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I. WHAT'S NEW AT NIA

1. **Dr RA Mashelkar's address to NIA's PGDM students**



Dr RA Mashelkar, F.R.S., honoured by the Honourable President of India with Padmashri (1991), with Padmabhushan (2000), and with Padma Vibhushan (2014), addressed the PGDM students of National Insurance Academy on March 09, 2020 on the topic "Leadership- Challenges in the Fast Changing World".

2. **Report on "The Impact of Pandemic Covid-19 on the Indian Insurance Industry"**

Covid 19 pandemic is posing challenges of unimaginable proportion to mankind. The virus is highly contagious and has caused already large number of fatalities around the world. Hence, National Insurance Academy has

come up with an interesting report on “The Impact of Pandemic Covid-19 on the Indian Insurance Industry.”

To read the complete report, visit:

<http://www.niapune.org.in/uploads/researchreports/Report%20on%20Covid-19.pdf>

3. Webinar with the employees of Aditya Birla Insurance Brokers

With the concept of social distancing being the new normal, and most of the offices being shut due to nationwide lockdown, National Insurance Academy conducted a Webinar which was attended by over 200 employees of Aditya Birla Insurance Brokers on April 28, 2020 discussing the Impact of Covid-19 on the Insurance Industry.

II. INSURANCE INDUSTRY FLASH FIGURES FOR MARCH 2020

Click on:

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

III. TOPICAL ARTICLE

1. Social Distancing: A New Normal

“Do Gaj ki doori (A distance of two yards)” is the new mantra given by our Honourable Prime minister Shri Narendra Modi to fight the menace of COVID-19.

Corona Virus is a large family of viruses, which may cause respiratory infections ranging from the common cold to more severe diseases such as Middle East Respiratory Syndrome (MERS) and Severe Acute Respiratory Syndrome (SARS).

The most recently discovered corona virus causes corona virus disease COVID-19, which was named after the disease outbreak in Wuhan, which is the capital of Hubei province in China, in December 2019.

Elderly people, children below the age of 10, and those suffering from diseases- cardiovascular disease, diabetes, chronic respiratory disease, and cancer; are more likely to get affected by COVID-19.

The COVID-19 virus spreads primarily through droplets of saliva or discharge from the nose when an infected person coughs or sneezes and when the normal person comes into the contact of the infected person or touches the objects which has the germs on it.

In India, the first case of the COVID-19 was reported on 30 January 2020 and on 11th March, World Health Organization declared COVID-19 as a pandemic. Presently there are no specific vaccines or treatments for COVID-19 and therefore social distancing is the need of the hour. On 22nd March, 2020, Janta Curfew was declared in India and from 25th March onwards, National lockdown was declared upto 14th April, which has been further extended to 3rd May, 2020.

As on 27th April, 2020, The COVID-19 had spread to 213 nations throughout the globe with 28,83,603 confirmed cases, out of which 1,98,842 infected persons had lost their lives. The Global Mortality rate from COVID-19 is 6.89%.

As per the National Health Policy (2017), the health expenditure of the Government is 1.15% of the GDP and with such a large population with overburdened medical facilities; it was a herculean task to face the pandemic. But with an active coordination among the Central and the State Governments and unparalleled services rendered by the Corona warriors, we are collectively quite able to handle the impact of the COVID-19.

Table:1 COVID-19 Figures as on 28.04.2020 (8.00AM IST) in India

S.No.	State	Population*	Confirmed with COVID-19	Active	Cured/ Discharged	Death	Mortality Rate
1	Andhra Pradesh	8.45 Cr	1327	1183	120	24	1.809
2	Delhi	1.67 Cr	3766	3108	611	47	1.248

3	Gujarat	6.04 Cr	3787	3548	144	95	2.509
4	Madhya Pradesh	7.26 Cr	3141	2168	722	251	7.991
5	Maharashtra	11.23 Cr	10241	8590	1282	369	3.603
6	Rajasthan	6.85 Cr	2977	2262	669	46	1.545
7	Tamil Nadu	7.21 Cr	3062	1937	1101	24	0.784
8	Telangana		1351	1004	321	26	1.925
9	Uttar Pradesh	19.98 Cr	2321	1955	335	31	1.336
All India Figures		121 Cr	29435**	21632	6868	934	3.173

*Population as per 2011 census (Andhra Pradesh & Telangana were unified)

** 1 person has migrated

From Table:1, we can easily find out that due to the proactive steps taken by the Government, there are only 29435 confirmed cases of COVID-19 with a mortality rate of 3.17% as on 28.04.2020.

Impact of COVID-19 on Life Insurance Industry

Looking into the eco system of Life Insurance industry, human capital is the key factor, whether they are customers, employees, agents and other third party service providers. Post COVID-19, in the changed scenario, the industry will have to adopt a different strategy to communicate with the internal & external customers.

Life insurance industry has shown an overall growth of 20% in First year premium Income (FYPI) and 0.69% in the number of policies/schemes. But, when we drill down to see the figures for the month of March, 2020 only, we will find that there is a de-growth of 32.17% in FYPI and de-growth of 66.73% in number of policies/schemes. Although it was mostly a lockdown period, but due to social distancing and the psychological impact of post COVID-19, the industry will have to realign itself to serve effectively & efficiently, which is by no means an easy task.

As per IRDAI Handbook 2018-19, Life Insurance Industry was having 33.33 Crore individual inforce policies as on 31.03.2019 (Group policies are excluded). As per the Life Insurance council, Pan India, there were 22.60 Lakh agents and 2.94 Lakh direct employees working in 11295 offices by December, 2019. Bulk of the Life insurance business is procured by the Agents and the Bancaasurance Channel and the involvement of online or Digital distribution channel is almost negligible.

With the Mantra of “Do Gaj ki Doori”, the office premises may find it very difficult to accommodate the internal and external customers and even those premises are to be sanitized regularly. So, the industry has to adopt the work from home practices and differentiate the works to be accomplished from home and offices.

The present work profiles and nature of jobs may get changed. More technological interventions will be required to communicate effectively among each other and that too with disrupting the core values of the institution.

As more and more work will be done on systems, sitting in office or in some other geographical areas, the concern for the safety and security of the data will be the foremost priority.

Agents have to be equipped with digital gadgets to communicate more effectively and conveniently with their customers, while maintaining the proper social distancing norms.

The products which are very easy to understand (Over the counter products), might be the need of the hour and Term Assurance product is one of them. The more customer friendly underwriting norms have to be implemented. As the stock markets are at the bottom and most of the good stocks are trading at their all-time lows, may be this is the right time to market the ULIP products so that the customers can get good value on their investments.

As existing customers might be facing some financial crunch, the concept of installment payments can be used for depositing the due premiums.

As every challenge brings a new opportunity, the industry will definitely adopt itself very swiftly to the changed scenario to cater to its customers.

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

IV. INSURANCE NEWS

Scope of Health Insurance Coverage to get Wider soon but Policies may Become Dearer

The Insurance Regulatory and Development Authority of India (IRDAI) has made several changes to the 'Guidelines on Standardization of Exclusions in Health Insurance' to provide extensive coverage to policyholders.

Last year the insurance regulator had asked insurance companies to increase the coverage of their policies, i.e., include more diseases. According to IRDAI, these conditions can no longer be excluded from health insurance policies: genetic disorders, mental health procedures, puberty, artificial life maintenance, internal congenital diseases, age-related muscular degeneration, menopause-related disorders and mental illnesses.

Industry sources say that some insurers have already re-filed their products with the regulator and some are re-filing their products at revised prices.

Wider coverage is good news for the policyholder, however, there is a flip-side. Insurance industry experts say that policies will get dearer since more diseases will be covered

To read the whole article click on:

<https://economictimes.indiatimes.com/wealth/insure/health-insurance/scope-of-health-insurance-coverage-to-get-wider-soon-but-policies-may-become-dearer/articleshow/75421302.cms?from=mdr>

COVID-Specific Insurance Policies: Should you go for them?

COVID-19 has been the cause of declaration of national emergency in several countries. Finances of several nations are likely to get shaken because of the direct and consequential losses linked to spread of the virus. Companies and individuals are similarly worried about their own finances. The Insurance Regulatory and Development Authority was quick to issue a notification stating that COVID-19 is covered under standard hospitalization insurance policies. Further, the regulator encouraged insurers to come up with specific products to mitigate these losses.

To read the whole article click on: <https://www.moneycontrol.com/news/business/personal-finance/covid-specific-insurance-policies-should-you-go-for-them-5196861.html>

Coronavirus: FMCG Companies Roll Out Special Insurance Cover for Frontline Workforce

Leading FMCG companies such as Nestle India, Godrej Consumers Products Ltd and Dabur are providing special insurance covers to their 'frontline' workforce, including those of distributors, who are engaged in supply and distribution of their products during the corona virus pandemic.

FMCG makers, which have witnessed a huge disruption in their supply chain during the lockdown, are empowering their frontline workforce in their ecosystem with medical insurance scheme covering risk against any possible fallout from COVID-19, which includes cashless treatment to reimbursement of medical expenses, in case of any eventualities during their work.

To read the whole article click on: <https://www.businesstoday.in/current/corporate/coronavirus-fmcg-companies-roll-out-special-insurance-cover-for-frontline-workforce/story/402196.html>

Insurance, Securities Entities to use Aadhaar Authentication Services Under PMLA

The Finance Ministry has allowed 29 insurance companies and nine stock/securities entities to undertake Aadhaar Authentication services of UIDAI under the Prevention of Money Laundering Act, 2002 (PMLA).

This would allow these entities to perform e-KYC in real time and would also reduce the cost of their transactions, Finance Secretary Ajay Bhushan Pandey said. This would also be beneficial to the customers or the investors, especially the small and retail investors, as they need not submit physical papers or documents for know-your-client (KYC), he said.

To read the whole article click on:

<https://www.thehindubusinessline.com/economy/insurance-securities-entities-to-use-aadhaar-authentication-services-under-pmla/article31436581.ece>

Motor Third Party Cover: IRDAI's Panel Moots Changes in Fixing Obligation of Insurers

A working group formed by the Insurance Regulatory and Development Authority of India (IRDA) has suggested significant changes in fixing the obligation of insurers for the mandatory motor third party (MTP) cover.

In its report submitted to the regulator, the expert group suggested that the MTP obligation of each general insurer be fixed on the basis of the number of vehicles insured/uninsured instead of the premium derived from the MTP insurance business.

To read the whole article click on: <https://www.thehindubusinessline.com/money-and-banking/motor-third-party-cover-irdais-panel-moots-changes-in-fixing-obligation-of-insurers/article31423223.ece>

Bajaj Allianz Launches 'BAGIC GOQii Co-Pay Option' under Regulatory Sandbox

Bajaj Allianz General Insurance, along with smart-tech enabled preventive healthcare platform GOQii has launched a new add-on health cover called 'BAGIC GOQii Co-pay Option' under regulatory sandbox approval received from the IRDAI, that would reward customers with a healthy lifestyle.

"This option will be an add-on cover which can be opted by the holders of company's existing health insurance policy – Health Ensure," Bajaj Allianz said in a statement, adding that the objective behind this product is to reward customers who are adopting a healthy lifestyle in the form of co-pay deduction in their health insurance policy.

To read the whole article click on: <https://www.thehindubusinessline.com/money-and-banking/bajaj-allianz-launches-bagic-goqii-co-pay-option-under-regulatory-sandbox/article31413237.ece>

Insurance Brokers Call For Securing Coverage of Properties in Lockdown

A group representing insurance brokers has written to the regulator expressing its concern about the companies likely withdrawing coverage for properties due to the nationwide lockdown to contain the coronavirus.

Property insurance policies usually have a condition that says if an insured property remains unoccupied for a period exceeding 15 days or 30 days then the coverage ceases to exist unless the insurer's consent is obtained in advance.

To read the whole article click on: https://www.business-standard.com/article/economy-policy/insurance-brokers-call-securing-coverage-of-properties-in-lockdown-120042800684_1.html

Health Insurance Claim Settlement in 2 hours! IRDAI Directs Insurers

Insurance regulator IRDAI has directed insurers to take decision on health insurance claims within two hours, a move aimed at alleviating pressure on the country's healthcare infrastructure currently facing the heat of the coronavirus outbreak.

In light of prevailing conditions owing to COVID-19 as also taking into consideration the need for alleviating the pressure on the healthcare infrastructure, all the insurers shall decide health insurance claims expeditiously, it said in a circular.

To read the whole article click on:

<https://www.financialexpress.com/money/insurance/health-insurance-claim-settlement-in-2-hours-irdai-directs-insurers/1933328/>

Insurance companies will not Decline Covid-19 Death Claims

All life insurance companies, including public and private, will process any death claim pertaining to Covid-19 at the earliest, industry body Life Insurance Council announced today.

Several customers had reached out to individual life insurance companies seeking clarity on the clause of 'Force Majeure' in case of Covid-19 deaths. Force Majeure is described as an event or effect that can be neither anticipated nor controlled.

To read the whole article click on: <https://www.livemint.com/money/personal-finance/insurance-companies-will-not-decline-covid-19-death-claims-11586156433224.html>

Health Insurers may Collect Premium in Instalments: IRDAI

The Insurance Regulatory and Development Authority of India (IRDAI) has permitted insurers to collect health insurance premium in instalments.

In view of prevailing conditions owing to the COVID-19 outbreak and considering the need to ease premium payments, all insurers are allowed to collect health insurance premiums in instalments, the regulator said.

To read the whole article click on: <https://www.thehindu.com/business/health-insurers-may-collect-premium-in-instalments-irdai/article31399677.ece>

GIC Warns of Stringent Action against Insurance Consultants Making False Claims

General Insurance Council has warned of action against insurance consultants making false claims over the Coronavirus pandemic. False advertisements urging corporates, SMEs, shop owners to file lockdown claims has come to the notice of the regulator IRDAI. In a public advisory, GI Council said that loss of profit or business interruption insurance coverage is only for coverage of “insured perils” such as fire, earthquake, floods, tsunami etc and not in the case of a pandemic.

To read the whole article click on: <https://timesofindia.indiatimes.com/business/india-business/irdai-to-take-stringent-action-against-consultants-making-false-covid-19-claims/articleshow/75289954.cms>

Reinsurers’ Policies not to Cover Pandemics

Most Indian organisers, like the Indian Premier League (IPL) missed out on a pandemic cover for events because the markets started shutting down soon after the outbreak in China. While no one

can now buy a pandemic cover since the event has already occurred, international insurers are beginning to exclude coronavirus even from liability covers like Directors & Officers (D&O) policies, which protects management from being sued. In India, the focus of event cancellation has been largely around weather and terrorist attacks. Given that the country was not impacted by the Swine Flu pandemic or any other outbreaks, no one really sought such a cover.

To read the whole article click on: <https://timesofindia.indiatimes.com/business/india-business/reinsurers-policies-not-to-cover-pandemics/articleshow/75089961.cms>

IRDAI Permits Insurers to Grant Moratorium on Term Loans

IRDAI permitted insurance companies to grant a moratorium of three months on payment of term loans in line with the Reserve Bank's directions.

On March 27, the Reserve Bank of India had provided certain moratorium to the borrowers of term loans after the country was placed under the lockdown to fight coronavirus outbreak.

In a circular, Insurance Regulatory and Development Authority of India (IRDAI) said it has received representations from industry associations, seeking moratorium on repayment of term loans sanctioned by the insurers in the context of outbreak of Covid-19.

The regulator has accepted the request

To read the whole article click on: <https://www.financialexpress.com/money/motor-insurance-policy-lapsed-know-your-options-of-reviving-a-lapsed-policy/1878874/>

How Senior Citizens Aged over 65 Years Can Get Optimal Health Insurance at Reasonable Cost

On 1st April, India's health insurance landscape will change forever with the IRDAI-mandated Arogya Sanjeevani Policy coming into effect. However, the standard health insurance policy has its set of limitations. Not only is the entry age restricted to 65, but the cover is also capped at Rs 5 lakh, way too low for senior citizens living in big cities.

To read the whole article click on:

<https://economictimes.indiatimes.com/industry/banking/finance/insure/irdai-permits-insurers-to-grant-moratorium-on-term-loans/articleshow/75048816.cms?from=mdr>

Health Insurance Online Sale Spurts upto 30%, Offline Sales Fall due to Coronavirus Impact

During coronavirus pandemic, the demand for health insurance policies has seen a huge spurt last month. With the growing number of Covid 19 positive cases in India, it seems that people have become more aware of the importance of having health insurance. Apart from this, health insurers are doing their best to ensure seamless services and support their existing policyholders.

To read the whole article click on:

<https://economictimes.indiatimes.com/wealth/insure/health-insurance/health-insurance-online-sale-spurts-up-to-30-offline-sales-fall-due-to-coronavirus-impact/articleshow/75059947.cms>

GI Council Urges IRDAI for Easier MTM Rules to Take on Covid-19 Disruption

With Covid-19 severely impacting the operations of non-life insurers, the General Insurance Council (GIC), the representative body of firms in this space, has urged the Insurance Regulatory and Development Authority of India (IRDAI) to relax certain regulatory requirements, particularly those related to solvency ratio.

In a letter to the insurance regulator, GIC has said that given the huge mark-to-market loss in equity investments in the current month, IRDAI should allow companies not to account for diminution in value in equity investments while finalising the accounts for the year ending March 31, 2020.

To read the whole article click on: https://www.business-standard.com/article/economy-policy/gic-seeks-regulatory-relaxations-from-irdai-due-to-covid-19-disruption-120033001125_1.html

IRDAI Warns about Fake Insurance Offers Online during Lockdown due to Coronavirus

The IRDAI has warned the general public not to fall for fraudulent offers particularly when buying insurance online. Digital or online purchase has become the preferred mode of buying insurance during the current lockdown due to coronavirus pandemic. Interest in buying health insurance has specifically increased at present due to the pandemic.

The Insurance Regulatory and Development Authority of India (IRDAI) has issued a release warning the public not to fall prey to fake online offers of insurance policies for very low premium. The release advises the public to buy insurance only from insurance entities registered with the IRDAI.

To read the whole article click on:

<https://economictimes.indiatimes.com/wealth/insure/irdai-warns-about-fake-insurance-offers-online-during-lockdown-due-to-coronavirus/articleshow/75253274.cms?from=mdr>

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