### Insurance Claims At Speed Of Technology

What does an insurance policy really mean to an average individual? A hedge against loss of property, protection for your family in case of the death of an earning member or something to help you tide over bad times? An insurance policy can mean all of the above things and more. However, for an average individual, an insurance policy can serve its purpose effectively only when the insurance claim is settled in an efficient and timely manner. After all, what is the point of buying an insurance policy if the money from that policy is not available to you at a time when you need it the most? When an insurance company receives a claim, it needs to first investigate the veracity of the claim and then credit the claim amount. This can be a long and tedious process as it involves multiple steps that include reviewing the claim, investigation, subsequent adjustments (if required) and remittance/denial of claim. The tedium of this process can be a harrowing experience for

the insured who is only looking to claim his money. In this regard, insurance companies can employ new technologies to make the claims process simple, holistic and more effective.

To read the whole article click on:<http://www.businessworld.in/article/Insurance-Claims-At-Speed-Of-Technology/29-09-2019-176640/>

### **Motor insurance: What is third party liability?**

Motor insurance has been in the news all month and it's time for anyone who owns a vehicle to know all about it.

Under the provisions of The Motor Vehicles Act, 1988, any motorised vehicle operated on public roads should be insured against third party liability.

What is third party liability? The vehicle owner is the first party, the insurance company they buy the policy from is the second party, and anybody who faces a loss due to the actions of the former while operating the vehicle is the third party.

When a vehicle causes death, bodily injury or property damage or loss to someone, they can seek legal compensation and it is the liability of the former who has to pay it.

Under the law, this liability is unlimited in the case of death of injury, and hence, it is mandatory you purchase a Motor Third Party Liability Policy (TP Policy).

This legislation was created in the 1930s with a view that victims of motor accidents should not go without compensation owing to the financial capacity of the first party.

All general insurance companies offer motor policies for all classes of vehicles. Let us see the policy for private cars to understand the scope of the cover.

The Private Car policy has two parts. The first is the Motor Third Party Liability Policy (also called Act Only policy), which covers you for what is discussed above and includes personal accident cover for the owner/ driver.

To read the whole article click on:<https://www.thehindu.com/business/Industry/take-the-wheel-under-cover/article29543827.ece>

## Why you should buy health insurance

It takes care of your financial well-being and ensures that you get quality medical treatment whenever required. It's always important to stay fit, both mentally and physically to lead a healthy life. However, there will be times when you may fall ill irrespective of all the preventive measures you take and here's where having appropriate health insurance plays a critical role. It takes care of your financial well-being and ensures that you get quality medical treatment whenever required. Choosing the right health insurance policy from the start is of utmost importance to get the benefits of this security tool. Although, not many first-time buyers are accustomed to the jargons, or features and may not know how to go about buying the right health insurance policy that fits their requirement. The checklist below will help you make an informed decision and buy an appropriate policy.

To read the whole article click on: <https://www.deccanherald.com/business/family-finance/why-you-should-buy-health-insurance-765023.html>

### **Heart Policies: Specifically Designed To Protect You From Heart Ailments**

Matters of the heart are important, not just for a happy mind but for a healthy body too. Due to stress and a sedentary lifestyle more and more Indians are at the risk of heart diseases. In India, the death rate due to heart disease increased significantly by 34 per cent from 1990-2016 with death per one lakh population rising from 155.7 to 209.1. What is more, heart attacks are on the rise in 30-40 year-old, which is 8-10 years earlier than other ethnic groups.

Due to this, health insurers have come out with heart insurance, also commonly known as heart mediclaim or cardiac care insurance. Some insurers also offer a bundled critical illness cover which covers both heart diseases and cancer.

"The key difference between a comprehensive Health Insurance and a Heart Insurance is that while the former covers a wide array of medical treatments, the latter is a specialised product that only covers heart-related treatment," said Anuj Gulati MD and CEO, Religare Health Insurance. Heart insurance also covers out-patient expenses and also come with a personal accident cover. They also come with an annual cardiac health checkup.

Do you need heart insurance if you already have general medical insurance? Gulati explained, "It is important to note that a disease-specific plan is recommended if a person already has

a basic health insurance plan to cover a broader spectrum of ailments and is looking to cover critical health problems such as cancer and cardiac issues."

This is because the cost of treatment for critical illnesses is usually high and they also involve a longer duration of treatment owing to multiple interventions and assessments. Disease-specific plans are usually less expensive since they cover risk related to only a particular type of illness and hence are highly affordable.

"There are two kinds of heart insurance available in the market. One that offers coverage to people already ailing from heart conditions or have undergone a heart procedure or intervention and gives them comprehensive coverage; and others that are meant for healthy individuals, people without pre-existing heart conditions," he added.

To read the whole article click on:

<https://www.outlookindia.com/outlookmoney/insurance/heart-policies-specifically-designed-to-protect-you-from-heart-ailments-3633>

## **India: Life insurers have to provide mandatory benefit illustrations**

The insurance regulator IRDAI has directed that it is mandatory for life insurers to issue benefit illustrations at the point of sale in a bid to increase transparency and curb mis-selling of life insurance policies.

The benefit illustration also has to be:

- signed by the policyholder and agent/insurer;
- made a part of the insurance policy;
- Contain an advisory/alert, warning about the non-guaranteed portion of the returns on the policy.

In the case of digital sales, all terms and conditions are to be displayed on the main screen (instead of being hidden behind hyperlinks).

The Appointed Actuary and the CEO / Principal Officer shall approve all illustrations. Further, the benefit illustrations shall be placed before the board of directors for information.

According to the circular, life insurers must show the projected rate of return in their traditional insurance policy products (non-linked) as well as unit-linked insurance plan's benefit illustrations. The illustrations are to be based on two different assumed rates of return in accordance with a prescribed format.

Insurance policies issued under micro insurance regulations, Point of Sales (POS) guidelines and Common Service Centres regulations, are exceptions to the mandatory benefit illustration rules.

To read the whole article click on:<https://www.asiainsurancereview.com/News/View-NewsLetter-Article/id/48571/Type/eDaily/India-Life-insurers-have-to-provide-mandatory-benefit-illustrations>

## **One year of Ayushman Bharat: Well begun, but only half done**

The Prime Minister Jan Arogya Yojana (PM-JAY) completed one year this September. PM-JAY is that part of Ayushman Bharat which deals with hospitalization. Too much scepticism has revolved around the PM-JAY since its announcement. Naturally so. The scheme's aim is to provide cashless hospitalization to 50 crore Indians to the extent of Rs 5 lakh per family. All this at no cost to the individual. PM-JAY's target needs to be seen in the context of the size of previous government sponsored schemes. In 2017-18, insurers covered around 36 Crore individuals across all government schemes for health insurance. In a scheme of such magnitude, a lot can go wrong. Just the thought of the potential missteps can give cold feet to several administrators. With this Government's determination, the scheme has taken off. The degree of success now depends on the devotion of the implementation team, and its ability to create a positive feedback loop to iterate and learn. This makes a case for a holistic reflection across multiple dimensions.

To read the whole article click on:<https://www.moneycontrol.com/news/business/personal-finance/one-year-of-ayushman-bharat-well-begun-but-only-half-done-4518281.html>

## **World Mental Health Day 2019: It is time to talk about your mental health**

IRDAI has made it mandatory for all health insurers to provide adequate coverage for mental illnesses and related ailments in the regular health insurance policy.

If you have ever in your life heard about the term 'mental health' and have thought it doesn't bother you, you may just want to keep reading. While the information around mental health and mental illness may have existed for several decades, the real

conversation has now become far more open and relevant, and for all good reasons. As per most experts, mental illness can affect anyone any day of the year. Considering the fact that we celebrate a World 'Day' for almost anything and everything possible, dedicating a day for 'World Mental Health' feels significantly relevant and worthy of utmost attention. Not to miss, mental health problems are one of the main causes of disease and death burden globally. In India, approximately one in four people experience a mental health problem each year and they range from common problems, such as depression and anxiety, to rarer problems such as schizophrenia and bipolar.

To read the whole article click on:<https://www.financialexpress.com/money/insurance/world-mental-health-day-2019-it-is-time-to-talk-about-your-mental-health/1731615/>

