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**I. EVENTS AT NIA**

**1. HR SUMMIT**



**2. LIC FOUNDATION DAY**



**3. ORIENTAL INSURANCE FOUNDATION DAY**



## 2. Strategic Leadership Colloquium Meet



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**STRATEGIC LEADERSHIP COLLOQUIUM**

**PERIOD: 13.09.2019 TO 14.09.2019**



Left to Right

Sitting on Chairs:

Standing in 1st Row:

Standing in 2nd Row:

1) Mr. Segar Sampathkumar (Chair Professor, Non-life) 2) Mr. G. Srinivasan (Director) 3) Mr. G. N. Bajpai (Guest Faculty) 4) Mr. Sougata Roy (Guest Faculty) 5) Dr. Sushma Chaudhari (Programme Co-ordinator)  
1) G. Shobha Reddy 2) Nagalakshmi 3) Suchita Gupta 4) Gauri Venkatesan 5) Sunita Tull Nagpal 6) Aarti Mathur 7) Rekha Gopalakrishnan 8) Madhulika Bhoskar 9) J. Jayanthi  
1) Y. K. Shimray 2) S. Mahanty 3) S. Tripathy 4) Dinesh Waghela 5) S. S. Sawne 6) Sophia Singh 7) Rajeshwari Singh

National Insurance Academy conducted two day Strategic Leadership Colloquium for Top management of Public sector Non-Life & Life Insurance companies.

## II. Upcoming Events at NIA

### 1. 15th Insurance Summit

National Insurance Academy is organising 15th Insurance Summit on the theme "Navigating Insurance Eco System: A Strategic Perspective on Building a Resilient Industry". The event is scheduled to be held on 10 October 2019 in Mumbai. For more details, visit [www.niapune.org.in](http://www.niapune.org.in)

### 2. Comprehensive Technical Programme in General Insurance

The programme aims to help participants to apply theoretical framework to their day-to-day operations and enable a clear and better understanding and grasp of principles and practices of various classes of non-life insurance. Insurance companies can thus bring about the most important but often neglected element of professionalism in their functioning. The duration of the programme will be 11<sup>th</sup> November to 29 November 2019. For more details, visit [www.niapune.org.in](http://www.niapune.org.in)

3. **Munich Re and National Insurance Academy Engineering Workshop**, 18th to 20th November 2019. For more details, visit [www.niapune.org.in](http://www.niapune.org.in)

### **III. INSURANCE INDUSTRY FLASH FIGURES FOR August, 2019**

Click on:

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

### **IV. TOPICAL ARTICLES**

#### **1. GOLDEN HOUR RULE IN MOTOR VEHICLE AMENDMENT ACT, 2019**

Empirical data over last decade point to a disturbing fact that following a road accident, if immediate medical care would have been taken, more than 50 percent deaths could have been avoided. Around 1,50,000 persons die due to road accidents in India and immediate medical care could save at least 50,000 lives.

The first one hour after the accident is called the Golden hour and this is the crucial one hour during which immediate care and treatment can save life of victims. People refrain from stopping and taking care of the accident victim with the apprehension of police harassment or crowd harassment. The Government has brought in a rule called Good Samaritan rule to ensure that the helping people are not questioned and harassed. Good Samaritans are those who help voluntarily with good faith with no expectation of rewards.

The Government is also putting in place a system of cashless treatment of such injured persons. This will enable immediate treatment without the bother of delay in arrangement of funds. All these, if implemented rightly, will ensure huge saving of lives, avoid families becoming penniless due to death of the earning member and also avoid the pain and suffering of losing a dear one.

(By Mr. KK Panda, Faculty Member, NIA )

#### **2. Rural Segment: The Growth lies here**

According to Census 2011, the population of India was 1.21 Billion which comprises of 833 million (68.84%) rural population & 377 million (31.16%) Urban population. As large number of our population lives in the rural areas, Insurance regulator always focus on the spread of Insurance coverage among the rural masses.

Rural Sector is represented as the places or areas classified as "Rural" while conducting the latest available decennial population census (Census of India) & Social Sector includes unorganized sector, informal sector, economically vulnerable or backward classes and other categories of persons both in rural and urban areas.

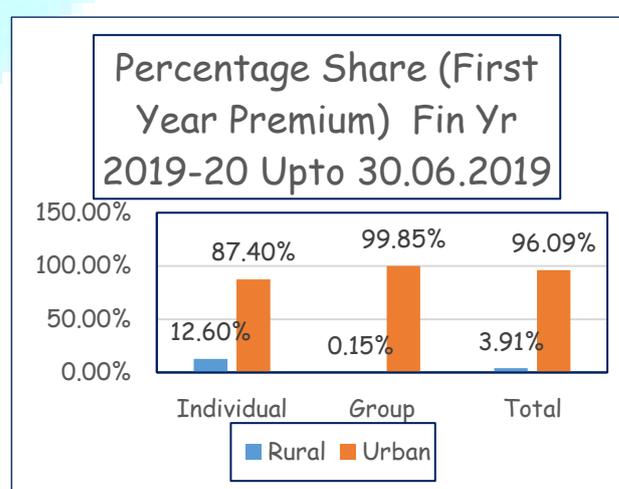
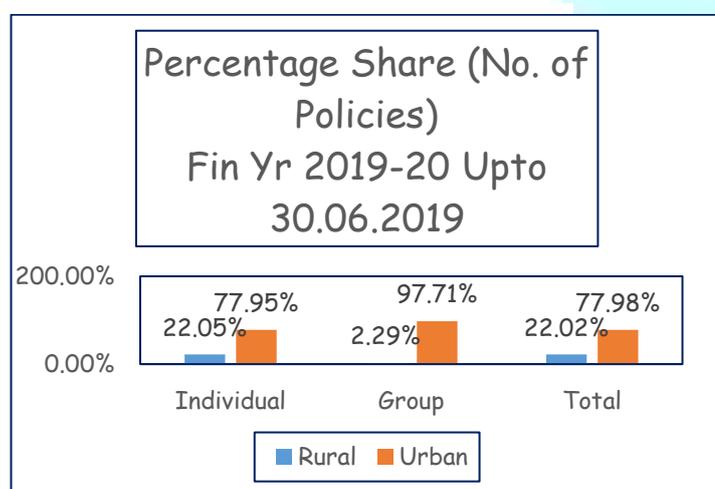
As per IRDAI, for the purposes of Sections 32B and 32C of the Insurance Act,1938 as amended from time to time, every Life insurer must adhere to Rural & social sector obligations (Table: 1 & Table: 2).

### Obligations of Life Insurers as per Rural & Social Sectors Regulations, 2015

S. No	FY since inception	% of number of policies
1	First Year	7%
2	Second Year	9%
3	Third Year	12%
4	Fourth Year	14%
5	Fifth Year	16%
6	Sixth & seventh Year	18%
7	Eighth and ninth Year	19%
8	Tenth year and every year thereafter	20%

S. No	Age of the Insurer in years	% of social sector lives of total business procured in the preceding FY
1	1	0.50%
2	2	1%
3	3	1.50%
4	4	2%
5	5	2.50%
6	6	3%
7	7	3.50%
8	8	4%
9	9	4.50%
10	10 & above	5%

As per the Figure: 1 & Figure: 2 given below, the rural sector has contributed 22.02% in number of policies & 3.91% in the First year premium income in the 1<sup>st</sup> quarter of 2019-20. (source: Public Disclosures of Life Insurance companies)



As per Niti Aayog Report published in November, 2018, Government of India has set an agenda for establishing a New India by 2022 (New India @ 75). Necessary focus will be on the modernization of agriculture technology, increase productivity, diversification of crops & agro-processing. Government will promote policies that enable farmers to capture a higher share of value addition. Financial inclusion through various social security schemes like PMJDY, PMJJBY, PMSBY, PMAPY, PMFBY, PMJAY, PMSYM has already started ensuring universal access & credit worthiness through having bank accounts, financial protection through insurance & pension.

With a focus on development of basic infrastructure like providing houses, better health facilities, connectivity through roads, railways, waterways and digital means, the rural areas will be easily accessible with the other parts of the country and will give impetus to the social & economic development.

Government is also focusing on the mainstreaming of regions like North East, hilly states and the 115 Aspirational Districts.

With all the initiatives and awareness programmes, the rural economy is going to play a major role in enhancing the Insurance penetration & Insurance density in the days to come.

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

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

##### **Big decision by IRDAI! Insurance companies may give relief to consumers**

The Insurance Regulatory and Development Authority of India (IRDAI) has decided to give more freedom to the insurance companies. The insurance company regulatory body had given its nod to the insurers that allow them to increase or decrease the insurance premium by up to 15 per cent, subject to their claim experience in a particular sector. Therefore, in case an insurance company faces higher loss ratio or higher claim, it need not file permission to the IRDAI for increasing the insurance premium.

According to the industry insiders if an insurer faces a better than expected experience in a certain category, then it is possible that they might pass on the benefits of underwriting profits in the form of lower premiums, however, if they face heat due to the higher claims enhancing their higher loss ratio, then they can increase the premium to pare the losses an insurance company has incurred.

To read the whole article click on: <https://www.zeebiz.com/personal-finance/news-big-decision-by-irdai-insurance-companies-may-give-relief-to-consmers-111290>

## **Centre to infuse Rs 12,000 crore in state general insurance firms**

Following the recapitalization of public sector banks (PSBs), now public sector insurance companies -- National Insurance, Oriental Insurance and United India Insurance -- are going to be infused with funds worth Rs 12,000 crore to boost their capital base and meet regulatory norms, sources said.

The Budget had provisioned Rs 70,000 crore for PSB recapitalization and last week a Rs 55,250-crore infusion was announced in several PSBs for regulatory and growth requirements.

To read the whole article click on:

<https://economictimes.indiatimes.com/news/economy/finance/centre-to-infuse-rs-12000-crore-in-state-general-insurance-firms/articleshow/71007616.cms?from=mdr>

## **Pay more motor insurance premium for breaking traffic rules? IRDAI moots idea**

Soon, you may need to pay higher motor insurance premium if you break traffic rules. The insurance regulator and the government have set up a working group to look at linking insurance premium with traffic violations.

Insurance Regulatory and Development Authority of India (IRDAI) said the working group has been constituted to examine a system of linking of motor insurance premium with traffic violations. The insurance companies have to undertake a pilot project in National Capital Territory (NCT), Delhi to implement the premium escalation formula.

This nine-member group has members from IRDAI, Insurance Information Bureau of India (IIBI), Delhi Traffic Police and insurance companies.

To read the whole article click on: <https://www.moneycontrol.com/news/business/economy/pay-more-motor-insurance-premium-for-breaking-traffic-rules-irdai-moots-idea-4412161.html>

## **Insurance boost to vegetable cultivation**

Vegetable cultivation in Adilabad district is set to get a boost with the extension of insurance cover to tomato crop and the possibility of inclusion of a few more vegetables under the facility.

Continuing manipulation of vegetable prices by middlemen, however, threatens to put a spanner in the plans of the district administration towards expanding the area under vegetable cultivation in coming years.

According to officials, the area under vegetable cultivation seems to have come down this year from the nearly 10,000 acres last year, but an accurate figure will emerge only after results of the ongoing Rythu Samagra Survey come in.

To read the whole article click on: <https://www.thehindu.com/news/cities/Hyderabad/insurance-boost-to-vegetable-cultivation/article29355546.ece>

## **LexisNexis Risk Solutions develops systems for auto insurance industry**

LexisNexis Risk Solutions, a data analytics and technology provider for the insurance industry, has created the first purpose-driven Advanced Driver Assistance Systems (ADAS) and vehicle safety classification system for auto insurance pricing and claims analysis. The new classification system helps insurers break down barriers through access to relevant data and insights from automakers' ADAS features. It will be leveraged in the soon-to-be released LexisNexis Vehicle Build, a solution that identifies and categorizes specific ADAS equipped features at the VIN-level, enabling insurers to establish the differences in risk profile associated with these features.

LexisNexis Risk Solutions uses machine learning to logically sequence and classify vehicle safety features and components for insurance carriers, enabling insurers to more easily establish differences in the risk profile associated with these ADAS features and incorporate those differences into pricing and claims workflows. The company has extensive experience in this area, having normalized close to 2 million driving violations

descriptions from over a hundred unique data sources into easily ingestible categories, now considered the insurance industry standard.

To read the whole article click on: <https://www.moneycontrol.com/news/technology/lexisnexis-risk-solutions-develops-systems-for-auto-insurance-industry-4411801.html>

## **Role of AI in the Indian Insurance Industry And Its Potential**

Technology has led to many positive changes around us and insurance industry is not staying behind in making the most of the technology to improve their functioning and services to customers.

Traditionally, the insurance industry's focus has been around the policy and product but there's now a shift in the trend. The insurers are more and more leaning towards becoming a more customer-centric organisations and Artificial Intelligence (AI) has been at the forefront of this mission.

"Using AI in insurance has enhanced customer experience by understanding customer behaviour, streamlining the claim process, improving underwriting and preventing fraud. Embracing AI will help the insurance industry in effective customer engagement and in the long run a deeper penetration of the market," said Shivakumar Shankar, India MD of LexisNexis Risk Solutions.

AI has also been playing a major role in helping the insurers tackle its two biggest challenges — penetration and simplifying the customer servicing at various touchpoints.

To read the whole article click on: <https://www.outlookindia.com/outlookmoney/insurance/role-of-ai-in-the-indian-insurance-industry-and-its-potential-3532>

## **All you need to know about assigning life insurance policy**

Interest in a life insurance policy can be transferred from the policyholder to a lender or a relative by assignment of policy. Here the policyholder is known as the assignor and the person, in whose favour the policy has been assigned is called assignee.

### **Types of assignment**

There are two types of assignment:

**Conditional assignment:** This is done when the insured wishes to pass benefits of the policy to a relative in case of early death or certain conditions. The rights of the policyholder are restored once the conditions are fulfilled.

**Absolute assignment:** This is done as a part of consideration for a loan in favour of the lender/bank/lending institution. In such an assignment, the insured loses his rights in the policy and the absolute assignee can deal with it independently.

To read the whole article click on: <https://economictimes.indiatimes.com/wealth/insure/life-insurance/all-you-need-to-know-about-assigning-life-insurance-policy/articleshow/71232027.cms?from=mdr>

## **Non-life insurance: Retail health, motor insurance moderate Growth**

General insurance companies reported marginal slowdown in premium growth to 17% in August from 23% in July 2019 (11% down from 17% in July on ex-crop basis) due to moderation in motor and retail health segments. Fire, group health and crop continue to hold on well. Among private sector players, large players reported mom slowdown, viz. ICICI Lombard (down 16% from 9% in July), Bajaj Allianz (up 17% from 27%), IFFCO-Tokio (up 14% from 47%); exceptions were SBI General Insurance (up 101% year-on-year) and HDFC ERGO (up 30% from 5%).

### **Crop and fire strong, motor muted driven by weak OD**

Crop business indicates new green shoots. Premium in crop business was up 33% y-o-y during August 2019, versus 14% growth in YTD 2020. Most of the growth during August was delivered by AIC while PSU and private players were up 23%. Among private players, Bajaj Allianz, SBI General and HDFC Ergo delivered strong growth. ICICI Lombard continues to reduce focus in this segment.

To read the whole article click on: <https://www.financialexpress.com/industry/non-life-insurance-retail-health-motor-insurance-moderate/1714285/>

## **Astronaut insurance depends on reinsurance support: Experts**

Chennai, Sep 22 (IANS) Providing insurance covers - life and accident - for Indian astronauts, who will be part of the country's manned Gaganyaan mission, largely depends on the underwriting policy of an insurer and the reinsurance support, said experts.

India plans to send three astronauts to space in its own rocket by 2021.

"If a person has already taken a life insurance policy when he was not aware of being sent as an astronaut, he/she will enjoy the cover," a senior actuary G.N. Agarwal told IANS.

Agarwal has been the former President of the Institute of Actuaries of India and also former Executive Director (Actuarial), Life Insurance Corporation of India (LIC). He is also on the board of Acko General Insurance Ltd.

"However, the policy should not lapse and should not have been revived during the period after one becomes aware that he is likely to go as an astronaut in which case he needs to disclose and the insurer will follow its underwriting policy and may allow or not. If allowed, the premium is likely to be enhanced," he said.

"The issuance of new policies may or may not be issued depending on insurer's underwriting policy, reinsurance support and others."

On the probable premium rate, Agarwal said: "There are differences in the way a risk is perceived. The base of astronauts is small. Not many people are seeking cover. The premium depends on the probability and unless many people are there who go to the space and come back safely, the probability of safe return may not be known and hence the chargeable premium."

To read the whole article click on: <https://www.outlookindia.com/newscroll/astronaut-insurance-depends-on-reinsurance-support-experts/1624448>

## **Plan for a comprehensive home insurance**

Home insurance is a crucial back-up plan if things go wrong with your property. Fire insurance is a basic policy that covers the structure of a house. Householder's package policy or householder's insurance is a comprehensive cover that protects the structure of the house and the contents within. It also covers burglary, breakdown of electrical,

electronic and mechanical appliances, and damages. Here is what a policyholder should keep in mind while getting a comprehensive package.

To read the whole article click on: <https://www.thehindubusinessline.com/portfolio/personal-finance/plan-for-a-comprehensive-home-insurance/article29481181.ece>

## **New Alliance to Address Ocean Risk Through Innovative Finance Solutions is Launched At The UN Climate Action Summit**

LONDON - UNITED KINGDOM THU SEP 19, 2019

As part of the UN Secretary General's Climate Summit, a collaborative initiative between the insurance and finance sectors, governments and environmental civil society organisations is being launched to build resilience to ocean risk in the communities and regions most affected by the changes to the ocean.

The Ocean Risk and Resilience Action Alliance, or ORRAA, will pioneer ground-breaking finance and insurance products that unlock investment in coastal resilience; accelerate research to better understand and manage ocean risk; and inform policy, governance and public understanding.

To read the whole article click on: <https://axaxl.com/insurance/news/new-alliance-to-address-ocean-risk-through-innovative-finance-solutions-is-launched-at-the-un-climate-action-summit>

## **Infosys McCamish launches platform for life insurance industry**

McCamish, a US-based subsidiary of Infosys BPM, introduced an industry platform for the Global Life Insurance and Annuity industry called Infosys McCamish NGIN.

The platform, which is configurable to address global and regional needs of insurance carriers, has plug-and-play components built on open source technologies.

To read the whole article click on:

<https://economictimes.indiatimes.com/industry/banking/finance/insure/infosys-mccamish-launches-platform-for-life-insurance-industry/articleshow/71297744.cms?from=mdr>