



In This Issue:

I. What's Happening at NIA

1. Tatva- HR Summit 2022

II. Regulatory Developments

III. Industry Flash Figures

IV. Topical Article

V. Insurance News

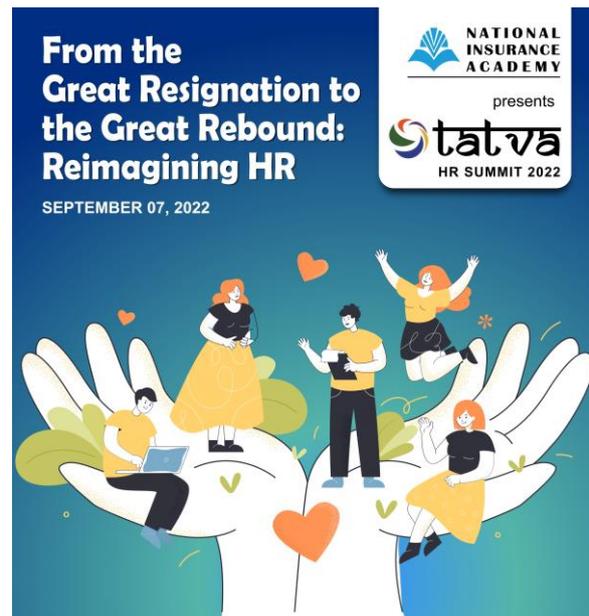
I. WHAT'S HAPPENING AT NIA

1. Tatva- HR Summit 2022

National Insurance Academy organized the annual event Tatva- HR Summit 2022 on 07 September 2022 on the theme "From the Great Resignation to the Great Rebound: Reimagining HR". Mr. Prithvi Shergill, CEO, Entomo, Singapore was the key note speaker. The Summit comprised of 4 Panel Discussions and 23 speakers (CEOs, CHROs and HR Heads) from the insurance and allied industry shared their knowledge, experience and valuable insights on the Summit theme.

Click here for the Summit video:

<https://youtube.com/playlist?list=PL9XK8-3pK5UciMVNpHg79tD2Ima1Z---1>



II. REGULATORY DEVELOPMENTS

1. Circulars:

a. Revision of Health Insurance Regulatory Returns. Click here for the circular:

https://www.irdai.gov.in/ADMINCMS/cms/whatsNew_Layout.aspx?page=PageNo4808&flag=1

b. Immediate Annuity Products. Click here for the circular:

https://www.irdai.gov.in/ADMINCMS/cms/whatsNew_Layout.aspx?page=PageNo4806&flag=1

c. Cyber Jaagrookta (Awareness) Diwas (CJD). Click here for the circular:

https://www.irdai.gov.in/ADMINCMS/cms/whatsNew_Layout.aspx?page=PageNo4800&flag=1

d. Guidelines on Information and Cyber Security. Click here for the circular:

https://www.irdai.gov.in/ADMINCMS/cms/whatsNew_Layout.aspx?page=PageNo4798&flag=1

e. Appointment or Continuation of Common Director(s) u/s 48A of Insurance Act, 1938.

Click here for the circular:

https://www.irdai.gov.in/ADMINCMS/cms/whatsNew_Layout.aspx?page=PageNo4797&flag=1

2. Press Release:

a. Rationalization of Health Insurance Business Returns. Click here for press release:

https://www.irdai.gov.in/ADMINCMS/cms/whatsNew_Layout.aspx?page=PageNo4810&flag=1

b. Ease of living to Senior Citizens. Click here for press release:

https://www.irdai.gov.in/ADMINCMS/cms/whatsNew_Layout.aspx?page=PageNo4807&flag=1

3. Exposure Draft:

a. Insurance Regulatory and Development Authority of India (Issuance of e-Insurance Policies) Regulations, 2022. Click here for the exposure draft:

https://www.irdai.gov.in/ADMINCMS/cms/whatsNew_Layout.aspx?page=PageNo4818&flag=1

III. INSURANCE INDUSTRY FLASH FIGURES FOR AUGUST 2022

For monthly insurance industry data, click on:

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

IV. TOPICAL ARTICLE

Is Health Insurance a Good Investment?

All of us tend to do a cost-benefit analysis before loosening our purse strings in buying a product. Buying health insurance is no exception. The insurance policy reimburses the loss consequent to a covered contingency and thus the return accrues only after an unfortunate mishap, and one is not entitled to any return otherwise. This fact poses a big question mark in the mind of the prospect on the prudence of investing money in health insurance where most people assume the very remote possibility of falling sick. Thus, they do not consider paying health insurance premiums as an investment. But the ground reality is contrary to this perception. Empirical data evidence the fact that health insurance is a sound investment going by the cost-benefit philosophy or even as a financial investment product.

A look at the health insurance portfolio of most of the insurance companies indicates, that, these companies are paying back more (in terms of claims and related expenses) than the premium received, which means the insuring public is receiving more than it is paying to the insurers. Another important factor is the income tax benefit of deductions under 80D which should be factored into the calculation. The no-claim bonus of increasing the sum insured with no extra premium is also a factor.

An analysis of data for the insured segment of family Medicare policy over a period of 15 years clearly shows that almost 80 percent of the insureds fall sick at least once in 10 years and are hospitalized, and their bills far exceed the cumulative premium paid. Continuous renewals enable the policyholders to get cover for pre-existing diseases also after the waiting period. The excellent cashless hospitalization management through the TPAs is a great add-on return. They also get a medical check-up free after 4 claim-free policy years. The recent trend in new products which relates the rates and bonus to the good health habits of the insured is a win-win deal. The medical treatment inflation is almost 300 percent in 10 years. All these components taken together

make health insurance a really good investment. Even if it is taken as a financial product, the icing on the cake is the "Mental Peace" which is immeasurable in quantum terms.

The most outstanding fact is, in case, the insured does not fall sick it is a blessing of good health and happiness and his premium serves to service the claim of someone who falls sick, which is a great social contribution.

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

V. INSURANCE NEWS

China Merchants Group to integrate general insurance business in HK

CMB Wing Lung Insurance has entered into a business transfer agreement with China Merchants Insurance (CM Insurance), under which the latter agreed to transfer its general insurance business to the former, China Merchants Bank (CMB) says in a stock exchange filing.

Under the agreement, reached on 28 September 2022, CMB Wing Lung Insurance will issue 9,856,066 new shares to CM Insurance as consideration.

To read the whole article click on: <https://www.asiainsurancereview.com/News/View-Newsletter-Article?id=82405&Type=eDaily>

Japan: Consistent premium growth backs Sompo's strong operating results

Sompo Japan (SJ) Insurance has a track record of strong operating performance, mainly supported by its consistent premium growth and a five-year average return on equity of 8.4% (fiscal year 2017 - 2021), as calculated based on comprehensive income, says AM Best.

SJ has continued to maintain a strong domestic non-life insurance business, which has an average five-year combined ratio of 96.3% (fiscal years 2017 - 2021), excluding premiums and losses from its compulsory automobile liability insurance (CALI) business and household earthquake business. In the absence of COVID-19-related losses, SJ's overseas businesses also recorded significant improvement in both net premium written (NPW) and adjusted profit in fiscal year 2021.

To read the whole article click on: <https://www.asiainsurancereview.com/News/View-Newsletter-Article/id/82403/Type/eDaily/Japan-Consistent-premium-growth-backs-Sompo-s-strong-operating-results>

Shriram Life Insurance gets Aadhaar Authentication Licence for eKYC services

The UIDAI has recognised Shriram Life Insurance as a KYC User agency & Authentication User agency. The certification will enable the company to complete eKYC for customers when soliciting new business and during other policy servicing processes.

To read the whole article click on: <https://www.livemint.com/money/personal-finance/shriram-life-insurance-gets-aadhaar-authentication-licence-for-ekyc-services-11664430518585.html>

Insurance stocks on a slide in 2022! LIC slips for 7th trading sessions hit new 52-week low

LIC stock slipped four 7th consecutive days and has fallen about 5 per cent in the last seven days. Since its listing, the stock has fallen about 35 per cent from its issue price of Rs 949. In fact, 2022 has not been good for most insurance companies' share price performance barring SBI Life Insurance which has gained about 4 per cent.

To read the whole article click on: <https://economictimes.indiatimes.com/markets/stocks/news/insurance-stocks-on-a-slide-in-2022-lic-slips-for-7th-trading-sessions-hit-new-52-week-low/trendspotting/slideshow/94537059.cms>

7 Reasons Why Two Wheeler Insurance Is Mandatory

Thanks to the easy availability of bank loans, the reduced costs of two-wheelers, and the growing aspirations of the Indian middle class, the number of bikes on Indian roads has grown exponentially over the last few decades. However, this has also resulted in increased risks of accidents and collisions that endanger the rider and pedestrians, apart from causing severe damage to the bike itself. To mitigate these mounting risks, opting for two-wheeler insurance is not just prudent but mandatory.

To read the whole article click on: <https://www.deccanherald.com/brandspot/pr-spot/7-reasons-why-two-wheeler-insurance-is-mandatory-1149308.html>

Australia: Actuaries call for collaboration to prevent multi-billion \$ losses from cyber attacks

The Actuaries Institute has urged government, businesses, and insurers to collaboratively address significant insurance gaps in protection against cyber attacks that have already cost the Australian economy billions of dollars.

In a Green Paper, "Cyber Risk and the Role of Insurance", released in conjunction with the call to action, the Actuaries Institute analysed the vulnerability of organisations, from SMEs to large corporates, and the role of cyber insurance in setting best practice standards for cyber resilience as part of a robust risk management framework.

To read the whole article click on: <https://www.asiainsurancereview.com/News/View-Newsletter-Article/id/82389/Type/eDaily/Australia-Actuaries-call-for-collaboration-to-prevent-multi-billion-losses-from-cyber-attacks>

Japan: Big 3 non-life giants lead the way on ESG and sustainability

With major insurers showing the way in promoting environmental, social, and corporate governance (ESG) and Sustainable Development Goals (SDGs), various other insurers are proceeding with implementation of a broad array of studies and initiatives in areas including asset management, personnel systems, corporate governance, compliance and social contribution, in addition to improving insurance products and services, notes The Toa Reinsurance.

In the report "Japan's Insurance Market 2022" published by Toa Re, the reinsurer's Non-Life Planning Department points out that the three largest non-life insurance groups (in alphabetical order, MS&AD Insurance Group Holdings, Sompo Holdings, and Tokio Marine Holdings) have clearly defined their purpose and established sustainability committees. They have also officially incorporated the ESG framework into the decision-making process for insurance operations and investment. They regularly publish sustainability reports.

To read the whole article click on: <https://www.asiainsurancereview.com/News/View-Newsletter-Article/id/82390/Type/eDaily/Japan-Big-3-non-life-giants-lead-the-way-on-ESG-and-sustainability>

Regulator forms panel to revamp insurance regulations

The (IRDAI) has formed a committee to overhaul the sector's regulations with the aim of making it easier for stakeholders to do business, said people familiar with the matter.

The 18-member committee was formed earlier during September and has been given six to eight weeks to conduct a comprehensive review of the 70 or so regulations governing the industry to ensure principle-based regulations.

To read the whole article click on: <https://www.asiainsurancereview.com/News/View-Newsletter-Article/id/82388/Type/eDaily/India-Regulator-forms-panel-to-revamp-insurance-regulations>

Role of deep tech in redefining the insurance sector

Traditionally, insurers have worked with actuarial tables of health, life, accident and repair incidence rates to build product coverages and to price the risk involved in offering these products. First-party claims data often takes years of accumulation and study before underwriters discover information in the data that can be used to build better products or improve product pricing. In the absence of high-quality customer data, underwriters have been forced to use statistical estimation and averaging tools that have made insurance decision-making coarse, one-size-fits-all, and more an art than a science.

Real-time customer and asset information from sensors, telematics, and Internet of Things networks, and even apps have the potential to be transformative for insurers. Real-time information processing not only allows insurers to model complex risks through the use of modern big data processing algorithms, but it also allows insurers to play a bigger role in developing interventional experiences and even preventing claims.

To read the whole article click on: <https://timesofindia.indiatimes.com/blogs/voices/role-of-deep-tech-in-redefining-the-insurance-sector/>

Can a term insurance plan help you build savings?

It is a truth universally acknowledged that Term insurance plans can help financially secure your family's and loved one's future. It is possible through the higher amount of death benefit that the insurer assures and the low premiums it comes for are a cherry on top of the cake. However, since there are no maturity benefits, most people perceive these plans as basic financial coverage for

their families and children in the event of their unfortunate demise. Yet, there may be instances in which a term plan can help build basic savings for the future.

To read the whole article click on: <https://www.hindustantimes.com/brand-stories/can-a-term-insurance-plan-help-you-build-savings-101664372083468.html>

Australia: Suncorp to set up national disaster response centre

Suncorp will establish a national Disaster Response Centre of Excellence in Brisbane, where the financial services group is headquartered, as part of the group's commitment to Queensland, according to Suncorp chairperson Christine McLoughlin.

The centre will employ the latest technology to monitor, prepare for and respond to extreme weather and natural disasters, Ms McLoughlin said during the company's Annual General Meeting on 23 September.

To read the whole article click on: <https://www.asiainsurancereview.com/News/View-Newsletter-Article/id/82371/Type/eDaily/Australia-Suncorp-to-set-up-national-disaster-response-centre>

Indonesia: Local reinsurance market needs to be strengthened

The capability of the national reinsurance industry needs to be improved, because of the current small number and size of Indonesian domestic reinsurance companies, says IFG Progress in a research report titled "Reinsurance 101".

Indonesia Financial Group (IFG), the state-owned holding company for the insurance and guarantee sector, launched IFG Research Institute in April 2021 which operates under the "IFG Progress" brand. IFG Progress aims to increase literacy in the financial services industry in Indonesia.

To read the whole article click on: <https://www.asiainsurancereview.com/News/View-Newsletter-Article/id/82370/Type/eDaily/Indonesia-Local-reinsurance-market-needs-to-be-strengthened>

Axis Bank to add a general insurer to its stable if opportunity presents itself

India's third-largest private sector lender Axis Bank may be interested in investing in a general

insurance company, if a good opportunity comes up, as it seeks to offer a full range of products to its customers, according to the bank's managing director and CEO Mr Amitabh Chaudhry. Axis Bank has been expanding its footprint in the financial services space, seeking to become a one-stop service provider, according to a The Times of India (TOI) report. It is in the process of taking over Citibank India's consumer banking business and is entering the pensions business. It has also picked up a 13% stake in Max Life Insurance, along with its subsidiaries, and is looking at the possibility of raising this stake to around 20%. Axis Bank has also acquired a stake in Max Bupa Health Insurance.

To read the whole article click on: <https://www.asiainsurancereview.com/News/View-Newsletter-Article/id/82373/Type/eDaily/India-Axis-Bank-to-add-a-general-insurer-to-its-stable-if-opportunity-presents-itself>

Thrust on non-par products to yield desired results: LIC chief MR Kumar

State-owned Life Insurance Corporation (LIC) is confident that its strategy to rejig the product portfolio by introducing more non-participating products and a sharper focus on the bancassurance channel will give it the desired results in terms of growth and market share.

"We intend to sharpen the focus on bancassurance to steadily and considerably increase its volume, thereby its share in our business," LIC Chairperson M R Kumar said at the insurance major's first-ever annual general meeting.

To read the whole article click on: https://www.business-standard.com/article/finance/aggressive-thrust-on-non-par-products-will-yield-desired-results-lic-chief-122092701045_1.html

Zero-cost term insurance plans: What is the actual 'cost' of these policies?

Regular term plan vs zero-cost term plan

Under a regular term plan, if the policy holder dies during the policy tenure, his or her nominee will get the sum assured. No maturity amount is paid if he or she survives the policy term. There is another variant which is a return of premium term plan where the policy holder gets back all the premiums he has paid if he survives the policy term and if he has paid all the premiums regularly.

To read the whole article click on: <https://economictimes.indiatimes.com/wealth/insure/zero-cost-term-insurance-plans-what-is-the-actual-cost-of-these-policies/articleshow/94478267.cms>

Axis Bank to pick nearly 10% stake in Go Digit Life Insurance

The country's third-largest private sector lender Axis Bank will invest around Rs 50-70 crore to acquire a little less than a 10 per cent stake in Fairfax-backed Go Digit Life Insurance.

The lender is already a promoter of Max Life Insurance Company.

Axis Bank has entered into an indicative and non-binding term sheet with Go Digit Life Insurance for a proposed investment of up to Rs 70 crore in two tranches by picking up equity in the insurer. The lender in a regulatory filing said it is planning to acquire an equity stake of up to 9.94 per cent in Go Digit Life Insurance.

To read the whole article click on:

<https://www.moneycontrol.com/news/business/banks/axis-bank-to-pick-nearly-10-stake-in-go-digit-life-insurance-9240951.html>

Japan: Insurers expected to find losses from super typhoon Nanmadol manageable

Given Super Typhoon Nanmadol's reduced strength upon landfall and the parts of Japan affected, AM Best expects insured losses to be manageable for Japan's non-life insurers.

In its Best's Commentary, "Manageable Impact of Super Typhoon Nanmadol on Insured Losses," AM Best states that large insurers in Japan are well-capitalised and their comprehensive reinsurance programmes will protect them from a significant impact on capital.

To read the whole article click on: <https://www.asiainsurancereview.com/News/View-Newsletter-Article/id/82356/Type/eDaily/Japan-Insurers-expected-to-find-losses-from-super-typhoon-Nanmadol-manageable>

Pet insurance market grows

More insurers are expected to offer pet insurance, joining the few private and public-sector insurance companies that already market such plans. Insurance companies offering pet insurance have been witnessing traction in the demand for such plans.

There has been an increase in the adoption of pets, particularly dogs, across the country since the COVID-19 pandemic erupted. At the same time, the rising costs of pet care, grooming, and medical expenses seem to lure insurance companies into designing insurance plans for them.

To read the whole article click on: <https://www.asiainsurancereview.com/News/View-Newsletter-Article/id/82359/Type/eDaily/India-Pet-insurance-market-grows>

Why does aviation insurance require special risk management?

The insurance industry has come a long way in supporting the growing demands of the aviation industry in India, including Airlines, Airports, Aerospace Manufacturing, Space and other supporting segments. Currently, India is the 3rd largest domestic civil aviation market in the world, and passengers now have multiple choices to select from. Passengers also have the choice to select insurance protection for their air travels, as all air carriers now offer this option with claim benefits of varying degrees. Technology is playing a big role in offering the convenience of buying such insurance, and there is an upward trend of passengers opting for such insurance cover at a nominal premium. On the regulatory front, the government has enacted various regulations which give relief and benefits to passengers when flights are delayed beyond certain hours or cancelled.

To read the whole article click on: <https://www.financialexpress.com/money/insurance/why-does-aviation-insurance-require-special-risk-management/2691916/>

Save On Your Annual Health Insurance Premiums With A Multi-Year Policy

With healthcare costs on the rise, it is kind of necessary to have a health insurance cover. Most health insurance policies need to be renewed every year. However, renewing the policy every year can be cumbersome.

To make this process hassle-free and reduce the burden of yearly renewals, many health insurance companies now offer multi-year health insurance policies.

To read the whole article click on: <https://www.outlookindia.com/business/save-on-your-annual-health-insurance-premiums-with-a-multi-year-policy-news-225801>

How to optimise your medical insurance plans

A holistic health insurance plan helps mitigate financial risks arising from unexpected medical exigencies, growing healthcare costs and increasing instances of various lifestyle illnesses.

It takes care of a multitude of medical expenses over the course of one's lifespan in a cost-effective manner. Of course, medical requirements are dynamic and differ from person to person depending on their stage of life, lifestyle choices and existing health conditions. These factors, among others, would determine the kind of coverage your health insurance plan should ideally offer.

Customising your health insurance plan has become a lot easier today. Such coverage offers more flexibility and choice when it comes to securing the long-term health and safety of loved ones.

To read the whole article click on: <https://www.moneycontrol.com/news/business/personal-finance/how-to-optimise-your-medical-insurance-plans-9223431.html>

South Korea: Biggest non-life insurer's underwriting performance is extremely stable

Samsung Fire & Marine Insurance (SFM) has a long-term track record of strong operating performance, underpinned by its large net income stream that is mainly supported by robust investment profits, and extremely stable underwriting performance with the lowest combined ratio among its domestic peers, says AM Best.

SFM's net income increased materially in 2021, mainly driven by improved auto line profitability as a result of prior rate hikes and reduced claims frequency amid the COVID-19 pandemic, as well as a one-off special dividend income from the affiliated stock holdings.

To read the whole article click on: <https://www.asiainsurancereview.com/News/View-Newsletter-Article/id/82320/Type/eDaily/South-Korea-Biggest-non-life-insurer-s-underwriting-performance-is-extremely-stable>

Asia Pacific: Insurers will remain disciplined in asset & liability management as interest rates rise

Insurers in Asia-Pacific (APAC) will remain disciplined in asset and liability management as rates rise, says Moody's Investors Service in a report based on a survey of rated insurers in four markets in the region.

This will alleviate insurers' negative spread risk and their balance sheet sensitivity to interest rate movements, Moody's says.

To read the whole article click on: <https://www.asiainsurancereview.com/News/View-Newsletter-Article/id/82318/Type/eDaily/Asia-Pacific-Insurers-will-remain-disciplined-in-asset-liability-management-as-interest-rates-rise>

Zero cost plan is not for everyone

Some insurance companies have started offering what the industry refers to as zero-cost term plans. While the name of this new variant of term insurance plans sounds attractive, policy buyers should know that it is not literally zero-cost.

Till now, there have been two types of term insurance plans in the market – pure term and return-of-premium (RoP) term plans. Pure term plans offer nothing if the policyholder survives the policy term. However, the nominee gets the sum assured if the person dies during the policy term. In contrast, RoP plans offer a return of premium if the insured survives the policy term, but are more expensive. In a bid to address the limitations of these two categories of life cover, insurers have started offering zero-cost plans that sit between pure term and RoP plans in terms of features.

To read the whole article click on: <https://www.financialexpress.com/money/insurance/life-insurance-zero-cost-plan-is-not-for-everyone/2687526/>

The changing perception around insurance in India

Insurance is a concept that is both alien and familiar to Bharat. It is new in the sense that, unlike some Western countries, India does not have an established Government-driven social security system. It is very familiar in the sense that this is the country that has had a rich history of joint family culture. So, the concept of having a pooled-in corpus that would take care of the family in

bad times is hardly new to India. The sociological evolution of the country has to be in tandem with the financial security of all families who call it home. This is where the critical need for insurance comes in. In concept, insurance is indubitably an enticing prospect. It is the perception that it isn't necessary and is merely a tax-saving tool, that holds it back.

The Government-driven digital push in India combined with the IDRAI's support for new-age insurance processes has opened up new possibilities for insurance over the past decade. The Covid-19 pandemic, too, has played an important role in reiterating the need for insurance. As per IRDAI's annual report, insurance penetration in India recorded a growth of 11.7 per cent during the pandemic. These factors brought reinvigorated hope to the vision of every Indian family getting access to financial security.

To read the whole article click on: <https://timesofindia.indiatimes.com/blogs/voices/the-changing-perception-around-insurance-in-india/>

Usage Based Insurance: The kilometres you drive will decide the benefit you get!

Nowadays insurers have been increasingly focussing upon the proposition of need-based selling and devising flexible plans that not only address the varied needs of customers but also go easy on their wallets.

One such plan, which is here to change the entire outlook on motor insurance, is Usage Based Insurance (UBI). Till now, vehicles attracted a flat rate of insurance premium that owners paid up, even if reluctantly. But with the launch of UBI, motor owners can now get back a substantial amount of the premium they have paid, basis the kilometres they have driven.

To read the whole article click on: <https://www.financialexpress.com/money/insurance/usage-based-insurance-the-kilometres-you-drive-will-decide-the-benefit-you-get/2677546/>

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