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## Indian insurance in future will be fully digitally driven



Insurance in India has transformed to become a digitally driven buyers' market from being a sellers' market, industry chamber CII said, citing a report prepared jointly with British professional service firm Ernst and Young (EY).

Insurance in India has moved from being a sellers' market to that of a digitally driven buyers' market, said the report titled 'Insurer of the Future'. Technology will power the new wave of change for the Indian insurance industry, the Confederation of Indian Industry said in a statement.

The customer is at the centre of digital transformations across the value chain and the report recommends pursuing technology to improve the traditional insurance process and to re-configure the insurance business model it said.

Noting that Internet of Things (IoT) can play a crucial role in assessing and pricing the risk of loss, the report said Robotic Process Automation (RPA), that replicates human behaviour and executes non-judgmental sequence of activities, can help insurers to automate client servicing activities.

Insurers, through collaboration with third party data service providers can make informed strategy and policy related decisions for insurance risk-management and fraud monitoring, the CII said.

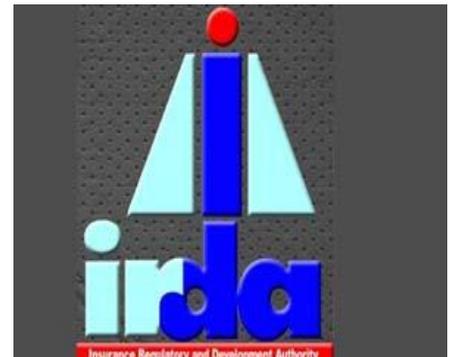
## Outsourcing norms for insurers to be tightened

Insurers will soon find it tougher to outsource activities as the Insurance Regulatory and Development Authority of India (IRDAI) is set to tighten norms.

According to the proposed IRDAI (Outsourcing of Activities by Indian Insurers) Regulations, 2016, every insurer should put in place a comprehensive outsourcing policy duly approved by the board.

In addition to approval of the policy, the board will also be responsible for clearing a framework to evaluate the risks and materiality of all existing and prospective outsourcing. This will include assessing management competencies for handling the outsourcing arrangements, given the nature, scope and complexity.

Undertaking periodical review of outsourcing strategies and arrangements, and establishing a comprehensive risk management programme to cover the risks associated with the outsourced activities will also be the responsibility of the board, the regulator said in an exposure draft. It says outsourcing activities should be distributed to a number of outsourcing agencies to ensure no concentration of risks.



## 13% YoY growth for private life insurance firms in July: Report



Private life insurance companies delivered 13 per cent year-on-year growth in individual annual premium equivalent (APE) during July 2016, lower than 24-27 per cent over the previous two months, according to a report.

Life insurance companies in the private sector delivered 13 per cent growth in individual APE during last month, leading to 18 per cent growth year to date (YTD) over the past four months, a report by Kotak Institutional Equities said here today.

According to the report, Bajaj Life Insurance, ICICI Prudential Life and SBI Life have delivered more than 10 per cent growth among large players while HDFC Life, Reliance Life and Met Life reported a decline.

Bajaj Allianz Life delivered 44 per cent growth in individual APE as compared to 72 per cent in June 2016. During June quarter of this fiscal, share of individual unit linked (UL) policies increased to 58 per cent from 40 per cent year-on-year.

Birla SL, on a low base, reported 10 per cent APE growth as compared to 7 per cent in June 2016. This was largely led by increase in ticket size, the report said, adding that HDFC Life reported 17 per cent decline in individual APE.

### Apollo Munich Health Insurance bets big on gamification

The popularity of Pokemon Go is inspiring players across categories, and the latest to bite the bait is an insurance brand. With a 4% share of the health insurance market Appollo Munich Insurance decided to take the gamification route for its latest campaign 'Kill the Killer'. The game aims to educate online consumers about dengue and the underlying importance of specialized dengue insurance covers.



It is not a coincidence that the brand has chosen the 'World Mosquito Day' (20th August) for the roll-out. The day was institutionalised in 1897, to commemorate British medical doctor and Nobel Prize-winner Sir Ronald Ross' discovery of the female Anopheles mosquitoes as the cause for malaria transmission. The game can be played on the brand's homepage and all that needs to be done is swat as many mosquitoes as possible in 20 seconds and check the score thereafter.

According to Antony Jacob, chief executive officer, Apollo Munich., the company is embracing the online medium to essentially un-complicate insurance and make it easy to understand for people. Moreover, such initiatives also help solve purchase related concerns and complete the purchase, as well as the renewal processes.

What makes it unique is that this is the first plan in India that offers a standalone indemnity cover for Dengue, possibly the largest vector-borne disease. The product was launched as a pilot last year and this year is being rolled out nationally, shares Jacob. The brand plans to deploy cost effective media to push this product which includes digital and social largely and at a later stage.

### Quick News

#### CCI clears HDFC ERGO's acquisition of L&T General Insurance

India's fourth largest general insurer HDFC ERGO has received Competition Commission's nod to acquire rival L&T General Insurance, a Rs. 551 crore deal, which was announced in June. HDFC ERGO, non-life insurance arm of housing finance major HDFC, would purchase 100 per cent equity shareholding of L&T General Insurance from existing shareholder, Larsen & Toubro (L&T). For the Rs. 551-crore transaction, both sides had entered into a share sale and purchase agreement in June.

#### Canara HSBC OBC Life launches new insurance plan

Canara HSBC Oriental Bank of Commerce Life Insurance has introduced a new unit-linked insurance product Secure Bhavishya to protect and meet an individual's future financial needs. It will help customers build-up a retirement fund which can be used to provide a steady post retirement income, a company statement said. It offers capital protection by way of minimum guarantee of 101 per cent of all premiums paid as the maturity value, it said.

#### Insurance staff to join nationwide strike on Sept. 2

The All-India Insurance Employees Association has decided to go ahead with its plan for joining the proposed nationwide strike on September 2. Despite the fact that the government was informed of the strike decision many months back, it has remained unresponsive and refused to initiate any action to redress the grievances of the workers, the Association said. It said "reckless drive of the government towards privatization of the public sector has already reached the doors of the insurance industry," it pointed to the government's decision to divest shares of public sector general insurance companies and GIC-RE in the current financial year itself.

## Max Bupa inks bancassurance tie-up with SUPGB



Private health insurer Max Bupa Health Insurance said it has entered into a bancassurance tie-up with Sarva UP Gramin Bank (SUPGB).

Max Bupa will provide comprehensive and family oriented health insurance products to the bank's private health insurers customers to help them access quality health care at affordable premiums, the company said in a release.

Under the partnership, Max Bupa will provide customised indemnity and fixed benefit health plans to the 35 lakh account holders of the bank across 17 districts in UP including Bijnore, Badayun, Gonda, Balrampur, Ghaziabad, Muzaffarnagar, and Meerut, Jhansi at an attractive annual premium of Rs

1,557 for Rs 50,000 health policy and Rs 2,008 for a Rs 1 lakh health policy.

Our endeavour is to aid the accessibility of quality and affordable health care for the bank customers. With compelling features like pre-existing coverage from day 1, maternity benefits and immunisation cover for the new born, our specialised products will cater to the diverse health needs of the bank's customers, said Max Bupa Health Insurance Managing Director and CEO Ashish Mehrotra.

Max Bupa is a 51:49 joint venture between Max India and health care and Bupa, a leading global health and care company with 65 years of healthcare knowledge.

## India's total healthcare expenditure at about 4.1% of GDP, among the lowest in the world: OPPI – KPMG report

Non-communicable diseases (NCDs) account for nearly 60 per cent of deaths in India annually. The country is estimated to lose USD 4.58 trillion by 2030 due to them. India clearly faces a large and looming economic and wellness burden and prioritising healthcare has never been more critical. It is imperative that all stakeholders collaborate and increase their commitment towards a patient-centric healthcare ecosystem.

The 'KPMG - OPPI report on healthcare access initiatives' presents the current healthcare scenario in India and the future burden should there be a further delay in access initiatives; it also summarises the various interventions undertaken by member companies of the Organisation of Pharmaceutical Producers of India (OPPI) in this regard.



The report highlights worrying statistics and insights into the Indian Healthcare system. It also points towards poor insurance coverage. Nearly 75 percent of population uncovered. Out-of-pocket (OOP) contributes close to 86 per cent of private and 60 per cent of overall healthcare expenditure. India spends less on healthcare than most other middle income countries.

India has also not been able to meet most of the health targets under the Millennium Development Goals (MDGs), defined by the UN Summit in 2000.

Commenting on this immediate need of the hour, Utkarsh Palnitkar, Partner and Head, Infrastructure, Government, Healthcare and Life Sciences, KPMG in India, said, While the Government of India plays a laudable role in providing healthcare, human life lost due to lack of awareness is staggering. Often, disease detection is so delayed that neither access nor affordability can play any role. Only a long-term, proactive strategy with education and awareness at its centre, involving all stakeholders, i.e., healthcare providers, insurance companies and healthcare and pharmaceutical companies, can achieve the desired vision of a healthy country.

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