



## In This Issue:

### I. Events at NIA

1. 2<sup>nd</sup> International Seminar by NIA and Swiss Re
2. Release of Report on “Micro Insurance in India: Challenges and Solutions”
3. 83<sup>rd</sup> Foundation Day Celebration of United India Insurance Co. Ltd.
4. Orientation Programme for Independent Directors of Life Insurance Companies
5. Second Orientation Programme for Independent Directors of Non-Life Insurance Companies

### II. Insurance Industry Flash Figures

1. Life Insurance
2. Non-Life Insurance

### III. Topical Articles

### IV. Insurance News

## I. EVENTS AT NIA

### 1. 2<sup>nd</sup> International Seminar by NIA and Swiss Re



National Insurance Academy and Swiss Re organised 2<sup>nd</sup> International Seminar on the theme “Digital Disruption: Embracing Digital Innovation in (Re) Insurance Business” on 07 February 2020 in Mumbai. Chairman, IRDAI, Dr. Subhash Chandra Khuntia was the Chief Guest for the event.

Digital disruption through innovations is sweeping the global insurance ecosystem and India is no exception. NIA and Swiss Re took this theme as the subject of deliberations in the seminar. Industry leaders, reinsurers, brokers and analytic companies deliberated thread bare on all aspects. The seminar generated a lot of interest and interaction between the participants.

## 2. Release of Report on “Micro Insurance in India: Challenges and Solutions”



Report on “Micro Insurance in India: Challenges and Solutions” was unveiled by Chairman, IRDAI, Dr. Subhash Chandra Khuntia during the 2<sup>nd</sup> International Seminar by NIA and Swiss Re. The report provided crucial information on issues and challenges in the way towards expanding the benefits of Micro Insurance in India, and also the potential solutions and ideas for innovations.

## 3. 83<sup>rd</sup> Foundation Day Celebration of United India Insurance Co. Ltd.



National Insurance Academy celebrated 83<sup>rd</sup> Foundation Day of United India Insurance Co. Ltd. Regional Manager of Pune Regional Office, Mr. Swaminathan was the Chief Guest for the event.

#### 4. Orientation Programme for Independent Directors of Life Insurance Companies



Two Orientation Programmes for Independent Directors of Life Insurance Companies were conducted by NIA in the month of February.

#### 5. Second Orientation Programme for Independent Directors of Non-Life Insurance Companies



## II. INSURANCE INDUSTRY FLASH FIGURES FOR JANUARY 2020

Click on:

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

## III. TOPICAL ARTICLE

### 1. Life Insurance Industry Insights: Quarter 3 FY 2020

The Life Insurance Industry continues to grow in the current FY 2020 also. The total premium income generated by the Life Insurance industry Q-3 FY2020 is Rs 407854.35 Crores, which shows a growth of 31.95% over Q-3 FY 2019 and 30.11% over Q-3 FY 2018 (Table-1).

Table-1

Premium	Amount (In Cr) Upto Q3 2020	Growth over upto Q3 FY19	Growth over Upto Q3 FY18
Direct			
- First year premium	78714.98	99.36%	83.93%
- Renewal premium	213366.28	21.15%	21.93%
- Single premium	115773.09	23.83%	21.00%
<b>Total premium</b>	<b>407854.35</b>	<b>31.95%</b>	<b>30.11%</b>

As per the Table-2 given below, Life Insurance Industry shows a growth of 5.78% in Individual Agency force over the same period LY.

Table-2

Individual Agents of Life Insurers as on Dec-2019 (Provisional)					
INSURER	No. of Agents as of 01-Apr- 2019	Addition Upto Dec-2019	Deletion Upto Dec-2019	Net No. of Agents as on 31-Dec-2019	Growth % over the same period LY

Private Life Insurance Companies	1015518	286547	237047	1065018	8.98%
Life Insurance Corporation of India	1179229	191175	174906	1195498	3.08%
<b>Life Insurance Industry TOTAL</b>	<b>2194747</b>	<b>477722</b>	<b>411953</b>	<b>2260516</b>	<b>5.78%</b>

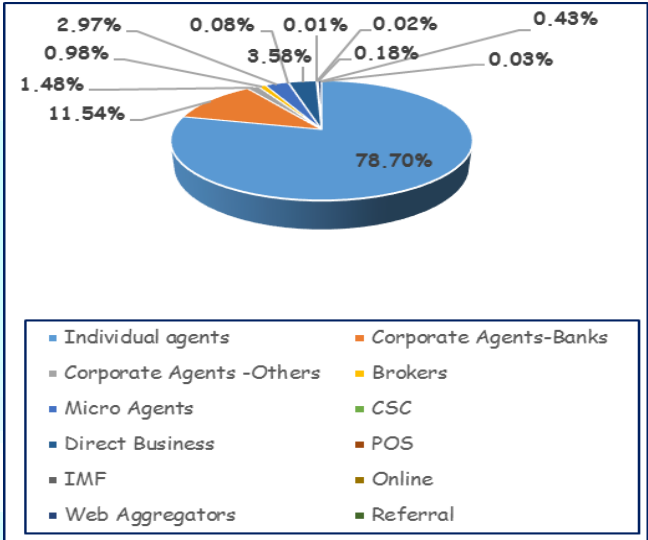
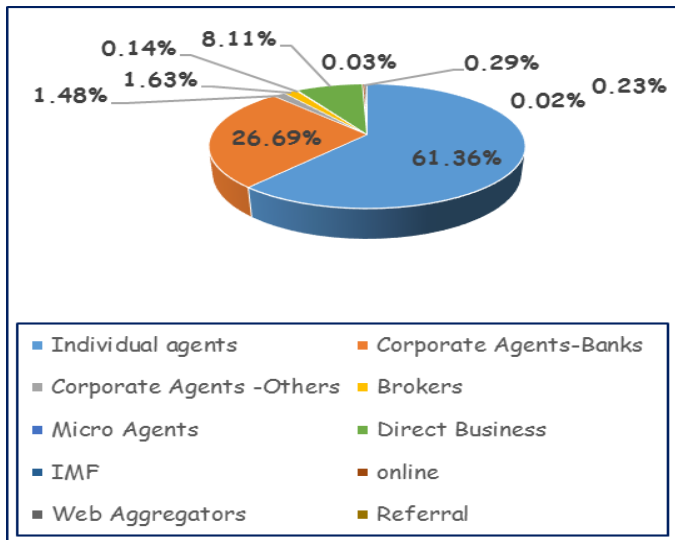


Figure 1: Channel Wise Distribution Q-3 FY 2020 (Premium basis) Individual

Figure 2: Channel Wise Distribution Q-3 FY 2020 (NOP Basis) Individual

As per Figure 1 and 2 given above, Individual Agent Distribution Channel continuous to contribute maximum to the Life Insurance Industry's Individual Policies/Premium kitty, whereas channels Like Corporate Agents-Banks, Direct Business, Brokers, Corporate Agents - Others than Banks, online and Web Aggregators are also playing their part.

**Table-3**

Segment wise Share % (Individual Business) up to Q-3 FY2020			
	No. of Policies	No. of Lives	Premium (in Crores)
Rural	4443584 (22.12%)	3866125 (22.69%)	9756.32 (13.72%)
Urban	15642773 (77.88%)	13176488 (77.31%)	61359.16 (86.28%)
Total	20086357	17042613	71115.48

As per Table 3, Individual policies from the Rural India is 22.12%, whereas the premium contribution is 13.72%.

**Table-4**

<b>Particulars</b>	<b>Amount Paid Up to Q3 FY20</b>	<b>Growth over period Up to Q3 FY19</b>	<b>Growth over period Up to Q3 FY18</b>
<b>(a) Claims by death</b>	21742.98	13.01%	34.21%
<b>(b) Claims by maturity</b>	108577.72	6.63%	41.81%
<b>(c) Annuities / Pension payment</b>	10304.98	21.39%	49.93%

Claims paid are always the critical area for the industry and it is the moment of truth. As per Table-4, Claims paid by Death & Maturity has registered a growth of 13.01% & 6.63% over the same period LY.

Annuities/Pension payments have shown an even bigger growth over the same period LY with 21.39%.

We are inching towards the end of the current Financial Year and with the robust growth the industry is showing, one thing is sure that the customers are showing immense faith on the industry.

(Source: Life Insurance Council & Public Disclosures of Life Insurance companies)

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

#### **IV. INSURANCE NEWS**

### **Sandbox Insurance: How This Regulatory Reform Would Benefit Customers**

The draft regulations for the creation of a regulatory sandbox was taken by the Insurance Regulatory & Development Authority of India (IRDAI) on May 18, 2019, to allow a conducive environment for InsurTech and FinTech companies to carry innovation in the insurance space.

The insurance Regulator has proposed the regulatory changes for encouraging the use of new technology as a part of the insurance sector. The IRDAI has also constituted regulatory reforms for examining innovations in the use of wearable/portable devices in the insurance sector.

To read the whole article click on:

<https://www.financialexpress.com/money/insurance/sandbox-insurance-how-this-regulatory-reform-would-benefit-customers/1883232/>

## **SAT Allows Lenders to Sell Rel Gen Insurance**

In victory for Reliance Home Finance's lenders Nippon India Mutual Fund and Credit Suisse, the Securities Appellate Tribunal (SAT) has upheld their right to sell shares of Reliance General Insurance following invocation of a pledge. The IRDAI had earlier declared the pledge enforcement as invalid since the Regulator's nod was not sought and the transfer violated foreign investment norms.

To read the whole article click on: <https://timesofindia.indiatimes.com/business/india-business/sat-allows-lenders-to-sell-rel-gen-insurance/articleshow/74347682.cms>

## **Life Insurance Companies May Offer More Health Policies**

India's Insurance Regulator IRDAI has set up a committee headed by Mr. G Srinivasan- Director, National Insurance Academy, Pune to study the feasibility of allowing life insurers to sell indemnity-based health products. Until now, these companies were allowed to sell only benefits-based health products.

If the nine-member panel recommends the move and the Centre gives the green light, this will pave the way for Life Insurance Corporation (LIC) to further consolidate its dominance of the country's insurance landscape using its expansive distribution network to potentially seize market share from health insurers ahead of its much-publicised IPO next year.

To read the whole article click on:

<https://economictimes.indiatimes.com/industry/banking/finance/insure/life-insurance-companies-may-offer-more-health-policies/articleshow/74329148.cms?from=mdr>

### **DPIIT Notifies Policy to Allow 100% FDI in Insurance Intermediaries**

The Department for Promotion of Industry and Internal Trade (DPIIT) notified the Government's decision to allow 100 per cent Foreign Direct Investment (FDI) in insurance intermediaries.

Intermediary services include insurance brokers, re-insurance brokers, insurance consultants, corporate agents, third party administrators, surveyors and loss assessors.

To read the whole article click on: [https://www.business-standard.com/article/pti-stories/dpiit-notifies-100-pc-fdi-in-insurance-intermediaries-120022501602\\_1.html](https://www.business-standard.com/article/pti-stories/dpiit-notifies-100-pc-fdi-in-insurance-intermediaries-120022501602_1.html)

### **BS Insurance Round Table 2020: Insurers Unnerved by New Tax Regime**

Even as Finance Minister Nirmala Sitharaman did away with most income-tax deductions in the new tax regime announced in her Budget for 2020-21, the insurance industry remains unfazed and confident of retaining customers. They, however, maintain that removing tax incentives given for putting money in insurance is dis-service to customers.

To read the whole article click on: [https://www.business-standard.com/article/pf/bs-insurance-round-table-2020-insurers-unnered-by-new-tax-regime-120022601473\\_1.html](https://www.business-standard.com/article/pf/bs-insurance-round-table-2020-insurers-unnered-by-new-tax-regime-120022601473_1.html)

### **National Pension System: NPS, APY Gaining Popularity among Pension Seekers**

With the increase in life expectancy, more Indians are likely to live a long retired life. So, it is very necessary to make sure that people accumulate a decent retirement corpus to ensure that they spend the retired life comfortably.

With more people becoming conscious about the importance of retirement savings, demands for government-run pension schemes are on the rise.



To read the whole article click on: <https://www.financialexpress.com/money/national-pension-system-nps-apy-gaining-popularity-among-pension-seekers/1881445/>

## **Companies' Purchase of Liability Insurance Goes Up by Average 50%**

Rising strife and damages caused is forcing companies to purchase liability insurance, which covers loss and damage caused due to natural disasters, burglary and riots. Some insurers are witnessing a 50% increase in policies sold.

"We have seen about 20% increase on yearly basis in the sale of our product- Public Liability Insurance (Industrial Risks) Policy- which provides coverage to accidental death, body injury or disease, loss or damage to property. It also covers legal costs and expenses incurred which is within the limit of indemnity. The loss claim ratio is around 50%-60%," says Sanjay Dutta, Chief-Underwriting and Claims, ICICI Lombard General Insurance.

To read the whole article click on: <https://timesofindia.indiatimes.com/business/india-business/companies-purchase-of-liability-insurance-goes-up-by-avg-50/articleshow/74308797.cms>

## **Revamped Insurance Plan Marks Major Farm Reform**

A revamped flagship crop insurance scheme unveiled by the Cabinet is the Modi Government's first real reform in the farm sector, with the Centre virtually exiting the scheme and handing the insurance market and states a deciding role, analysts say.

The Pradhan Mantri Fasal Bima Yojana (PMFBY), which became operational in 2016-17, has been hobbled by long delays in paying off claims, upsetting farmers.

To read the whole article click on: <https://www.hindustantimes.com/india-news/revamped-insurance-plan-marks-major-farm-reform/story-8a58bzesC5pDWeKWs5daqN.html>

## **Proposed IPO of LIC to Benefit India's Insurance Industry: Fitch**

The listing of Life Insurance Corporation of India (LIC) will improve transparency and accountability of the country's largest insurer and can encourage other insurance players to list their stocks on exchanges, Fitch Ratings said. The rating agency also believes that LIC's investment decisions will be rationalised, as major investment decisions could be subjected to additional scrutiny and approvals.

The Government during the Union Budget had announced its intention to disinvest from LIC by way of an IPO to meet its highest-ever disinvestment target of Rs 2.1 lakh crore.

To read the whole article click on: <https://www.financialexpress.com/market/proposed-ipo-of-lic-to-benefit-indias-insurance-industry-fitch/1881868/>

## **WhatsApp User? Bharti AXA General Insurance Starts Real-Time Service for Policyholders**

If reaching out to the insurance company at the time of being hospitalized or having met with an accident is an issue that keeps you concerned, here's a much quicker and real-time solution introduced by one of the general insurance companies. Bharti AXA General Insurance has started delivering policies and renewal premium to the policyholders through the instant messaging platform 'WhatsApp'. Getting renewal notice, claim intimation and policy document even while you are using the WhatsApp messenger has become a reality now.

To read the whole article click on:

<https://www.financialexpress.com/money/insurance/whatsapp-user-bharti-axa-general-insurance-starts-real-time-service-for-policyholders/1880351/>

## **Crop Area Covered under Recast Insurance Scheme to Fall**

The revamped crop insurance scheme is likely to reduce the crop area covered by 20-30% as it is no longer mandatory. This may increase the premium charged to farmers who opt for the scheme, officials said.

Agriculture Minister Narendra Singh Tomar said the number of farmers taking insurance cover was likely to eventually increase. “Initially, there will be a drop in number, but enrolments will increase gradually as farmers have become aware about risk cover,” Tomar told ET.

To read the whole article click on:

<https://economictimes.indiatimes.com/news/economy/agriculture/crop-area-covered-under-recast-insurance-scheme-to-fall/articleshow/74311399.cms?from=mdr>

### **From Data to Decision-Making: Big Data Analytics, AI to Tackle Farm Distress**

Hyderabad-based Niruthi Climate and Ecosystem Services, an AgriTech company, is providing cost-effective solutions to increase crop productivity and reduce climate-related risks to marginal farmers and support governments in natural resource management.

By bringing together data from different sources – Satellites, Weather Stations, Drones, and Internet of Things (IoT) as well as farm-level data collection through mobile apps – to one single data technology platform it can provide a model of climate-risks and forecast crop yields that can be displayed in a visualisation dashboard. These farm-level insights can then be used by farmers, governments, banks, insurance companies, input and commodity markets.

To read the whole article click on:

<https://www.financialexpress.com/industry/technology/from-data-to-decision-making-big-data-analytics-ai-to-tackle-farm-distress/1879229/>

### **Motor Insurance Policy Lapsed? Know Your Options of Reviving a Lapsed Policy**

There can be many reasons why one might miss the renewal date of one’s motor insurance policy, and drive around with a lapsed insurance policy. Driving around with a lapsed policy might not have mattered so much in the past, as the driver could get away just by paying a fine of Rs 1,000. However, with the new Motor Vehicle Act 2019, car owners now have to shell out Rs 2,000 for the first-time offence, while for repeating that offence the fine doubles.

Since the new motor insurance rules, experts say car insurance sales have increased by around 3-4 times and around 6-7 times for two-wheeler. The high penalty has made many vehicle owners opt for insurance hastily.

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/wealth/insure/health-insurance/how-senior-citizens-aged-over-65-years-can-get-optimal-health-insurance-at-reasonable-cost/articleshow/74253969.cms?from=mdr>

## **IRDAI Wants Insurers to Weed Out Low-Selling Products after Annual Reviews**

The Insurance Regulatory and Development Authority of India (IRDAI) has asked insurance company CEOs to review their products annually and weed out poor-selling policies.

The idea is to encourage insurers to have products with a high rate of sale, Subhash Khuntia, Chairman, Insurance Regulatory and Development Authority of India (IRDAI), said.

To read the whole article click on:

<https://www.moneycontrol.com/news/business/economy/irdai-wants-insurers-to-weed-out-low-selling-products-after-annual-reviews-4959371.html>

## **How Budget has Impacted Life Insurance Firms**

From expectations of a separate investment window for life insurance policies for the purpose of tax benefits to anticipating higher FDI limit, investors and analysts had pinned hopes on the Budget offering a big push to the insurance sector. Instead, the Budget, by way of introducing a new personal tax regime – lower tax rate sans most exemptions and deductions – and abolishing the Dividend Distribution Tax (DDT), making dividends taxable in the hands of recipients, has rattled investors. In a knee-jerk reaction, the stock of listed life insurance companies fell, notably post-Budget announcements.

To read the whole article click on: <https://www.thehindubusinessline.com/portfolio/stock-fundamental-analysis-india/how-has-budget-impacted-life-insurance-companies/article30828868.ece>

## **Importance of Life Insurance in a Double-Income Family and How to Find Out the Right Coverage Amount**

With the introduction of the new tax regime from the financial year 2020-21, taxpayers will have the option to pay tax as per the new simplified tax structure or continue with the old tax regime. For those opting for the NTR, among the various income tax deductions that will have to be forgone, the premium paid on life insurance policies will also not be there for tax benefit. However, the tax benefit is only incidental to a life insurance policy and policies need to be bought purely for saving and protection needs. In today's world, in several households, both the spouses work and thus share the dreams, aspirations and goals equally to a large extent.

To read the whole article click on:

<https://www.financialexpress.com/money/insurance/importance-of-life-insurance-in-a-double-income-family-and-how-to-find-out-the-right-coverage-amount/1868008/>

## **IRDAI Expresses Concern over High Hospital Tariffs, Plans to Standardise Charges**

Insurance sector regulator IRDAI expressed concern over rising tariffs in hospitals and has planned to standardise charges for some medical procedures, an official said.

It has been noticed that rate of inflation of hospital charges at present is around 10-15 per cent and tariffs are being changed on a regular basis, IRDAI Member (Non-Life) T L Alamelu said.

"Hospitals keep on changing tariffs on a regular basis. There is no body to check that. The regulator does not allow insurance companies to raise premium every year though there is around 10-15 per cent inflation of hospital charges at present," Alamelu said.

To read the whole article click on:

<https://economictimes.indiatimes.com/industry/banking/finance/insure/irdai-expresses-concern-over-high-hospital-tariffs-plans-to-standardise-charges/articleshow/74136418.cms?from=mdr>

### **IRDAI Modifies Pre-existing Diseases in Health Insurance**

Insurance Regulatory and Development Authority of India, IRDAI has amended the definition of pre-existing diseases (PED). The regulator advised all insurers and Third-Party Administrators (TPAs), wherever applicable to make changes and ensure compliance with immediate effect.

To read the whole article click on:

<https://www.outlookindia.com/outlookmoney/insurance/irdai-modifies-pre-existing-diseases-in-health-insurance-4361>

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