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IRDAI may make electronic insurance mandatory in some cases

Insurance regulator IRDAI today came out with a proposal to make it mandatory for insurers to issue electronic policies if the sum insured exceeds a specified threshold for life, health and general products. According to the draft proposal, electronic insurance would be mandatory if the sum insured for term life insurance and general insurance policy is Rs 10 lakh or more, and in case of health Rs 5 lakh or above. For policies other than pure term, the threshold is Rs 1 lakh or Rs 10,000 single annual premium.



The draft, on which comments have been sought by IRDAI till February 26, also proposes mandatory issuance of electronic policy for motor insurance and individual travel insurance (overseas). Electronic policies may be issued by the insurers either directly to the policyholders or through the registered Insurance Repositories. Also, policies issued in electronic form should be deemed compliant only with digital signature.

The policyholders who wish to avail the facility of electronic insurance policy could do so by registering their choice with the insurer. There would be charges for the conversion. Creation of an e-proposal form similar to the physical proposal form has also been proposed. Further, every insurer would mandatorily issue e-insurance policies in disaster prone and vulnerable areas.

Based on the information provided in the proposal form, the insurers may either accept or reject the proposal. In case the proposal is rejected the insurers would have to communicate that to the prospect through e-mail.

IRDAI mulling extending e-Vahan Bima throughout India

With an aim to provide motor insurance policies at vehicle owners' doorstep, insurance regulator IRDAI is contemplating promoting the e-Vahan Bima system throughout the country. The Telangana government in collaboration with the IRDAI and Insurance Information Bureau of India (IIB) launched the e-Motor Insurance policy facility in the state in January this year.

The platform for e-Vahan Bima was established after data sharing was facilitated by the Telangana government with the IIB. Now, the Ministry of Road Transport and Highways, GOI has also agreed to share nationwide data with IRDAI and IIB. This can enable the e-Vahan Bima scheme to be extended to the rest of the country.



Electronic motor insurance policies are expected to help in issuance of insurance policies at vehicle owners' doorstep. Under e-Vahan Bima, policies are issued in digital format which can be seen in any smart phone. Alongside, a QR (Quick Response) code is issued that can be scanned for verification of policy details if the need arises. An SMS based verification system is also in place.

During the launch in Telangana, the IRDAI had said electronic motor insurance policies could be issued on-line across the country, thus, paving way for a host of benefits like faster issuance, removal of fraud, higher customer satisfaction, elimination of revenue leakages, and analytics, among others.

PM Narendra Modi to soon launch smart card for 40 crore unorganized workers

Prime Minister Narendra Modi will soon launch a smart card scheme for over 40 crore unorganized workers in the country to provide them various social security benefits like insurance and pension. The smart card called UWIN (Unorganized Workers' Identification Number) card is likely to be launched within a month.



Through the UWIN card, the government wants to provide social security to all those people who are not covered either by Employees' Provident Fund Organization (EPFO) or Employees' State Insurance Corporation (ESIC).

The UWIN card will be a chip-based instrument to provide benefit to these workers and their family under Rashtriya Swasthya Bima Yojana (RSBY), Atal Pension Yojana, Aam Admi Bima Yojana (AABY), Jeevan Jyoti Bima Yojana and Pradhan Mantri Suraksha Bima Yojana.

The complete task of issuing smart cards to all informal sector workers is likely to take at least two years and the government will issue 10 crore such cards in the first phase.

Regulations for commission of insurance workers likely in March

Insurance Regulatory & Development Authority of India (IRDAI) has announced that final regulations for commission of insurance brokers are expected to be released by March. IRDAI Chairman, Mr. T. S. Vijayan has said that a sub-committee has been formed which will decide on the quantum of cap on commissions.



Mr. Vijayan made this statement at the Insurance Broker's Association of India's (IBAI) 12th Annual Summit, where he released the report "Vision 2025: Broker-Driving customer centric growth". IBAI president Sanjay Kedia has said that he has requested the IRDAI to allow market forces to decide what the remuneration should be depending on the value each market participant is adding.

The report estimated that the broking channel had the potential to contribute 40% of the gross direct premium in the non-life insurance business and 1.6% of the new business premium in the life insurance business in the coming years. The brokers share of the total non-life insurance market is 27% at around Rs 20,000 crore and is expected go to Rs 1,60,000 crore.

According to the report, the total premium was Rs. 83,048 crore in the non-life segment and this is likely to rise to Rs. 4,00,000 crore in FY25 if progressive actions are taken. Similarly, for the life insurance segment, new business premium which currently stands at Rs. 1,13,327 crore in FY15 is tipped to rise to Rs. 4,60,000 crore by 2025.

The challenge before the industry and the broker's association is to remain relevant for the times and change with the times.

Quick News

Telenor claims it is largest single micro insurance provider in India

GSM telecom operator Telenor said it has become the largest 'single' micro insurance policy provider in India, offering free life insurance scheme, Telenor Suraksha, through partner Shriram Life.

IndiaFirst Life launches a nationwide insurance awareness campaign

IndiaFirst Life, one of the youngest private insurers in the country has launched a communication campaign with the goal to educate customers about the importance of insurance and retirement solutions. Its vision is to inspire more people to protect and enhance their lifestyles. The campaign spreads across 20 states, 79 cities, 560 OOH sites in the form of hoardings, bus shelters, bus display panels and outdoor signage and a social presence on Facebook, Twitter and LinkedIn.

4 lakh enroll for cashless health insurance scheme

On 1st January 2016, the Punjab Government had introduced the cashless health insurance scheme for its employees and pensioners and so far, four lakh employees and pensioners have been enrolled and given e-cards. Every employee/pensioner has been informed through SMS regarding confirmation of his/her enrollment and the link for this App.

Tata AIG General Insurance awarded with the Golden Peacock HR Excellence Award

Tata AIG General Insurance has been awarded the Golden Peacock HR Excellence Award by Institute Of Directors, Mumbai during the 10th International Conference On Corporate Social Responsibility and the Golden Peacock Awards Presentation Ceremony.

Apollo Munich Health Insurance introduces Critical Advantage rider

Leading health insurance company, Apollo Munich Health Insurance has launched Critical Advantage, a critical illness rider that not only covers treatment for 8 illnesses abroad, but also covers the travel and accommodation of one family member, in addition to the insured on cashless basis. Easy Health and Optima Restore customers with sum insured of Rs. 10 lakhs or more can purchase the Critical Advantage rider in order to mitigate specific ailment costs that they would want to get treated at medical facilities outside India.



Critical Advantage covers illnesses such as neurosurgery, cancer, coronary artery bypass surgery, heart valve replacement/repair, live donor organ transplant, pulmonary artery graft surgery, aorta graft surgery and bone marrow transplant. The Critical Advantage rider is offered on an individual basis and has two variants – USD 250,000 (Rs.1.5 crores approx.) and USD 500,000 (Rs. 3 crores approx.).

Recent statistics reveal that there are about 2.8 million cases of cancer at any point of time in the country, while there has been an estimated increase of 40% in cardiovascular disease cases in the last 10 years. The company will provide policyholders assistance in determining treatment, travel and accommodation of the insured. The plan also includes a second opinion service for the illness. Premium for USD 250,000 sum insured policy for a 35-year-old is Rs. 7,767; for a USD 500,000 sum insured, it is Rs. 8,947. Given the high treatment cost abroad, Critical Advantage rider is an extremely affordable plan as it entails a premium which is lesser than an average policy, making planned treatment abroad accessible and hassle free.

Nippon Life gets CCI approval for increasing stake in Reliance Life Insurance to 49%

Competition Commission has approved Japanese insurer Nippon Life's additional 23% stake purchase plan in Reliance Life Insurance in a deal worth Rs. 2,265 crore. Competition Commission of India (CCI) has informed Nippon that it has approved the proposed.



With the new shareholding structure, the company name would be changed to Reliance Nippon Life Insurance Company Ltd. After this deal, Nippon Life Insurance would have 49% stake in the company, the maximum ownership allowed for a foreign player in a domestic private insurer. Nippon Life would increase the stake in Reliance Life to 49% for Rs. 2,265 crore. With this, the company's total investment would be Rs. 8,630 crore for 49% stake each in life insurance and asset management business.



Nippon Life Insurance Company

IDBI Federal Life Insurance announces tie-up with Karnataka State Cricket Association for bowling talent development



IDBI Federal Life Insurance, a private life insurer, today announced its affiliation with the Karnataka State Cricket Association (KSCA) for the launch of a bowling foundation. The entity will be called KSCA - IDBI Federal Life Insurance Bowling Foundation. The company also has a similar tie-up with Mumbai Cricket Association (MCA) for MCA - IDBI Federal Life Insurance Bowling Foundation. The Foundations will help the respective cricket associations to nurture bowling talent under the guidance of top coaches and cricket experts.

During the press meet it was also announced that former India players, Roger Binny and Raghuram Bhatt will be part of the Bowling Foundation.

Former Mumbai pacer and CEO, IDBI Federal Life Insurance, Vighnesh Shahane, said, "Having been a bowler myself, I fully understand that quality coaching is paramount to the development of any bowler. Binny and Thomson make for an enviable coaching combination at the Foundations for the pacers. Spinners too need proper guidance. I am confident that this development will prove to be a springboard for the future success of these talented bowlers. As they gain from this foundation, they will also have a positive impact on the Indian cricketing landscape."

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