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THE AWARE CONSUMER

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INSURANCE SECTOR IN INDIA

How Customer-Friendly Is It?

RESEARCH FEATURE
The Coming of Age of Insurance in India – Still A Long Way to Go!

INTERVIEW

TAPAN SINGHEL
Managing Director and Chief Executive Officer
Bajaj Allianz General Insurance

OUT OF THE BOX
Digital Transformation of Insurance – A Win-Win for Consumers

PLUS ROUND UP • MY MARKET • THE PRESCRIPTION

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VIEW POINT

MESSAGE FROM PUBLISHER & EDITOR

Pepping Insurance Among Indian Consumers

IT IS SOMETHING we hope never to use! Yet, having it in our kitty spells peace of mind by bringing a sense of indemnity should disaster strike!

Yes, I am talking about insurance.

Life is full of uncertainties and something unfortunate can happen to our health, property, business or life at any time. These risks come with the baggage of high expenditure, avoidable expenses and various social repercussions, many a times pushing us below the poverty line, especially due to high cost to access quality healthcare. Insurance has emerged as the only way to cover the risk and mitigate the crushing financial impact.

Indeed, insurance works as a financial safety shield in case of unforeseen emergencies. In simple terms, we pay small amounts as premium on a regular basis which becomes a cover when an illness, accident or other catastrophe suddenly upends our otherwise well-ordered life. This insurance policy often ends up standing between us and financial ruin and can bring a sense of semblance during volatile challenges.

Accordingly, there are varied types of insurance contracts with differing coverage; everything from life and health to homes, vehicles, gadgets, crops and travel can be insured. But the end goal remains the same – financial security and protection when we need it the most.

The government and other stakeholders promote insurance in all forms, but a sense of complacency has always shrouded Indian consumers when it comes to safeguarding themselves from calamities. The ongoing COVID-19 pandemic has shaken things up with people more interested in buying health and life insurance for themselves and their loved ones. To add to this, financial technology has made significant inroads in the insurance sector with a peppering of online operators. They are making it easier for consumers to identify and purchase the most appropriate insurance policies for various contingencies.

Yet, the fact remains that insurance penetration is abysmally low in India. This is driven by the overriding notion that insurers will dilly-dally when it comes to paying the claims and even repudiate it on the smallest pretext. Alas, the general public is unaware of the measures being taken to safeguard their interests and the decidedly consumer-friendly stance of the regulator to make the processes simple, easy and responsive. IRDAI, the insurance regulator is working on several beneficial options for policyholders in insurance coverage by engaging experts to suggest effective avenues for resolving issues when trouble surfaces by empowering the policyholders with such tools and techniques that make the grievance redressal mechanism accountable, transparent, efficient and effective.

Looking at the larger picture, insurance plays a dynamic role in developing a robust economy. It needs to grow and evolve much more to be able to contribute to capital markets, fund infrastructural development and strengthen the risk-taking ability of the country.

Through this edition of the magazine, I hope that consumers will be able to better gauge the need and value of insurance while gaining the confidence to insure themselves through the right channels! The more insurance we buy, the more affordable it will become….

Prof. Bejon Kumar Misra
Publisher & Editor
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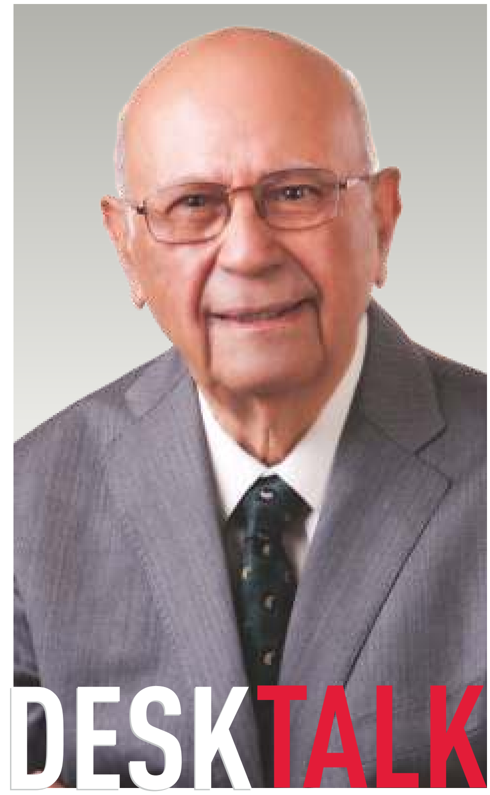


BELLING THE INHERENT CONSUMER HESITANCY TOWARDS INSURANCE

INSURANCE IS A bond that undertakes to cover against financial losses arising from a specific contingency. Despite the crucial significance of such a guarantee, a very minor fraction of Indian consumers bother to safeguard themselves with insurance products.

People will gladly spend Rs. 100 every weekend on street food, but hesitate to invest the same in securing their future against devastating misfortunes! Alas, the culture of insurance is still far from predominant in our country. There was a time when one could bank on family members to bail them out with financial assistance in case of trouble. However, this safety net is breaking with the crumbling of the joint family system. Each consumer has to look out for his own protection and safety.

Yet, what keeps people from jumping onto the insurance bandwagon is a distinct lack of clarity on what insurance can do for them and which one will be best for their needs. This ambiguity is further intensified with tales of the policyholders having to run from pillar to post to gain the promised coverage when they are in dire need of the money.

Indeed, there is gross negligence in the sector, not to mention the incidence of crafty agents making tall claims and unashamedly misleading consumers to invest in insurance policies that fall flat when push comes to shove. Consumers are wary of such deceptive and fraudulent practices with insurers also blatantly taking them for a ride when it comes to claim processes and settlement offers.

There is a need for better organisation in the insurance sector coupled with clear regulations and consumer protection laws to protect the interests of the insured public. Transparent products with pocket-friendly premiums and straightforward claim settlements is what will develop a robust insurance culture in India. A strong customer focus with easy to understand policies will pave the way for better insurance penetration across the country.

There's much to be done and achieved here! We need to strive to make insurance as integral a part of the life of the consumer as *roti, kapda aur makaan!*

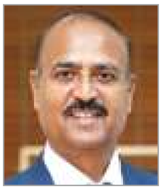
INSIDE

THE AWARE CONSUMER JULY 2022

REGULARS

Insurance has evolved over time in India. We trace the growth trajectory of the insurance sector along with its current composition, penetration and density in the country.

Insurance is on the road to development and the economy is riding along as well. Changes are ongoing and with many more on the anvil, insurance is primed to finally turn from a push to a pull product!



TAPAN SINGHEL
Managing Director and
Chief Executive Officer
Bajaj Allianz General Insurance

Road mishaps happen all the time. People walking, driving or just standing on the road are exposed to varied risks and third party motor insurance is designed to compensate them for the resultant damage, disability or death while also protecting the insured from any liability caused by the accident.

When everything from buying groceries to consulting a doctor can be done online, can insurance be far behind?

The prevalence of deceptive practices in insurance mar the entire safety experience and ...

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DEBASISH PANDA

CHAIRMAN - INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY OF INDIA (IRDAI)

We are asking insurance companies to go for listing so that they can have access to the capital. Today, with the LIC's listing, close to 60 per cent of the market gets listed. This will help them grow and our ultimate target of deepening insurance penetration will happen.

ROUNDUP

Standardisation of Insurance Products – A Helpful Nudge to Consumers

DATA BRIEFING

Insurance Laws (Amendment) Act, 2015 provides for enhancement of the Foreign Investment Cap in an Indian Insurance Company from 26% to an Explicitly Composite Limit of

49%

with the safeguard of Indian Ownership and Control.

INDIA IS CHARACTERISED by low insurance penetration and density which can be attributed to lack of awareness and inadequate distribution reach apart from low disposable income to buy insurance products. Even those consumers who consider buying insurance end up mightily confused by the barrage of products and their confusing terminologies. Comparing the different options is a huge challenge and often leads them to put off the buying decision. This is compounded by the fear of agents taking advantage of their lack of knowledge and mis-selling inappropriate policies.

IRDAI has taken the initiative of launching a set of standard policies with simple features and standard terms and conditions, especially for first-time insurance buyers. This will simplify the purchase decision by providing clear and transparent information to the consumers. As people are able to clearly understand the simple wordings of the policies, it will build trust and confidence and ultimately, improve insurance penetration in the country. The protection gap will also come down.

What's more, with all insurance companies offering the same standard products, it brings a competitive pressure to offer the best services at lower prices, much to the benefit of the consumers!

The government also strives hard to provide insurance to individuals in a below poverty line by introducing schemes like the

- **Pradhan Mantri Suraksha Bima Yojana (PMSBY),**
- **Rashtriya Swasthya Bima Yojana (RSBY) and**
- **Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY).**

The options are....

Standard policies have been introduced across all categories of insurance and the respective insurers are mandated to offer them to the consumers. In health insurance, Arogya Sanjeevini, Corona Kavach and Corona Rakshak were introduced at the beginning of the pandemic. These have been supplemented by Mashak Rakshak and Saral Suraksha Bima in recent times.

Saral Jeevan Bima term policy and Saral Pension annuity policy make up the standard life insurance segment. Bharat Griha Raksha, Bharat Sookshma Udyam Suraksha, Bharat Laghu Udyam Suraksha and Standard Personal Accident Cover (unnamed as of now) have recently been introduced under general insurance category to cover home/building, small and big businesses and accidents.

Standard policies are being well-received by the consumers - more and more are able to make an informed choice, thus leading to increasing patronage!

Insurance Companies Can Introduce Products Without Prior IRDAI Approval

THE INSURANCE INDUSTRY has long been clamouring for doing away with the mandate to seek prior permissions before launching new products. IRDAI has now allowed health and general insurance companies to introduce new policies without prior approval from the regulator.

The 'use and file' procedure is now applicable to allhealth and almost all the general insurance products. It will cover all health, fire, engineering and motor plans. Only select general insurance plans below Rs. 5 crore sum insured are exempt due to operational reasons.

IRDAI chairman, Mr. Debasish Panda said. “This is a major reform which will enhance customer choice, increase innovation, make pricing better and increase competition. Companies will no longer need to first take an approval from IRDAI before launching a product. They can introduce it directly to the market and then file it with us for monitoring or checking trends.”

This initiative will enable the insurance industry to launch customised and innovative products in a timely manner, thus expanding the choices available to the consumers. As Rakesh Jain, CEO, Reliance General Insurance commented, “This will provide the market the opportunity to quickly provide solutions in the form of new products. It gives us flexibility to introduce new products without waiting for the IRDAI approval which sometimes used to take months.”

MANY CHANGES IN THE OFFING

THE REGULATOR IS relooking at long-pending changes – especially regulations and capital requirements - to enhance insurance penetration in the country.

A gamut of guidelines are under review to bring them down from around 100 to 10 or 15. It is deliberating on the Rs. 100 crore capital stipulation, which is the minimum requirement for any new player to begin an insurance venture. Micro insurance players may be allowed to enter with Rs. 10 crore or 15 crore capital to work in focus areas like a district.

Moreover, IRDAI is also considering allowing 100% direct foreign investment in 'new' insurance companies to expand the scope of the sector. At present, the upper limit for FDI is 74% in companies that write insurance cover.

The Centre may privatise one of India's four state-owned general insurers (New India Assurance, National Insurance Co., United India Insurance Co. and Oriental Insurance Co.) in the first half of 2022-23 because of high investor interest. Several private insurers are showing strategic interest in state-run insurers; some of them have already met officials of the Department of Financial Services (DFS) over the past few months.

Life Insurance Companies to offer full-fledged Health Insurance Policies

INDIA'S INSURANCE REGULATOR is planning to allow life insurance companies to offer full-fledged health insurance policies, two people with direct knowledge of the plans said, in a move that will likely reduce premiums and increase access to affordable health cover.

An internal committee of the IRDAI has been discussing the proposal over the past few weeks, and the regulator is likely to issue draft guidelines allowing life insurers to sell indemnity health insurance products (commonly known as mediclaim policies).

Life insurance companies inherently get more customers than health insurers in the retail space, which will help to get more people covered under medical insurance at more affordable premiums.

With captive customers, larger distribution networks and higher disposable cash, life insurers are well-positioned to offer health insurance products to a larger population at better rates.

Life insurers in India have at least 2.5 million individual agents, tie-ups with over 500 corporate agents, a huge bank assurance channel, a large network of brokers, and thousands of their own physical branches where they sell insurance policies. Therefore, IRDAI's move may not only help enhance the penetration of health insurance in the country, but also raise competition among health insurers. The best friend of the consumer is healthy competition at the marketplace.

Initially, to be able to encourage more customers, life insurers may offer health insurance policies whose premium could be 5-10% lower than the average price of basic health insurance policies offered by non-life insurers at present. Initially, IRDAI may allow life insurers either to sell existing mediclaim products of other companies, or allow them to both design and distribute mediclaim policies.

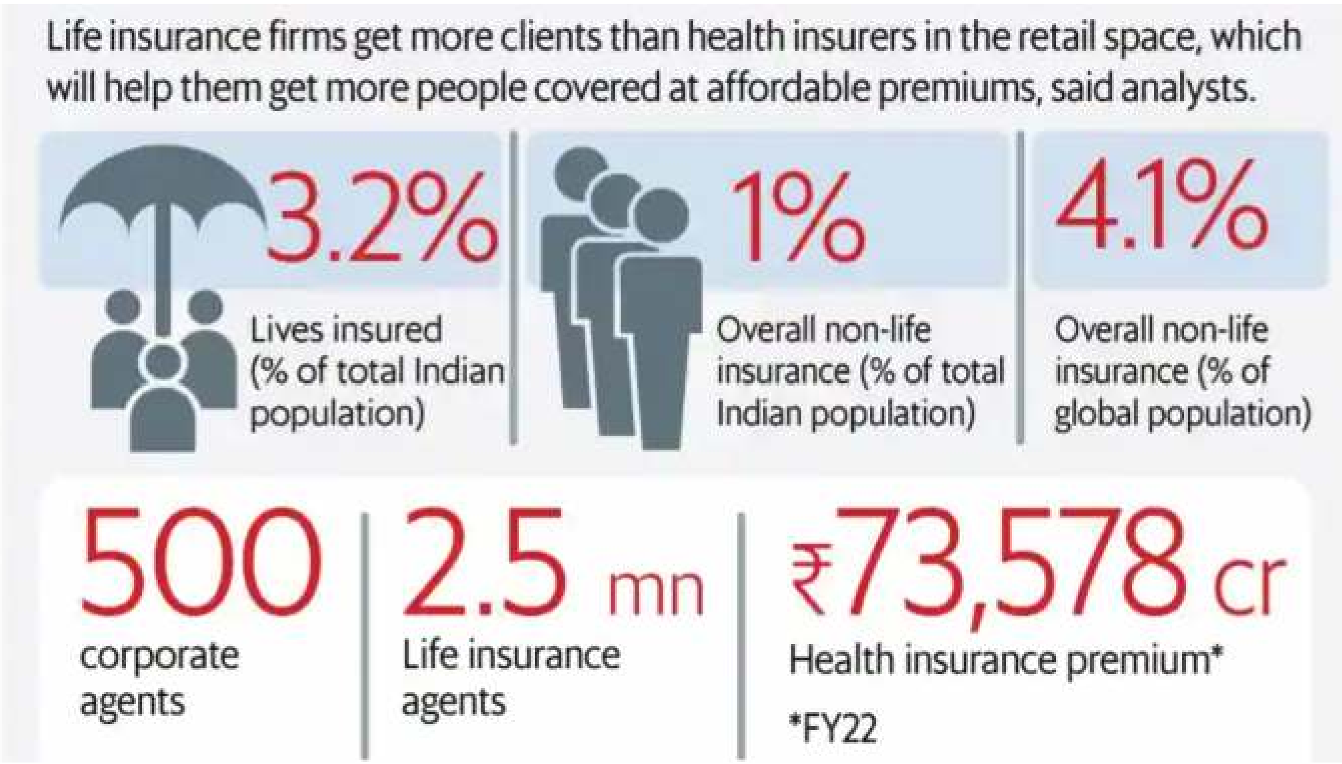
Once life insurers are allowed to design, price and sell mediclaim products, the primary competition will be between life and health insurers, which may lead to a friendlier premium regime for retail customers.

Currently, basic mediclaim products for a sum insured of ₹2 lakh cost an annual premium of ₹5,000-7,000 for an adult individual without any pre-existing ailment and aged 18-50. This premium range may get lowered by 5-10% once IRDAI allows life insurers to design and sell mediclaim products.

Health insurance accounts for 33% of total non-life industry premium. In FY22, health insurance premium totalled ₹73,578 crore. The life insurance industry is anxiously waiting to hear from the regulator on the proposal as they are ready and have all the tenets in place to commence selling health insurance as soon as the signal comes in from IRDAI.

Considering the distribution

COVER TO COVER



Source: Economic Survey, Mint Research

network, underwriting skills, agile processes and technology, the (life insurance) industry can leverage these pillars to take the advantages of health insurance to different customer segments. It will be a win-win for all.

Life insurance business too is about pricing 'risks' to provide protection, and more importantly, the end customer for both life and health insurance is essentially the same policyholder.However, there will be a requirement to build the requisite infrastructure to support indemnity claims to support customers so that the experience stays seamless. As an opportunity, this still is huge since India is under-penetrated on protection, and almost 70% of health-related expenses are still happening largely from out-of-pocket, depleting people's savings. There is no doubt that adoption of health as a product is definitely required in India to enable the citizens to access Universal Health Coverage.

Life insurers will be able to add one more product to their portfolio and reach out to the customer with a more well-rounded protection proposition. Including health within life insurance will improve the industry's overall ability to take health protection to a larger set of the population. Apart from mortality, the proposed move by IRDAI can look at morbidity also, as a liability that can easily add to the assessment for medical products. It adds value, if the life insurance industry were allowed to take health indemnity products to the end customers.

In 2016, the insurance regulator had barred life insurance firms from offering indemnity-based health products either to individuals or as a group policy. However, after receiving representations from the industry, IRDAI formed a committee to look into the feasibility of offering such policies again.

Even though the move may usher in a new business opportunity for life insurers, the key challenge for life players will be pricing health insurance products, creating a large enough hospital network for smoother settlements, and matching the claim processing capabilities that standalone health insurers have. Actuarial task will be crucial as under-pricing may lead to steep losses and over-pricing may fend off customers. This will be critical because, by nature, life insurance policies have long gestation periods, lower claim frequency and better earnings prospects. On the other hand, health insurance, by nature, causes cash-burn for insurers in the initial years due to high claim frequency and short duration of their validity to enable insurers gain from the premium paid by the customer. Only if a policy remains claim-free during a given year, the health insurer is able to make money. But, even if 20-30% of a health product's customers raise claims in a year, the policy creates losses for the insurer as claim settlement amount is significantly higher than the premium paid.

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Consumers, Beware

Exercise Caution Now to Avoid Being Sorry Later!

We take insurance to gain security. So, shouldn't we be extra careful when we buy it? There are many crucial aspects in this process and giving some extra time and careful attention will make a huge difference when circumstances require you to make a claim.

Insurance is a complex product per se. Be a smart consumer by understanding all the details at the outset!

THE COMMON MAN does not have a huge bank balance that can help him ride out emergencies. The next best step is to enter into a contract with an insurer that will financially cover the fallout of contingencies like death, disability, accident, fire, burglary and more. Based on the terms and conditions of the insurance policy, it can cover not just medical expenses, but also damage to vehicles, buildings, machinery, stocks, etc. due to natural or accidental causes.

While most consumers feel secure, satisfied and stress-free after taking an insurance policy, an avalanche of problems surface when an accident or disaster does happen!

Do's and Don'ts

- To begin with, carefully think over why you want to buy insurance and clarify your core requirements and expectations. This is what should drive your purchase decision.
- Seek advice and options from friends, relatives, Google and insurance agents. Cautiously sift through the information gathered and evaluate it dispassionately.
- You can buy insurance through an agent or directly from the insurance company or use online portals. In the case of motor insurance, remember that there is no compulsion to buy it through the vehicle dealer only. But do check that the company selling the policy is registered with IRDAI and that the agent/broker is a licensed one. You can ask for identity card or licence.
- Keep in mind that there are varied policy options for every need. For instance, life insurance can be term, whole life, endowment, moneyback, annuity (pension) or even unit linked insurance.
- Ask lots of questions about the products – like premium amount, frequency of payment, payment options, scope of cover, coverage restrictions and exclusions, waiting/lock-in period, limits on expenses, co-payment requirements, cumulative bonus and other pertinent details. Be open-minded when considering which one fits your needs.

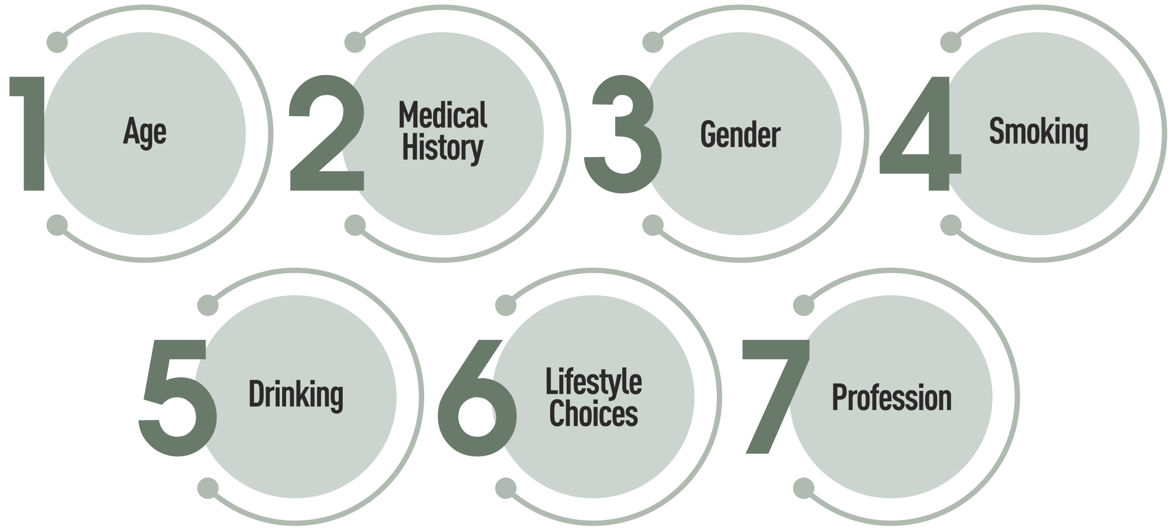
The premium, policy limit and deductibles are the main components of an insurance coverage policy. Understand them clearly along with limits like waiting period and the number of claims that can be filed.

Remember: Most policies need to be renewed regularly!

- Especially in the case of health insurance, there will be specific clauses related to renewal pre-conditions, upper limit for age at renewal, cashless facility, add-ons available, etc. Clearly understanding the terms at the outset will prevent rude shocks later.
- When going through an agent, ensure that he or she understands your needs and suggests appropriate products in an unbiased manner based on the amount of premium you can afford to pay. Beware of tall promises and over-selling tactics. Only consider what is feasible for you.
- Ask for policy brochure/prospectus and sales literature pertaining to the product and read them carefully to get a clear picture of what the policy does and does not cover.

Always consider the Claim Settlement Ratio or Claim Paid Ratio when choosing an insurer or type of insurance. This represents the total number of claims settled by an insurance provider against the total numbers of claims raised by the customers. The higher the ratio the better the chance that you or your nominee will not face any issue at the time of claim settlement. The IRDAI releases the claim ratios of all insurers on an annual basis.

Factors That Affect Your Life Insurance Premium



Insurance Policy can cover not just medical expenses, but also damage to vehicles, buildings, machinery, stocks, etc. due to natural or accidental causes.

- Inquire about the documents/proofs to be submitted in case of a claim, costs associated thereof and the settlement options available. For certain policies, it is better to know the details about discontinuing/ surrendering or making partial withdrawal of funds.
- Always fill the proposal form yourself and in very careful manner at that. Do not allow anyone else to fill the form or sign on a blank one. Fill it completely and truthfully to ensure that the information cannot be disputed during a claim. Never leave any column blank. In case you do not understand any of the terms in the proposal, ask for a clear explanation before proceeding. Remember you are giving a declaration that you have understood the proposal completely and are responsible for the contents of the form.
- Disclosure plays a monumental role at this stage and will become the basis for underwriting the policy. There will be questions about medical conditions, criminal record, if a claim has ever been refused and so on. Answer them accurately without concealing or misstating any facts as this could lead to disputes and even denials at the time of a claim. Also update the answers whenever anything changes or the policy is being renewed. For instance, in the case of health insurance, it is advisable to divulge any pre-existing health problems like high blood pressure, diabetes and other major ailments. The insurance provider may even require medical test reports depending on age at entry. Always comply with the procedures and documentation - check where and how the medical tests will be carried out and who will bear the cost. For certain life insurance proposals also, special medical reports may be necessary.
- Register nomination under the policy and fill the nominee's name correctly.
- Keep a copy of the completed proposal form and any declarations or terms agreed upon mutually for your records.
- After submitting the proposal, you should hear from the insurance company within 15 days. If not, take up the matter in writing. If any additional documents are asked for, comply immediately. Pay the premium only after the insurer accepts the proposal. The policy bond should reach you within a reasonable amount of time, if not, contact the insurance company.
- After receiving the policy document, thoroughly comb through the terms and seek clarifications wherever needed.
- Do not miss or delay the premium payment. Pay it on the due dates/within the grace period without waiting for a premium notice. When paying through an intermediary, check whether they are authorised to do so by the insurance company and insist on a duly signed receipt immediately.
- Renew the policy meticulously and on time. At times, even a one day gap can render the cover insufficient or useless. While at it, find out the implications of premium default, revival conditions and the applicable charges.
- If you lose the policy bond, report it to the insurance company immediately and get a duplicate policy by complying with the formalities.
- When making a claim, give an honest account of what happened. A single white lie can not only cause the claim to be completely denied, but can even make it harder to get insurance in the future!

For life and certain health insurance policies, there will be a free-look period of 15 days within which you can freely return the policy if you are not satisfied with any of the terms and conditions!

Conclusion

Doing all the right things while buying your policy goes a long way in assuring your peace of mind and also giving you the right protection at the time of need!

RESEARCH FEATURE

The Coming of Age of Insurance in India – Still A Long Way to Go!

Insurance has evolved over time in India. We trace the growth trajectory of the insurance sector along with its current composition, penetration and density in the country. The key challenges come to the fore here.

INSURANCE HAS A deep-rooted history in our country. There are lucid mentions in ancient writings - like *Manusmriti, Dharmashastra* and *Arthashastra* - of pooling of resources that can be redistributed during calamities like fire, flood, famine and epidemic. History has also preserved traces of marine trade loans and carriers' contracts in India which can be considered as the precursor of modern day insurance. Yet, our current form of insurance is a legacy of the British rule in India.

Pre-Independence

It was in the year 1818 that the Oriental Life Insurance Company was established in Calcutta to cater to the needs of the European community – Indians were charged higher premiums than the English!

The British Insurance Act was enacted in 1870 and Bombay Mutual Life Assurance Society became the first Indian insurer. The National Insurance Company was founded in 1906 and is the oldest existing insurance company in the country.

General insurance started courtesy of the industrial revolution in the west and the British established the first general insurance company in Calcutta in 1850. Indian Mercantile Insurance Ltd. was set up in 1907 and became the first company to transact all classes of general insurance. This era was dominated by foreign insurance companies that gave stiff competition to the Indian establishments.

It was in 1912 that the Life Insurance Companies Act was passed and became the first statuary measure to regulate the insurance business. This was followed by the Indian Insurance Companies Act, 1928 to regulate both life and non-life business of Indian and foreign insurers including provident insurance societies. In 1938, the earlier legislation were consolidated and amended into a comprehensive act - the Insurance Act, 1938 – to protect the interests of the consumers with provisions for effective control over the activities of insurers.

Post-Independence

Insurance is a union list subject in India and can only be legislated by the central government.

The Government of India enacted the Insurance Amendment Act of 1950 to abolish the Principal Agencies. However, at this time, there was an abundance of insurance companies with not just high level of competition but also several allegations of unfair trade

practices. The government then issued an ordinance on 19th January, 1956 to nationalise the life insurance sector. The Life Insurance Corporation (LIC) came into existence as a government-owned autonomous entity by absorbing 154 Indian and 16 non-Indian insurers along with 75 provident societies - 245 companies in all.

General insurance business was nationalised in 1972 with the passing of the General Insurance Business (Nationalisation) Act. The General Insurance Corporation of India (GIC) was established and commenced business on 1st January, 1973. As many as 107 general insurers (63 domestic and 44 foreign ones) were amalgamated and grouped into four companies - National Insurance Company Ltd., New India Assurance Company Ltd., Oriental Insurance Company Ltd. and United India Insurance Company Ltd. – that were made fully owned subsidiaries of GIC.

Prior to this, the General Insurance Council was set up in 1957 as a wing of the Insurance Association of India. It framed a code of conduct for ensuring fair conduct and sound business practices.

From nationalisation to privatisation

In the following decades, insurance was tightly regulated and monopolised by state-run insurers. There were no private insurance companies at all. In the wake of the unprecedented economic reforms of 1990, there were talks of revamping and opening up the insurance sector as well.

In 1993, the government set up a high-powered committee (headed by former RBI Governor, R. N. Malhotra) to evaluate the insurance industry in terms of structure, strengths and weaknesses and existing regulatory provisions. The committee made two crucial recommendations:

- Opening the insurance industry to private players and allowing foreign companies to enter the market by floating Indian companies (preferably a joint venture with Indian partners)
- Setting up an autonomous body - the Insurance Regulatory and Development Authority (IRDA) to regulate the insurance sector

Accordingly, the Insurance Regulatory and Development Authority (IRDA) Act was passed in 1999 and the IRDAI was incorporated as a statutory body on 19th April, 2000. It opened up the market in August 2000 by inviting applications for registrations, thus spelling the end of the LIC and GIC monopoly forever.

Insurance was opened on two fronts - domestic private sector companies could enter both life and non-life insurance business and foreign companies were allowed to participate with ownership capped at 26%. Following this, the four subsidiaries of GIC were delinked and restructured as independent companies while GIC was converted into a national re-insurer.

Further liberalisation

The insurance sector gained momentum and started marching on a journey of growth that was characterised by deregulation, emergence of new distribution channels and rapid increase in insurance sales. The government also took many initiatives to boost the sector.

Insurance was further liberalised in 2015 with the passing of the Insurance Laws (Amendment) Act. This initiated major reforms in the Insurance Act, 1938, General Insurance Business (Nationalisation) Act, 1972 and IRDA Act, 1999 while removing archaic and redundant provisions in the legislations. The primary amendment was raising the foreign investment cap to an explicitly composite limit of 49% through the automatic route while safeguarding Indian ownership and control. The amendment further permitted foreign reinsurers to setup branches in India even as it enabled Lloyds and its members to operate in India by setting up branches for the purpose of reinsurance business or as investors in an Indian insurance company within the 49% cap.

Another important milestone of the 2015 amendment was recognising Health Insurance as a standalone class of business so as to improve access to health services for all segments of population. The IRDAI (Health Insurance) Regulations, 2016 were notified to enhance the pro-policyholder framework of health insurance regulations with provisions for product innovations and to reward healthy behaviour of policyholders.

The Union Budget 2019-20 approved 100% foreign direct investment for insurance intermediaries, which includes insurance broking, insurance companies, third party administrators, surveyors and loss assessors. This will bring in global practices in the country. In 2021, the FDI cap in insurance was increased from 49% to a whopping 74% and the control clause that mandates Indian promoters to control insurance companies was withdrawn. This move will help attract greater foreign investment and strengthen the sector, thus increasing insurance penetration in the country by enabling insurance to reach the last mile at the grassroot level. IRDAI is even mulling allowing 100% FDI in new lines of insurance business to further expand the scope of the sector!

Over the past couple of years, there have been talks of merging, listing and even divesting the national general insurance companies to unlock value, optimise resources, bring in transparency and achieve scale and efficiency. The 2021-22 budget even announced divesting one of the state-owned general insurance companies.

Accordingly, the General Insurance Business (Nationalisation) Amendment Act, 2021 eliminated the requirement of the central government holding at least 51% of the equity capital while allowing greater private participation in public sector insurance companies. Disinvestment of LIC has become a reality with the largest initial public offering (IPO) in India of a 3.5% stake to raise about Rs. 20,000 crore.

New channels, new products

The insurance industry has witnessed a slew of product regulations and shifts in product mix. Life insurance has gained an investment prospectus that provides both insurance and a growth in savings.

Then there was the convergence of insurance, banking and other formerly separate segments of financial services. The emergence of an open architecture for bancassurance in 2016 opened up a new and viable distribution channel that boosted the sector all around. With banks selling insurance products, insurance penetration increased manifold while consumers gained access to a wide choice of services under one roof. Now, digital technology is disrupting the insurance market in a big way.

Insurance companies are broadening their portfolios with a slew of innovative products to secure consumers against inopportune risks – there are insurance offerings for train journeys, booking tickets online, etc. at minimal costs. There can be a phenomenal increase in insurance options backed by rising demand from the consumers.

According to IBEF's Indian Insurance Industry Report (August 2020), the insurance sector was worth $280 billion in 2020.

Market Composition

Currently, 24 life insurance companies are operating in the Indian market of which Life Insurance Corporation (LIC) is the sole public sector company. The non-life sector comprises of 27 general insurance companies including 6 public sector insurers. Of the government-ruled entities, while New India, National Insurance, United Insurance and Oriental offer general insurance, Agriculture Insurance Company Ltd. (AIC) and Export Credit Guarantee of India (ECGC) are specialised insurers. Additionally, there are 5 standalone health insurers, all hailing from the private sector.

General Insurance Corporation of India (GIC Re) is the sole national re-insurer while there are 10 such entities in the private sector (all being branches of foreign reinsurers) including the branch office of Lloyd's of London.

Other stakeholders in the insurance market include individual and corporate agents, brokers, surveyors and third-party administrators servicing health insurance claims. The numbers range from 20 third-party administrators, 524 insurance brokers, 23 web aggregators, four insurance repositories and about 587 corporate agents to an abundance of insurance agents.

Registered Insurers and Re-insurers			
Type of Insurer	**Public Sector**	**Private Sector**	**Total**
Life	1	23	24
General	6	21	27
Standalone Health	-	5	5
Re-insurers	1	10	11
Total	**8**	**59**	**67**

Though the number of public sector insurers is less, they hold a greater share of the market and are aggressively ruling the insurance sector. However, the private sector insurers are slowly increasing their market share in both life as well as non-life segments.

Private insurers like HDFC, ICICI and SBI are giving tough competition in both life and non-life segments. Moreover, many more private companies are awaiting IRDAI approval to start both life insurance and non-life insurance business. To add to this, the deteriorating financial health of the dominant public sector insurers is becoming a cause for concern.

Life: Life insurance continues to dominate insurance in India with a humungous 75.24% market share while non-life insurance business accounts for 24.76% (see Table 1). The value of life insurance premiums in 2020-21 was a whopping Rs. 6.29 lakh crore, registering a 9.74% growth over the previous year. They are expected to scale Rs. 24 lakh crore by 2030-31.

LIC enjoys a central position with the rest of the private sector accounting for only 35.86% of the life insurance segment in 2020-21 (see Table 2). The share of the private sector was a meagre 2% in 2002-03.

Non-life: Motor, health and crop insurance segments are driving growth in the non-life insurance segment. The general insurance industry underwrote total direct

Table 1:
Premium Volume by Region in the World in 2020
(USD Billions)

Regions	Life	Non-Life	Total
Advanced markets	2,179.26 (42.58)	2,938.86 (57.42)	5,118.12 (100.00)
Emerging markets	618.18 (52.88)	550.75 (47.12)	1,168.93 (100.00)
Asia-Pacific	1090.77 (62.17)	663.75 (37.83)	1,754.52 (100.00)
India	81.25 (75.24)	26.74 (24.76)	107.99 (100.00)
World	**2,797.44 (44.50)**	**3489.61 (55.50)**	**6,287.04 (100.00)**

Note: Figures in bracket indicate share of the segment in per cent.
Source: Swiss Re, Sigma 3/2021

Table 2:
Premium Underwritten by Life Insurers

Insurer	Premium (₹crore)		Market Share (%)	
	2019-20	2020-21	2019-20	2020-21
LIC	3,79,389.60 (12.41)	4,03,286.55 (6.30)	66.22	64.14
Private Sector	1,93,520.59 (13.42)	2,25,444.48 (16.50)	33.78	35.86
Total	**5,72,910.19 (12.75)**	**6,28,731.04 (9.74)**	**100.00**	**100.00**

Note: Figures in bracket indicates growth (in per cent) over previous year.
Source: IRDAI Annual Report 2020-21

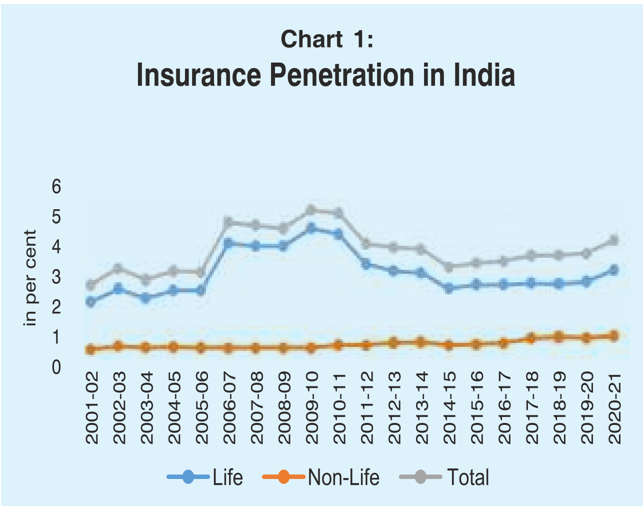


Chart 1: Insurance Penetration in India

Source: Swiss Re, Sigma, Various issues

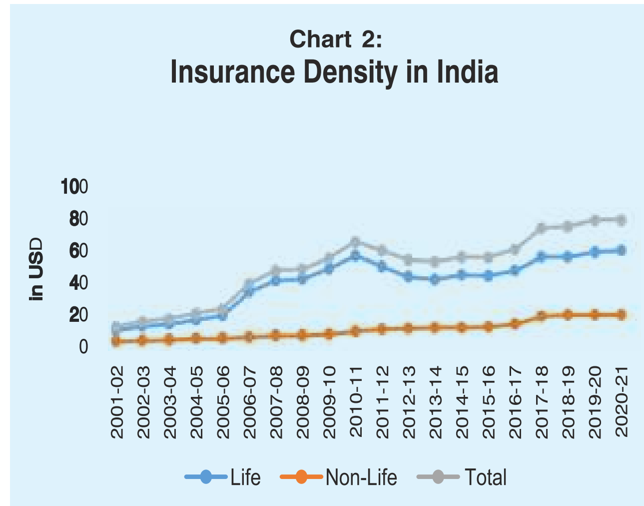


Chart 2: Insurance Density in India

Source: Swiss Re, Sigma, Various issues

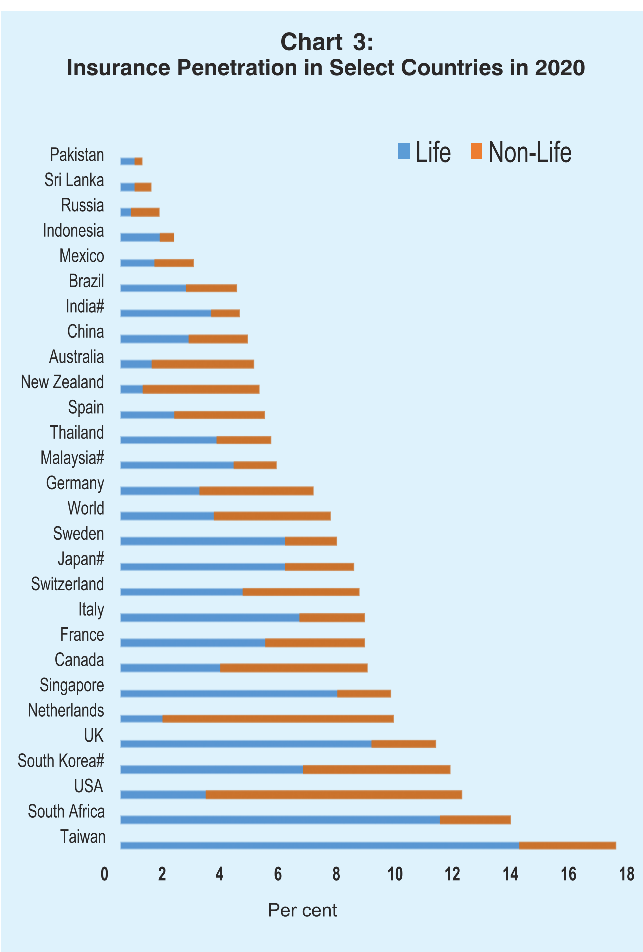


Chart 3: Insurance Penetration in Select Countries in 2020

 # Data relates to financial year
Note: Insurance Penetration is measured as percentage of insurance premium to GDP
Source: Swiss Re, Sigma No. 3/2021.

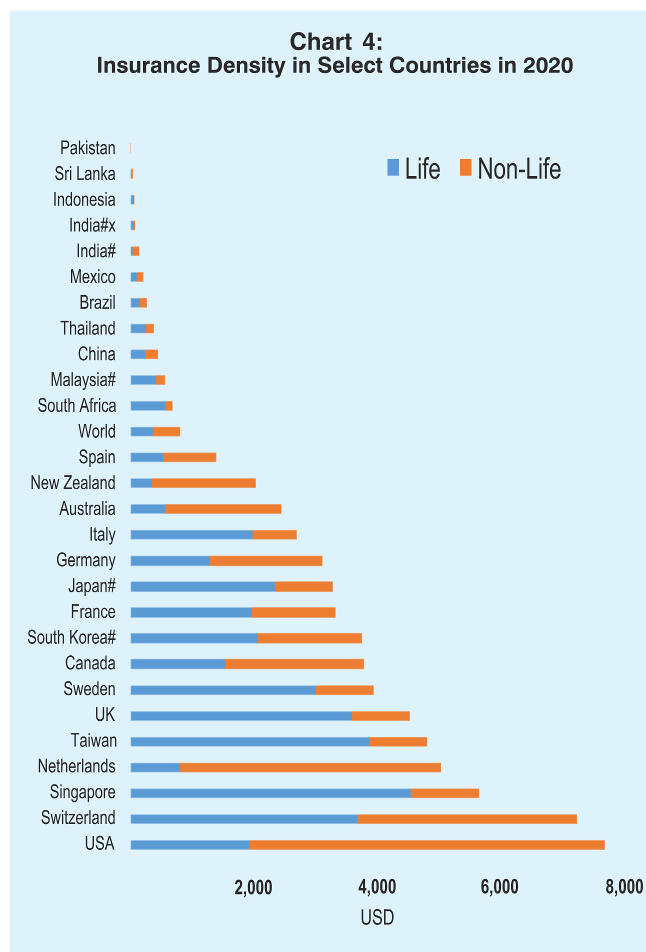


Chart 4: Insurance Density in Select Countries in 2020

 # data relates to financial year
Note: Insurance Density is measured as ratio of insurance premium to population.
Source: Swiss Re, Sigma No. 3/2021.

Source: IRDAI Annual Report 2020-21

Table 3:
Premium (within India) Underwritten by General and Health Insurers

Insurer	Premium (₹crore)		Market Share (%)	
	2019-20	2020-21	2019-20	2020-21
Public Sector Insurers	73,263.08 (6.71)	71,843.72 (-1.94)	38.78	36.15
Private Sector Insurers	90,743.94 (11.63)	98,000.96 (8.00)	48.03	49.32
Stand-alone Health Insurers*	14,472.89 (27.47)	15,755.19 (8.86)	7.66	7.93
Specialized Insurers	10,436.71 (28.08)	13,114.85 (25.66)	5.52	6.60
Total	**1,88,916.62 (11.49)**	**1,98,714.72 (5.19)**	**100.00**	**100.00**

**Erstwhile HDFC Ergo Health Insurance Co. Ltd. merged with HDFC Ergo General Insurance Co. Ltd. w.e.f March 01, 2020.*
Note:
1. Figures in brackets indicate growth (in per cent) over previous year.
2. Reclassification/Regrouping in the previous year's figures, if any, by the insurer has not been considered.

premium of Rs. 1.99 lakh crore in the year 2020-21, registering a growth of 5.19% over the previous year.

Private insurers are recording a good growth in the non-life insurance sector and are moving ahead of public insurers since 2018-19. The private sector accounted for 57.25% of the non-life segment in 2020-21 (see Table 3). The share of private players was just 13.12% in 2002-03. Further, it should be noted that the public sector general insurers exhibited de-growth of 1.94% in 2020-21.

Present Scenario

The insurance industry in India has been growing dynamically, recording an impressive rate of 15% to 20% every year with banking and insurance together adding about 7% to the GDP of the country. Riding on the exponential rise in income, purchasing power and household savings, total insurance premiums are also increasing rapidly. Demographic factors such as growing awareness of the need for insurance protection, budding middle class, fear of burgeoning out-of-pocket healthcare expenses and increased retirement planning is fuelling the growth of insurance in the country.

However, there is still much to be achieved as India continues to be characterised by low penetration (ratio of total premium to GDP) and density (ratio of total premium to population). Insurance penetration stood at 4.2% in 2020-21 (around 3% for life and less than 1% for non-life segments). It is 9% and above in developed countries like Japan, UK, USA and even South Korea and Taiwan.

Per capita insurance density in India was US$ 78 in 2020-21 (US$ 59 for life and US$ 19 for non-life segments). It stands above US$ 4000 in countries like Canada, Singapore, UK and USA. (see Charts 1 to 4)

India ranks 10th in life insurance and 14th in non-life insurance in the world (IBEF). Yet, investment in insurance products in India is extremely low in comparison with global levels. Large sections of the population are still uninsured and there is a yawning insurance gap. As per Swiss Re Institute, India's share in global insurance market was 1.725% during 2020. It further pegs the health protection gap in India at around $369billion.What we need is regulatory changes to ensure that the insurers engage proactively with genuine buyers and take care of consumer interests.

Conclusion

Insurance has come a full circle in India – the journey of almost 200 years is characterised by paradigm shifts from colonial rule to being an exclusive state monopoly and restricted market to a partly deregulated and competitive one.

Yet, insurance penetration and density is abysmally low compared to the global average, leaving much room for growth. Only 514 million people (or 36.23% of the total population) were covered under health insurance in 2021 (Source: Statista). Bridging the gap is crucial as it cannot be denied that expansion of health insurance coverage is what will open the path to achieving universal health coverage!

How Protected Is India From Future Uncertainties?

A recent survey delves into the attitudes, mental preparedness around future uncertainties, awareness and ownership of life insurance product categories to assess how protected urban India actually is. The results highlight India's shift across financial priorities and anxieties.

INDIA PROTECTION QUOTIENT - conducted by Max Life Insurance Company Ltd. in association with consulting firm, Kantar - is an annual attempt to understand the pulse of the Indian consumers in the financial protection space. The 2022 edition of the study titled 'India Protection Quotient 4.0' aims to reveal the state of urban Indians with regard to current financial security levels, changing savings and investment patterns, key anxieties and triggers of financial protection in a contemporary world.

Conducted entirely online, the survey covered 5,729 respondents across 25 Indian cities including metro, Tier 1 and Tier 2 cities (from 10th December, 2021 to 14th January, 2022), making this one of the most comprehensive financial studies carried out during the recent wave of COVID-19. (refer Table 1)

Table 1 – Scope of the survey

5729 Respondents	**25 Cities** (6 Metro + 9 Tier-1 + 10 Tier-2)
25-55 years Age Group	**SEC A/B**
> 2 Lakhs Annual Household Income	**70:30 Ratio** Males & Females

The metrics of the survey cover:

India Protection Quotient - The degree to which Indians feel protected from future uncertainties, on a scale of 0 to 100. It is based on awareness and ownership of life insurance products (term, endowment and ULIP).

Knowledge Index - The degree to which Indians are aware of life insurance products, on a scale of 0 to 100. It is derived from awareness across life insurance product categories (term, endowment and ULIP).

Ownership Level - The degree to which Indians own life insurance on a scale of 0 to 100. It is based on ownership of financial instruments (term, endowment and ULIP).

Security Level - The degree to which Indians feel financially secure and prepared on a scale of 0 to 100. It is derived from consumer attitudes across a battery of 10 financial facets. (refer Table 2)

Prepping for the Future

With COVID fears down, increasing immunisation coverage and a growing positive outlook beyond the pandemic, the protection quotient has climbed 3 points from 47 in 2021 to 50 in 2022, reflecting a steady growth in the country's overall financial protection that has led to prioritising of financial security over all aspects.

Inching back to normalcy, people are reprioritising their savings for children's education (48%) and retirement planning (39%). There is a considerable shift in focus with 43% saving for unforeseen medical expenses in 2022 as compared to 48% in 2021. With sporadic lockdowns/restrictions continuing in the country, savings and investments further increased from 53% to 56% with basic and luxury expenses reducing to 29% and 15%. (refer Table 3)

Financial Preparedness

There has been a marginal increase in the knowledge index from 68 in 2021 to 69 in 2022, while Tier 2 cities reported a significant rise in life insurance awareness from 61 to 68 in the corresponding period.

Life insurance ownership continues to stand at 78% in 2022. However, Indians are building a more holistic portfolio by investing in diverse life insurance products – term, market-linked and savings plans. (refer Table 4)

Term insurance witnessed an uptake with ownership rising to 43% from 39% last year. Traditional endowment plans increased from 35% to 39% in the same period while market-linked ULIPs recorded a rise from 16% to 19%.

However, more people are feeling that they have inadequate cover now –

Term plan is sufficient

- 2021 - 60%
- 2022 - 41%

Term plan is insufficient

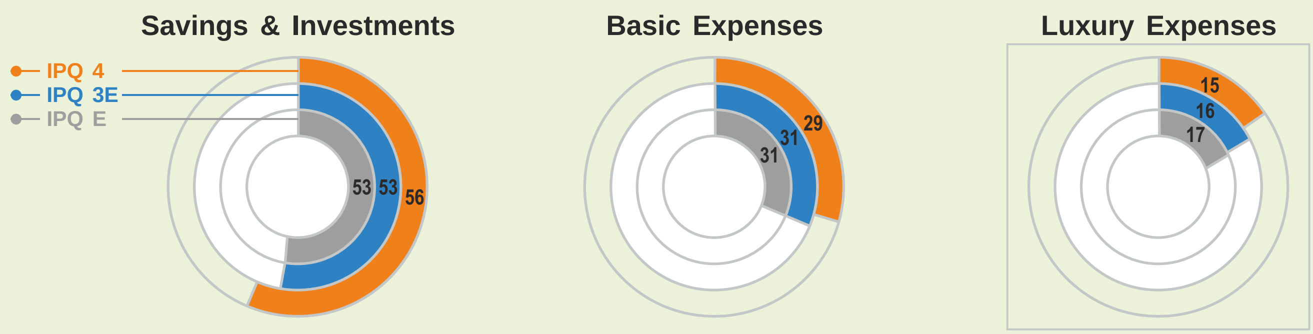
- 2021 - 40%
- 2022 - 57%

The survey also raises key issues on term plan purchase where 25% urban Indians have associated the plan with high premiums, 21% feel the policy has hidden terms and conditions and 21% attribute it to challenges in receiving refund in case of claim settlement. (refer Table 5).

Table 2 – Snapshot of survey findings

India Protection Quotient 4.0-50 Metro-50, Tier 1-49, Tier 2-47	**Knowledge Index 4.0 - 69** Metro-72, Tier 1-68, Tier 2-68
Ownership Level 4.0 - 78% Metro-86%, Tier 1-76%, Tier 2-72%	**Security Level 4.0 - 56%** Metro-56%, Tier 1-57%, Tier 2-54%

Table 3 – Shift in savings and investment priorities



Savings Objective	IPQ E	IPQ 3E	(Rank)	IPQ 4	(Rank)
Kids' Education	31	40	(3)	48	(1)
For medical emergencies	53	48	(1)	43	(2)
For old age security/retirement	25	34		39	(3)
Save for Kids' Marriage	13	19		31	
For untimely death of the bread winner	40	36		29	
For infected by allergies/ infections like Covid	56	44	(2)	28	
In case of loss of job / business	42	32		24	
Buying a House	14	19		24	
Travel/vacation	14	15		18	
Buying a Car	10	13		15	

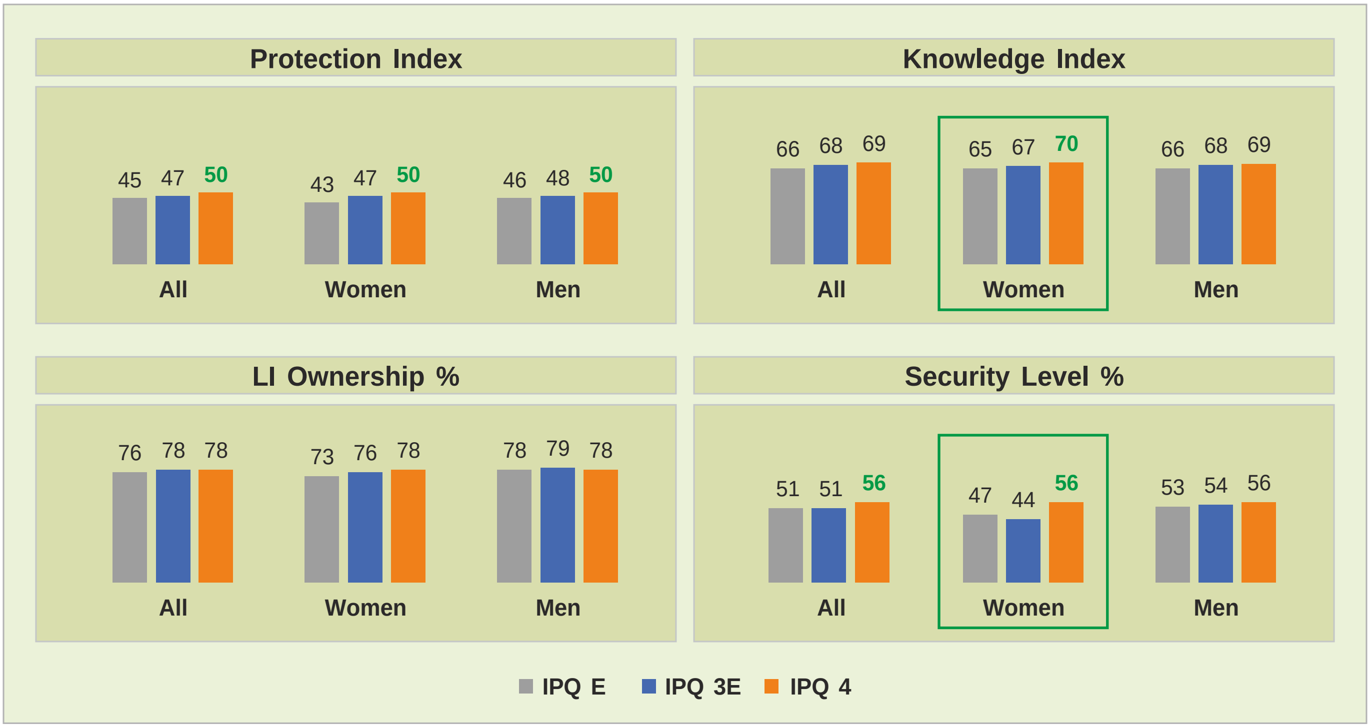
Table 4 – Ownership and awareness levels among urban Indians

	TERM IPQ E	TERM IPQ 3E	TERM IPQ 4	SAVINGS IPQ E	SAVINGS IPQ 3E	SAVINGS IPQ 4	MARKET LINKED IPQ E	MARKET LINKED IPQ 3E	MARKET LINKED IPQ 4
Awareness	77	80	78	71	73	75	50	50	54
Ownership	36	39	43	34	35	39	17	16	19
Awareness to owner conversion (%)	47%	49%	55%	48%	48%	52%	33%	31%	35%

Table 5 – Challenges hampering term ownership

Term plan purchase barriers (IPQ 4)	OVERALL	Metro	Tier 1	Tier 2
High premiums	25	27	22	27
Life Insurance is not fruitful for me as cover only till 70-75	22	19	20	29
Policies have too many hidden clauses in terms and conditions	21	21	18	25
Difficult to get back money from the company in case of claim	21	19	19	24
I have other investments to protect me	20	18	19	24
Already covered under my company's policy and did not feel the need for more cover	19	18	17	21

Table 6 – Breakup of metrics by gender



Primary Purchase Channels

41% purchased term plans through the insurance agent while 35% made their purchase online. 78% respondents will prefer communicating with a customer service representative when buying term plan in the future, thereby reemphasising the 'human connect' in financial services.

Anxieties And Outlook Towards Financial Protection

The security index witnessed a significant increase by 5 points – from 51% in 2021 to 56% in 2022. With most of the COVID-induced anxieties abating, well-being has become a key concern again. While COVID-related anxieties (like untimely death of the breadwinner and potential exposure to the virus) reduced to 59% and 51%, personal well-being emerged as a key concern for 62% of the respondents.

Safety is the 'most valued currency' - 88% preferred to safeguard their future against market uncertainties by opting for investing in safe financial products like fixed deposits and guaranteed income life insurance plans. 11% chose to invest only in market-linked products such as mutual funds, shares, stocks and ULIP.

Coming to the demographics, awareness for life insurance products among millennials and non-millennials was at par at 69. Realising the importance of protecting their near and dear ones in these unprecedented times, term insurance uptake among millennials increased from 38% in 2021 to 43% in 2022. There is a marked increase in the knowledge index for women - 67 in 2021 to 70 in 2022. While life insurance ownership stood at 78% for both sets of respondents, men continue to take the lead over women in term insurance with 44% ownership.

Commenting on the launch of the survey, Prashant Tripathy, Managing Director and CEO, Max Life Insurance said, “The last two years have been indeed challenging due to the pandemic, but we also witnessed an upside with India developing financial resilience. This is evident from the insights in IPQ 4.0 that show a strong sense of financial security amongst urban Indians."

Soumya Mohanty, Managing Director and CCO, Kantar Insights, South Asia remarked, “India Protection Quotient is an important financial signifier for the country, especially in the current times. The one key outcome that emerges from the survey, is the significant increase in security levels of the urban milieu. Despite the unprecedented impact of COVID-19, this is an important indication of the growing financial consciousness in the country.”

Conclusion

India is progressing towards a financially secured future but there is still a long way to go. As more and more people become financially conscious about investment instruments, the financial impact of unforeseen circumstances can be significantly reduced for the people we care about!

Defining the Way Forward for Insurance

Insurance is on the road to development and the economy is riding along as well. Changes are ongoing and with many more on the anvil, insurance is primed to finally turn from a push to a pull product! But given the extremely low penetration and huge protection gap, can we achieve the dream of 100% insurance at India@100?

INSURANCE, AS A financial product, has evolved greatly over the years. There is a lot happening in the insurance sector right now that will not only drive pan-India penetration but can also change the game in the coming years.

Awareness about the criticality of insurance has risen considerably since the beginning of the pandemic! A research paper by the National Insurance Academy released in May 2022 states that health insurance premium collected jumped to Rs. 73,330 crore in 2021-22 from Rs. 58,572 crore a year ago and is growing at a compounded annual growth rate of 24%.

The shift towards digitalisation in everything from policy issuance to claim clearance is boosting and

benefiting the consumers. Effective solutions can easily be accessed online now. Yet, traditional channels like agents and brokers still remain the primary channels for insurance-related information.

The regulator is upping the ante by setting new standards for the industry. Health cover now comes with wellness and preventive measures. New diseases contracted after buying the policy cannot be excluded from the coverage anymore, unless expressly specified by the IRDAI. Treatment for mental illness, stress or psychological and neurodegenerative disorders is also being brought under the umbrella of health insurance.

Customer-centricity is the need of the hour across the journey from product choice and payment to settlements. Innovations are coming in - policyholders can even become eligible for attractive rewards by living a healthy lifestyle – from discounted outpatient consultations/treatments, medicines, health check-ups and diagnostics to vouchers for health supplements, membership in fitness centres, sports clubs, etc.

Insurance policies need to be restructured to ensure more comprehensive coverage and minimal deductions. Why do insured consumers still end up paying 25% to 30% of the total cost of treatment from their own pockets?

Remote chronic care management needs to be made a part of health insurance offerings. If more companies enter the domain, premiums and healthcare expenses will come down and drive us towards universal health coverage.

In fact, IRDAI Chairman, Mr. Debasish Panda has been constantly interacting with the industry stakeholders to identify steps that can be taken in the short, medium and long term to support healthy growth of insurance industry, rationalise regulatory framework and reduce compliance burden in a bid to achieve the 'India@100 – Insurance For All' goal come 2047.

The key areas earmarked for review include:

- Create a framework to enable new entities to enter insurance market with special outreach to global investors for enhancing FDI into the country
- Explore the launch of Bima Mitra on the lines of Bank Mitra to enlarge the scope of distribution with aim to bringing insurance to every doorstep
- Introduce new channels of distribution and widen scope of existing distribution channels with aim to ensuring widespread availability of insurance products
- Facilitate data analytics for identifying gaps in insurance coverage and assess market needs and embrace emerging technologies to improve efficiencies in delivery of insurance services by the insurance companies
- Help enhance technical competencies of insurance agents and field force of the insurers
- Move insurance supervision towards outcome-based and technology-driven that is aligned with international standards
- Reduce compliance burden on regulated entities by rationalising regulatory framework
- Move towards product certification by insurers wherein broad principles laid down by IRDAI will be adhered to by insurers while designing products.
- Facilitate lowering operating costs and reviewing commission/ remuneration structure of insurance products with aim of reducing costs to policyholder
- Revamp existing policyholder grievance redressal systems with

emphasis on understanding customer pain points, root cause analysis and corrective action

- Review effectiveness of existing insurance ombudsman system
- Take up insurance awareness campaigns including customer surveys to gauge needs, satisfaction levels and to identify problem areas
- Leverage social media/multimedia effectively towards insurance awareness
- Revamp the role and functioning of Life Insurance and General Insurance Councils to make them more vibrant bodies

Industry Speak

G. Srinivasan, director at National Insurance Academy opined that, 'Penetration in general insurance is even lower than life insurance with only 5% of people having home insurance and 12 % of people having a health cover. With a majority of people employed in the informal sector, insurance is critical for their well-being but somehow consumers are signalling that they do not need insurance. The overall protection gap is pegged at 83% to 92% with life insurance figuring at the lower end of the spectrum."

Life Insurance Corporation of India's chairman, MR Kumar said, "Though government schemes like Ayushman Bharat has helped the spread of insurance, accessibility needs to improve further. Distribution channels like POS and CSCs having digital orientation, low cost and simple mono-line products can fast track the insurance penetration in the rural areas."

Conclusion

An exponential increase in insurance penetration is essential to ensure that every Indian has appropriate life, health and property insurance cover and every enterprise is supported by appropriate insurance solutions. Such a healthy and developing insurance sector will be a boon for economic development as well.

We mourn the sudden death of our dear friend and supporter.

OBITUARY

Gautam Rawat

13.02.1951 - 31.05.2022

Born to Ganpatlal and Gyarsidevi Rawat, Gautam spent his childhood in Cuttack and Nagda. He studied at the Scindia School in Gwalior and went on to complete his BBM at Banaras Hindu University, Varanasi. After college, he came to Mumbai and finished his CA qualification.

His career included a successful run with the Birla Group. He then worked for the Nath Group, who sent him to the UK.

He chose to fuel his entrepreneurial spirit and started his own business in 1987. From there on, he built extremely successful companies which included operations in the UK, Russia and India.

Gautam is survived by his wife Asha, whom he married in 1978 and spent the rest of his life with until his sudden demise earlier this month.

Gautam loved reading, music, food and travelling.

After having lived in the UK for nearly 40 years, he planned to retire and relocate to India, to live with His Family Members and Friends.

PRAY FOR HIS SOUL TO REST IN PEACE.
HE WILL REMAIN ALWAYS WITH US.

Redefining Consumer-Friendliness in Insurance Operations One Step At A Time

IRDAI is the apex body that supervises and regulates the insurance sector in India. It has been taking varied measures to protect the interests of insurance policyholders and ensure that they are treated in a just manner. Accordingly, it also regulates and monitors the policy issuers to ensure that the interests of the common man are not subverted in any manner.

The primary purpose of IRDAI is to protect the interests of policyholders and develop the industry

THE GOVERNMENT OF India is keen on pushing insurance and improving the penetration levels in a big way. Varied changes have been incorporated into the rules and other aspects of the insurance sector to make it more customer-centric and safe for the consumers.

Looking back, the government was directly regulating the insurance industry right since independence. After the passage of the Insurance Regulatory and Development Authority of India (IRDA) Act, 1999, the IRDAI was constituted as an autonomous body to regulate and develop the growing insurance industry. It was then incorporated as a statutory body in April 2000 following the opening of the insurance sector for private participation.

The IRDAI is tasked with managing and regulating the insurance and re-insurance industry in the country with an eye on consumer interests. The key objectives include promoting competition in the insurance sector so as to enhance customer satisfaction through increased consumer choice and fair premiums, while ensuring the financial security of the insurance market. The IRDA Act itself states the purpose as "….to protect the interests of policyholders, to regulate, promote and ensure orderly growth of the insurance industry and for matters connected therewith or incidental thereto".

Constitution

The IRDAI is a 10-member body – comprising of a Chairman, five full-time members and four part-time members. The headquarters are in Hyderabad with regional offices in New Delhi and Mumbai. An Insurance Advisory Committee is constituted to advise the Authority on matters relating to making of regulations.

The entities regulated by IRDAI cover:

- Public and private life insurance companies (both public and private)
- Public and private general insurance companies – (including standalone health insurance companies)
- Re-insurance companies
- Agency channels
- Intermediaries including corporate agents, brokers, third party administrators, surveyors and loss assessors.

Operations

The IRDAI has outlined the regulatory framework for supervising the various entities operating in the insurance sector. It has also framed several rules and regulations under Section 114A of the Insurance Act, 1938 keeping the interests of policyholders in view. These promote fairness and transparency in the conduct of insurance companies while ensuring their financial stability, monitoring their market conduct and forming a reliable management system.

Furthermore, the regulator launched 'insurance repository' in 2016 to enable policyholders to buy and keep insurance policies in one place in a dematerialised or electronic form. Licenses were issued to four entities to act as Insurance Repository - CDSL Insurance Repository

IRDAI's mandate to all insurance companies during the COVID-19 pandemic is to adopt a customer-first approach by introducing easier-to-understand policies

Ltd., Karvy Insurance Repository Ltd., NSDL Database Management Ltd. and CAMS Repository Services Ltd. Now policyholders can hold all their insurance policies in an electronic format in a single account called electronic insurance account (eIA). This also empowers them to undertake changes, modifications and revisions in the insurance policies with speed and accuracy while bringing in transparency and cost reduction in the issuance and maintenance of insurance policies.

The Protection of Policyholders' Interests (PPHI) Regulations 2017 were specifically framed to protect the interests of the policyholders. Theyoutline the procedures for code of conduct to be followed at point of sale, claim settlement, grievance handling mechanism, etc. which are aimed to ensure policyholder-centric governance by insurers.

The Authority also issues public notices and carries out publicity/awareness activities to advise and caution the consumers on various matters like:

- spurious calls from fraudsters posing as officials of IRDAI/IGMS and making fictitious/fraudulent offers
- fake IRDAI websites selling insurance and so on

Useful tips on exercising care, staying safe and also reporting the instances by way of a police complaint are communicated on a regular basis.

IRDAI even operates an exclusive Consumer Education Website - https://www.policyholder.gov.in/ - that hosts rich content about all the basic concepts of insurance that policyholders should be aware of. This serves as a single reference point with wide range of materials including handbooks on various types of insurance available in eleven Indian languages. Consumers can browse through the website to understand the do's and don'ts while buying various insurance policies, procedure for submitting claims and redressal mechanism for their complaints. A new policyholder website also went live in January this year at https://policyholder.irdai.gov.in.

IRDAI's consumer education portal had registered 2.47 crore visitors at the end of 2020-21

HOSPITAL ADMISSIONS

2,89,23,388	6,851
Progress since launch	Progress in last 24 hours
*As of 21st June 2022	*As of 20th June 2022 at 11.59 P.M.

AYUSHMAN CARDS ISSUED*

17,69,03,501	38,411
Progress since launch	Progress in last 24 hours
*As of 21st June 2022	*As of 20th June 2022 at 11.59 P.M.

Source: https://nha.gov.in/

Many other initiatives like permitting insurers to conduct video-based KYC, launching standardised insurance products and allowing insurers to offer rewards for low-risk behaviour are boosting insurance penetration in the country.

The government stands committed to reforming the insurance sector on all fronts in favour of the consumers. The IRDAI rules have been amended to incorporate not just industry stakeholders but other eminent persons not connected with insurance into the committees and councils. These individuals are now participating in both the activities and decision making processes of IRDAI.

Prof. Bejon Kumar Misra has been nominated to the Executive Committee (EC) of General Insurance Council by IRDAI.

Government at work

The government strives hard to provide insurance to the marginalised sections of the population with socially oriented insurance schemes like:

- Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) for life
- Pradhan Mantri Suraksha Bima Yojana (PMSBY) for accidents
- Ayushman Bharat – Pradhan Mantri Jan Arogya Yojana (AB PM-JAY) for health (restructured from RashtriyaSwasthyaBima Yojana)
- Pradhan Mantri FasalBima Yojana (PMFBY)
- Restructured Weather Based Crop Insurance Scheme (RWBCIS)

The low and middle income groups can avail the above policies with low (or even nil) premiums, thus taking insurance to the masses.

The ambitious Ayushman Bharat has emerged as the largest health assurance scheme in the world. This national public health insurance is completely funded by the Government. It provides a health cover of Rs. 5 lakhs per family per year for secondary and tertiary healthcare for low income earners in the country – covering 50 crore vulnerable citizens (10.74 crore families) comprising the bottom 50% of the population. The primary features are:

- No restriction on family size, age or gender
- All pre–existing conditions covered from day one
- Cashless access to health care services
- Covers up to 3 days of pre-hospitalisation and 15 days post-hospitalisation expenses
- Services include approximately 1,393 procedures covering all the costs related to treatment, including drugs, supplies, diagnostic services, physician's fees, room charges, surgeon charges, OT and ICU charges etc.
- Portable across the country - beneficiary can visit any empanelled public or private hospital in India

The National Health Authority (NHA) was set up to implement this flagship public health insurance scheme in coordination with different ministries/departments of the Government of India, State Governments and private sector/civil society organisations. Additionally, State Health Agencies (SHAs) have been set up for implantation at the state level.

Under the Ayushman Bharat Digital Health Mission, an Ayushman Bharat Health Account (ABHA) number (or National Health ID number) has been launched as a hassle-free method of accessing and sharing health records digitally with hospitals and insurance companies. This is a unique health ID comprising of a 14-digit health identification number using a person's mobile or Aadhaar number. It further allows you to receive your digital lab reports, prescriptions and diagnosis seamlessly from verified healthcare professionals and health service providers. This seamless online repository of all health-related information is secure and protects the privacy and confidentiality of health-related personal information.

Additionally, many states are also working tirelessly to extend insurance coverage in the form of financial assistance for health-related issues. Aarogyasri in Telangana and Andhra Pradesh is geared towards improving access to quality medical care for treatment of identified diseases for BPL families involving hospitalisation, surgery and therapy through an identified network of health care providers. The entire premium is paid by the Government.On similar lines, there is the Chief Minister's Comprehensive Health Insurance Scheme in Tamil Nadu and Biju Swasthya Kalyan Yojana in Odisha.

Conclusion

The regulator and other authorities are bringing in multiple reforms along with consumer-friendly initiatives that are leading to transformative change in the insurance industry while safeguarding the interests of the policyholders.

INTERVIEW

"The awareness on health insurance has gone up due to COVID-19 and consumers have become much more aware about the benefits of health insurance products now!"

TAPAN SINGHEL

Managing Director and Chief Executive Officer

of leading private general insurer, Bajaj Allianz General Insurance talks to THE AWARE CONSUMER about how the deadly pandemic has impacted insurance in the country and the measures they are taking in the interests of the policyholders.

Q What's your outlook on the Health Insurance space?

The awareness on health insurance has gone up my many folds post the COVID-19, the pandemic has accentuated the importance of having a well-designed, comprehensive health insurance amongst the masses. We are observing a heightened level of interest by customers in health insurance, people between the age group of 25-45 (many of them first-time insurance buyers) are looking for appropriate cover. Health Insurance space is at an interesting space, as the pandemic has ushered an era of innovation, collaboration and simplified insurance solutions and we are witnessing a rise of innovative products that go beyond the realm of traditional health insurance plans.

Q Have you innovated and improved on the health insurance products after the successive waves of the COVID-19 pandemic?

We have always been at helm of innovation, all our initiatives have constantly aimed to provide seamless solutions to our customers and address their issues swiftly. The pandemic has further nudged us to imbibe digital tools in various aspects of our business to ensure smooth customer service. We have continued to introduce products and solutions that address their specific needs and truly add value to their lives. We have served more than 12 crore customers over the years, and we now aim to reach every Indian household and become their everyday insurer with help of new-age technology and digital tools.

Q What other measures are you taking to make the going easy for consumers during the post pandemic business environment?

We have strongly invested in digital capabilities in the interests of the policyholders and that has played out well. Claims is the moment of truth for the customer; we at BAGIC intent to become the best claims-paying company in India, through our initiatives like Motor On the Spot settlement (MOTS), we settle claims up till a certain amount within a few minutes. We also integrated our AI-enabled chatbot, BOING on WhatsApp which helps customers to register their claims without having to wait in IVR queue. We are using data analytics, AI and ML to ensure a seamless claim settlement for all our customers.

Q Now that Natural Catastrophes (Nat Cat) have started rising, what's your strategy for safeguarding the interest of the citizen-consumer?

In today's time, there are 4-5 flood events every year and it has now become a part of business. Our company is spread across the country and if a flood hits any part it does impact loss ratios, but for us it is a part of the business. On this aspect, insurance companies and the government need


TAPAN SINGHEL

We have served more than 12 crore customers over the years, and we now aim to reach every Indian household and become their everyday insurer with help of new-age technology and digital tools.

to work closely for the benefit of the citizens and assure social security. Wherever, both of them have collaborated – be it Crop insurance or the Ayushman Bharat scheme - it has played out well and needs more focused attention from State Governments, as health is a State subject.

We can look at parametric insurance, and in fact in some parts of the country it has already started, but a pan India scheme is required where based on rainfall index a certain amount of claim is directly paid to the beneficiaries saving account, and the premium of the same can be collected along with property tax. This can help in a quick claim settlement and will be of great benefit to the masses.

Q Are premiums going to go up on the insurance sector, especially in health and other mandatory covers like motor insurance?

For motor insurance, every company prices their own risk and variations will happen. Companies will price their risk in a free market depending on appetite and healthy competition. I don't see much of an upheaval.

There is a lot of talkabout a price increase due to COVID-19. However, in reality this is because when we file a product for three years, insurance companies cannot increase the price. For most companies the three-year period is getting over, and they are filing for revised price.

Barring COVID-19, medical inflation is 14-15 percent every year. Technically, an insurer would hold the price for three years and there is 40-45 percent price inflation in the same period. Whenever a price increase happens in the industry, a big jump is seen for the same reason.My recommendation is that there should be a yearly increase, otherwise it will lead to a sudden spurt. The main reason is the gap of three years. Medical inflation also becomes a major contributory factor and until the same cannot be kept in check via regulations, controlling price for insurance companies might be a challenge.

Q What is your advice to consumers?

My humble advice is that each customer should at the minimum have a few basic insurance covers, namely, health insurance, critical illness policy, a comprehensive motor insurance, a cyber-insurance, home insurance and personal accident cover. These basic covers willensure that you have safeguarded your most important assets and are well-prepared during exigency. It is important to understand that the cost of insurance is phenomenally low when compared to the amount of loss that one has to bear during an unfortunate event. A good insurance cover will ensure that you are duly protected during the time of need and you do not find yourself under a huge financial burden during an unforeseen event. Buy insurance today, and safeguard your tomorrow.

Q How do you view the growth in the insurance sector in the coming years?

Insurance industry is heading for exciting and interesting times; we are heading towards an era of collaboration between insurers, governments, technology companies and start-ups. I see innovative products and unique solutions coming up. There is a lot of scope to grow in India. It is time to go full throttle in the interest of our customer, without compromising on quality and assured standards.

AFTERWORD

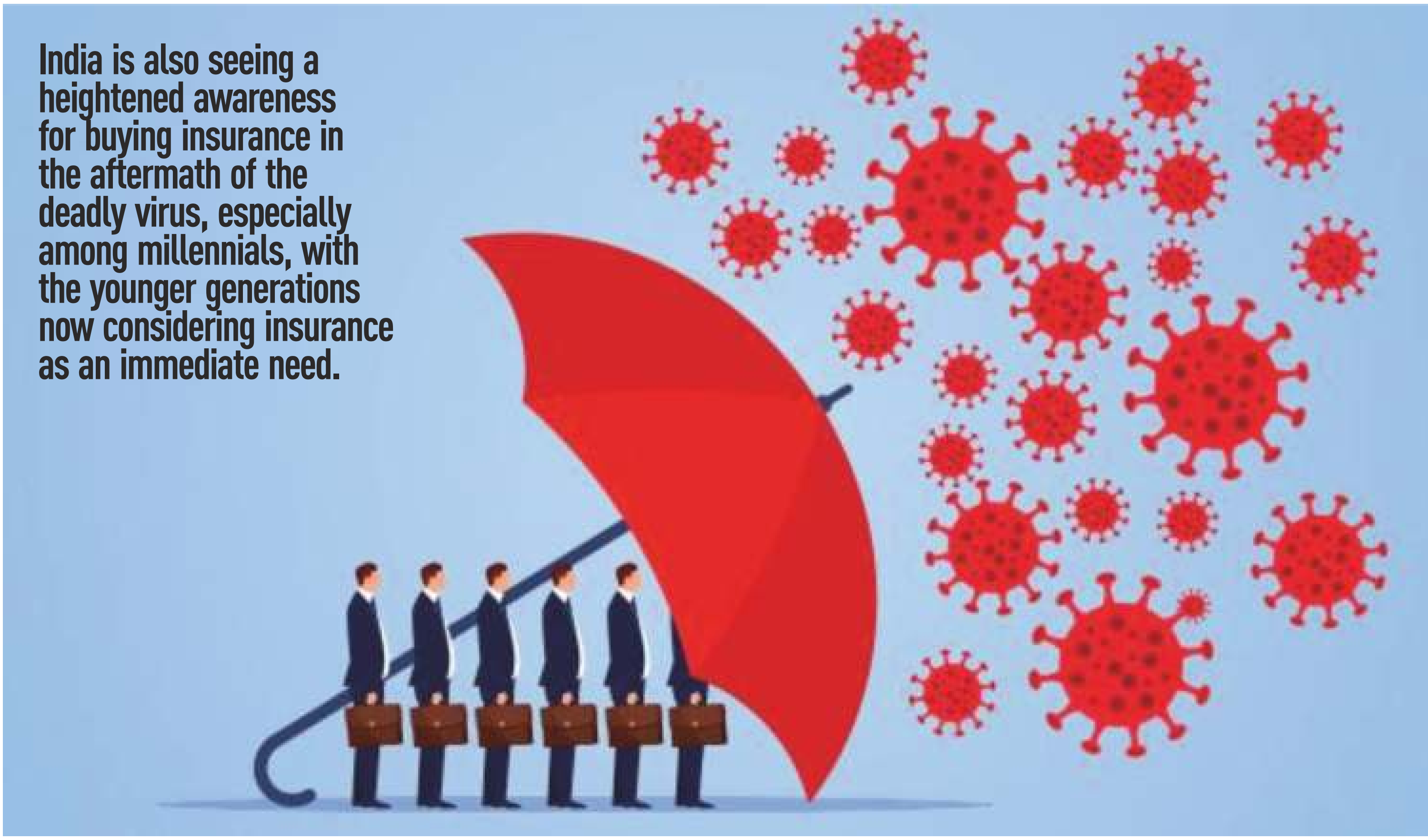
Pyush Misra
Trustee,
Consumer Online Foundation

Insurance – Protecting Consumers When They Need it the Most

"Insurance cannot be considered a matter of choice anymore! It has become a necessity for one and all to gain lifetime protection against potential adversities"

– opines Pyush Misra

Think about it – can you afford to suffer a loss without insurance to back you up?



WHEN WE ARE young, healthy, working and living a good life, we don't expect anything bad to happen to us. However, life throws a curve at the most inopportune of moments that turns everything topsy turvy. Even as we struggle to manage the unexpected and unfortunate situation, the grave financial impact can burn a serious hole in the pocket. There will be no choice but to dip into our savings, and God forbid, but what if the 'rainy day fund' is not enough!

Indeed, emergencies come calling without any advance warning. We face many such risks in our day-to-day life. And insurance is the best way to manage the potential risks as it will reduce the financial impact of the emergency. Think of it as a hedge that will help you recover after something bad happens. I am not saying that insurance will mitigate the impact of the untoward incident; it will surely work as a financial safety net that guarantees peace of mind against uncertainties. The feeling of 'knowing that you will be secure even when some untoward crisis crops up' itself makes insurance worth its weight in gold!

There are various ways in which the monetary reimbursement of insurance can protect against financial woes:

- What if you contract an illness, injury or disability all of a sudden? The astronomical costs of hospitalisation, treatment and other medical care can put you in an extremely difficult financial situation. Health insurance is the answer to tiding over such medical emergencies.
- You never know when something fatal can happen to you. And what will happen to your family when you are not around to care and provide for them? While nothing can compensate for this tragic loss, life insurance is the best way to provide safety and comfort for your family after you have breathed your last. The lumpsum amount can be used to pay off any debts and meet expenses of daily life in your absence.
- Driving on the road is filled with umpteen dangers. An accident can destroy not just your vehicle but your life as well. Motor and health insurance can provide timely financial aid in such circumstances.
- Worried about securing the future of your children and providing them with a good education? The financial security of education plans will empower you to encourage them to pursue their dreams and ambitions without any hesitation.
- You have a steady income now and it is sufficient for your needs. But what will happen when you retire? A retirement policy offers a steady income after retirement, thus ensuring that the post-retirement days are comfortable and worry-free.

- Then there are insurance policies to protect the home, business, machinery, goods, travel, mobile phones, etc. from unforeseen calamities or other damage.
- Endowment plans not only help secure the family after your death but can also build a fund for buying property, higher education and other long-term goals.
- A unit-linked insurance plan opens an investment opportunity in addition to the financial cover should something happen to you.

In fact, there is an insurance to cover against literally any type of eventuality. This will indirectly inculcate a habit of saving for the future. Furthermore, did you know that insurance can be used to avail certain tax benefits too. In the larger context, insurance generates capital that promotes trade and commerce, funds infrastructural development and boosts economic growth in the country.

But the onus is on you to safeguard your future by investing in the right types of insurance. And there is no better time than right away. For those who don't have any kind of insurance, begin with securing your and your family's health with medical insurance. Then look at life insurance to protect the household finances after your lifetime. After this, you can consider other eventualities depending on your stage of life and what you want to achieve – family savings, children's education or a nest egg.

Keep in mind that there are policies to suit every need and budget. The options cover guaranteed coverage, regular payouts and even long-term wealth accumulation. You can choose a cover and premium accordingly and even adjust it as your needs and income change over time.

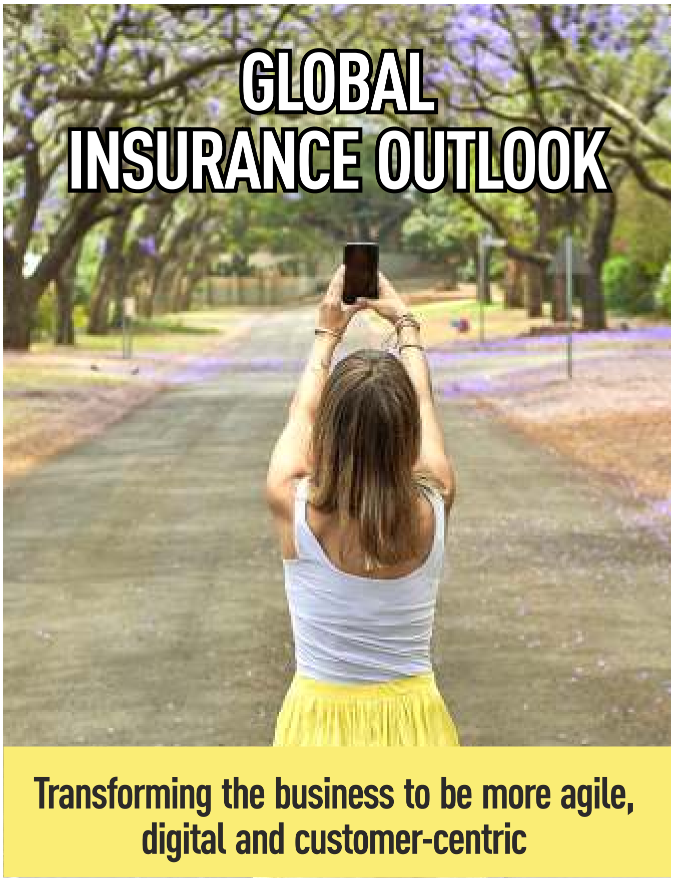
Ongoing Pandemic Brings Insurance in the Limelight

The unprecedented upheavals of the COVID-19 pandemic that had a severe impact on both our health and finances has led to an unexpected benefit on the side. The grave threat of mortality and need for financial security is driving an increased awareness of the need for insurance.

The EY 2021 Global Insurance Consumer Survey explored the financial anxiety caused by COVID-19, how consumers plan to respond and the protections they want now. The results reveal consumer interest in new products with strong value propositions and specific features.

India is also seeing a heightened awareness for buying insurance in the aftermath of the deadly virus, especially among millennials, with the younger generations now considering insurance as an immediate need.

The devastating second wave highlighted the crucial role of protection covers and health insurance finally figured prominently on the priority lists. So much so that, health insurance awareness can be deemed a post COVID legacy! A Max Bupa COVID-19 survey revealed that while before the pandemic only 10% people were interested in buying health insurance, a whopping 71% are considering health insurance a necessity now. At the onset of the third wave in January this year, insurance aggregators reported a 30% jump in demand for health products!



Do you think buying any insurance policy is a waste of money?

Yes, you can put your hard-earned money in fixed deposits or other savings instruments to avail the return rates. But this will merely bring your own money back to you plus some interest. What if the calamity is much bigger than your savings? Can it still guarantee financial security in your hour of need?

Insurance is the way forward to making your money work for you when you need it the most! Yes, the insurance premium can be expensive; but not having insurance can prove to be far more costly! Do you still want to take the chance?

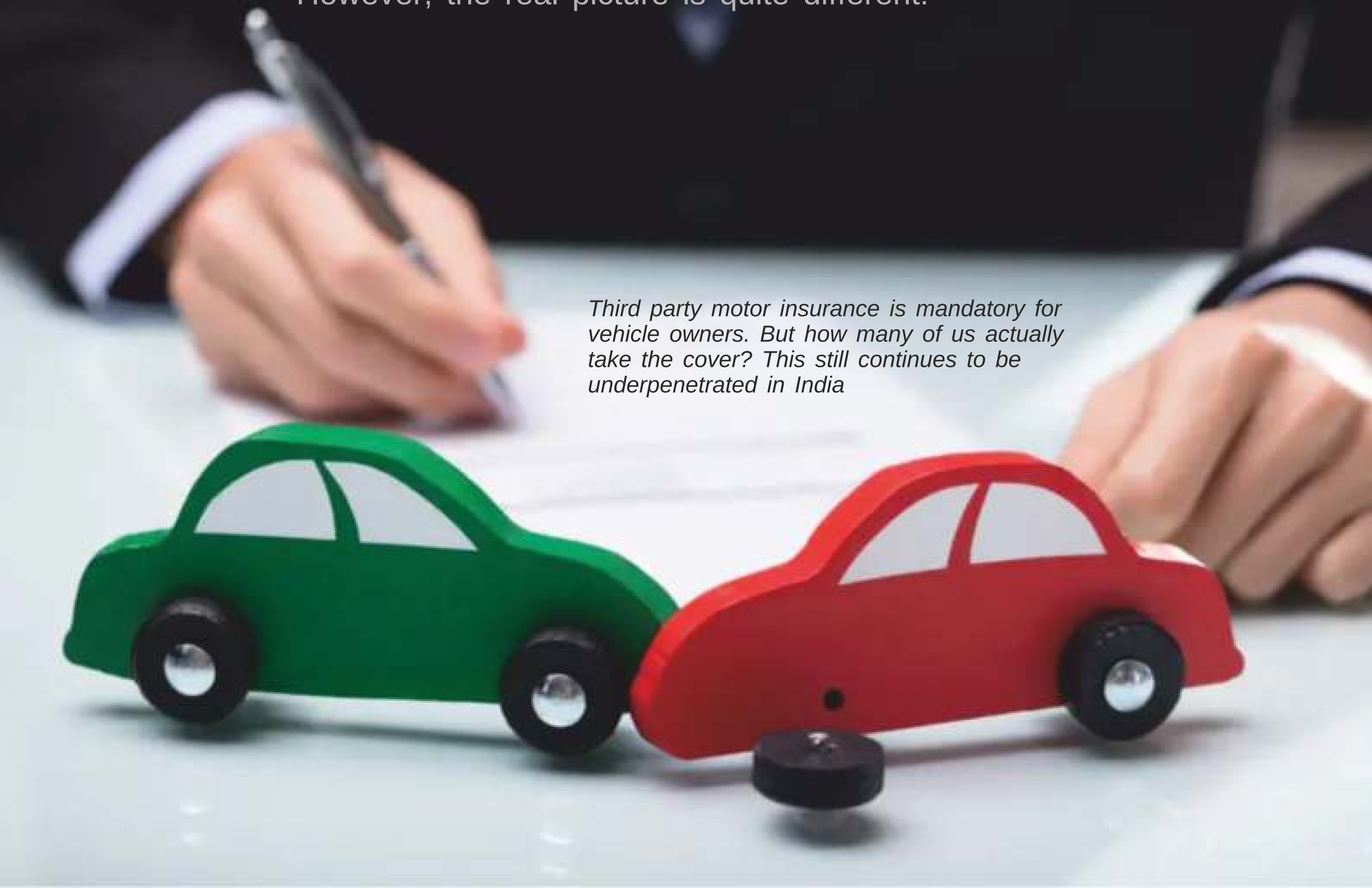
Conclusion

Insurance can take care of you and your family in times of adversity while allowing you to fulfil your goals and dreams.

Road Accidents

– Third Party Motor Insurance is Falling Short

Road mishaps happen all the time. People walking, driving or just standing on the road are exposed to varied risks and third party motor insurance is designed to compensate them for the resultant damage, disability or death while also protecting the insured from any liability caused by the accident. However, the real picture is quite different!



Third party motor insurance is mandatory for vehicle owners. But how many of us actually take the cover? This still continues to be underpenetrated in India

THERE ARE ABOUT 29.5 crore operating vehicles in India at last count. (Statista.com 2019). This makes up just about 15% of the global vehicle population. However, India accounts for about 6% of the total road accidents in the world! As per the Road Accident Report, 2019 (compiled by the Ministry of Road Transport and Highways), almost 4.5 lakh accidents took place in the country leading to more than 1.5 lakh deaths. A majority of the accidents involve vehicles, especially two wheelers. In fact, two wheelers alone are responsible for a mammoth 34% of road deaths!

And what happens when someone is hit by a vehicle and is injured or dies due to the negligence of the driver? Who will foot the medical expenses/ compensation? It follows that the driver at fault has to pay for the medical treatment, repairs for property damages, compensation to the kin and so on.

While it goes without saying that everyone should drive safely and carefully, motor vehicle insurance proves handy in case of an unfortunate event. In fact, third party insurance is mandatory for all motor vehicles in the country under the Motor Vehicles Act, 1988. This includes all types of private and commercial two wheelers and four wheelers. Defaulters have to pay a monetary fine or face imprisonment or both.

The Inside Out of Motor Insurance

Motor insurance policies are of two types - own damage and third party liability. While the former insures the vehicle against theft or damage, the latter covers the liability to third parties and is compulsory for all vehicles plying on the roads in India.

There are three parties in a third party motor insurance claim – the first is the insured person who is driving the vehicle, the second is the insurance company and the third is the injured party (who may be driving another vehicle or doing something else on the road). Therefore, third party insurance protects the insured against the legal and financial obligations of the accident. It includes the following damages incurred by a third party:

- Bodily injuries
- Temporary and permanent disability
- Death
- Property damage

However, this does not cover injuries to the insured himself or provide any benefit to him; it only covers his legal liability to the third party.

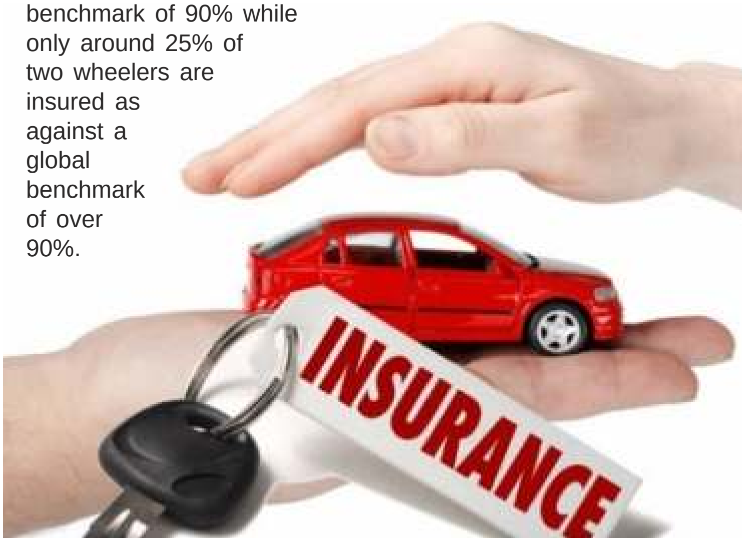
When the victim files a claim against the policyholder, the insurer is liable to pay the compensation directly to the third party. The liability is unlimited in case of death or disability of third party and the insurance company has to fulfil the entire financial obligation. In case of third party property damage, IRDAI has imposed a cap of Rs. 7,50,000.

Reality on the Roads

Even though third party motor insurance is compulsory by law, the reality is very different. For new vehicles, it is mandatory to purchase first year coverage through the dealer. In case the vehicle is under loan, the banks ensure insurance coverage while the EMIs are underway.

However, this shifts in the following years and renewal rate is very poor. Despite the premium amount being low, most vehicle owners do not take third party insurance seriously. They feel that it is an extra burden or a sheer waste of money. And law enforcement is so abysmal that they can easily get away with driving without the mandatory insurance. How many traffic constables ask for insurance papers when they stop a car or bike for routine checks or violations?

Therefore, a huge number of vehicles on the road are plying uninsured. As per a General Insurance Council report, around 60% of the automobiles are uninsured, majority of them being two wheelers. Another CRISIL Research estimates that only 60% of cars older than 3 years are insured in India as against the global benchmark of 90% while only around 25% of two wheelers are insured as against a global benchmark of over 90%.



And what happens when an accident does occur? It is most likely that the offending vehicle will not have the requisite third party insurance and the victim ends up penalised for no reason! Where does the blame rest here? Who should be made to pay up? Why not pull up the insurers by making them pay the victim from a common pool? Why don't the authorities enforce the rules more strictly and also start tracking lapses in renewals so that vehicle owners can no longer get away with flouting the rules?

The Insurer Hesitancy

In third party motor insurance, the premiums do not vary with the value of the vehicle as it is the policyholder's legal liability that is being insured. Moreover, it is tariffed, i.e., pricing is fixed by the IRDAI which reviews and adjusts the same every year. Since 2021, general

Table 1 – Revised third party motor insurance premium for various categories of vehicles

Private Four-Wheeler (Single year single premium)	Current Premium Rate (Rs.)	Revised Premium Rate (Rs.)	% Hike
Up to 1000 CC	2,072	2,094	1
From 1000 CC to 1500 CC	3,221	3,416	6
More than 1500 CC	7,890	7,897	0

Private Two-Wheeler (Single year single premium)	Current Premium Rate (Rs.)	Revised Premium Rate (Rs.)	% Hike
Up to 75 CC	482	538	12
From 75 CC to 150 CC	757	714	-5
From 150 CC to 350 CC	1,193	1,366	15
More than 350 CC	2,323	2,804	21

insurers are required to offer third-party insurance as a standalone product and not bundle it under a comprehensive policy.

IRDAI along with the Ministry of Road Transport and Highways (MoRTH) revised the base third party motor premium rates effective from June 2022 (see Table 1).

If you buy a hybrid electric vehicle, you can enjoy a discount of 7.5% on the premium!

"On overall basis, the hike is around 3 per cent. It is a good start, given we had not seen a hike in TP motor premiums in some time. However, it is not enough when you see the inflation in the awards given by courts. Also, the loss ratio in this segment moves slowly because of delayed reporting," said an executive of a large private-sector insurer.

Indeed, third party insurance is extremely unpopular with insurance companies on account of the unlimited liability - insurers never know how much they will have to pay under the policy! The combined ratio in this segment is mostly higher than 100%, indicating that the insurance companies are paying more money in claims and operating expenses than they are receiving from premiums. It exceeded 110% for the industry in 2020-21. Therefore, insurers try every trick in the book to avoid paying up the claims!

Authorities Taking Action

In 2018, the Supreme Court ordered that third party insurance cover for new cars and bikes should mandatorily be for a period of three years and five years respectively. This directive of increased duration followed the report by a court-appointed panel on road safety which states that, "longer term third-party insurance cover at the time of purchase would ensure that the road accident victims do not suffer due to the fault of the owner in not renewing his or her policy every year." This will enable them to recover compensation from insurance firms, without going after the owner of the offending vehicle.

The apex court again ruled in 2021 that when a vehicle is hired from its registered owner, third party coverage is also transferred along with the vehicle during the period of hire and the liability of an insurance company to pay third-party damages does not freeze. The ruling reads, "It will be deemed that that vehicle was transferred along with the insurance policy, even if it were insured at the instance of the original owner. Thus, the insurance company would not be able to escape its liability to pay the amount of compensation."

Now, the draft IRDAI (Obligations of an Insurer in respect of Motor Third Party Insurance Business) Regulations, 2022 seeks to amend the 2015 regulations by specifying a minimum third party motor insurance business that general insurance companies are required to underwrite. This will help increase third party insurance penetration in the country.

Conclusion

While everyone is doing their bit, we also need to start taking responsibility for our actions. Vehicle owners should exercise caution on their part rather than waiting for something calamitous to happen. Third party motor insurance is mandatory for good reason. Always purchase the requisite insurance policy and renew it on a regular basis!

Payal Agarwal
Editorial Consultant

Digital Transformation of Insurance – A Win-Win for Consumers

Insurance was never this easy to understand and effortless to purchase!

"When everything from buying groceries to consulting a doctor can be done online, can insurance be far behind? Indeed, this is the age of InsurTech that spells speed, convenience and cost-effectiveness. It amalgamates latest technologies like artificial intelligence and customisation of large data to provide a clear, safe, and easy way of choosing the right insurance option. The government is doing its bit on the technological front too."

– says Payal Agarwal

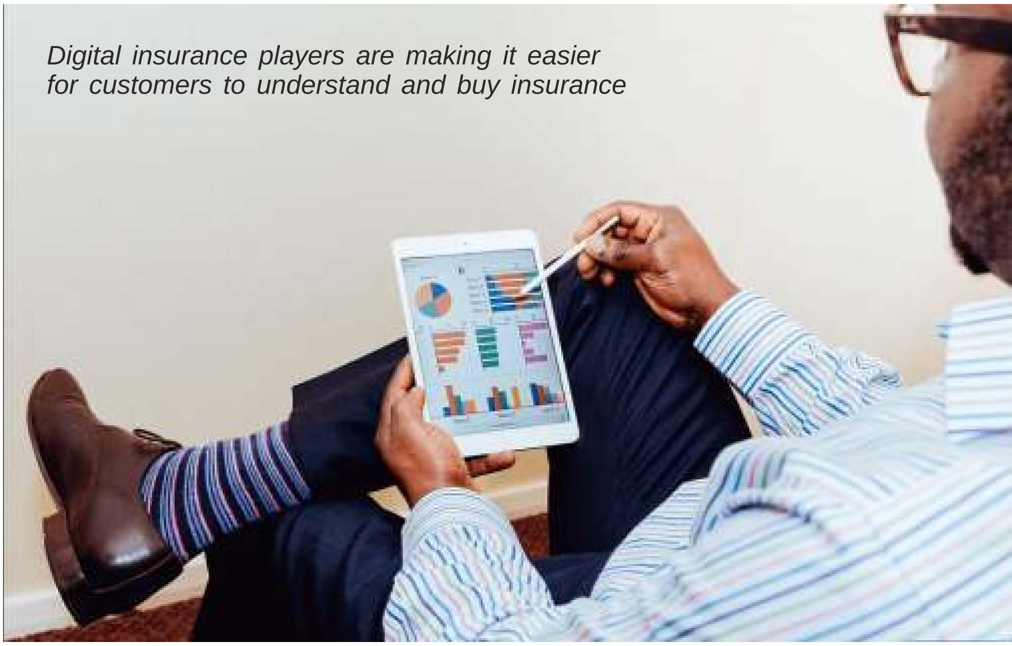
DIGITAL TECHNOLOGY IS revving up insurance and revolutionising it in the most snazzy way. Online platforms and technology-oriented insurance is disrupting the market to an unbelievable extent. Insurance buying as we know it may well and truly become a thing of the past very soon. And this makeover is all for the better!

You have to be living under a rock to not have come across digital insurance providers that operate completely online. Policybazaar, Acko, Coverfox are some of the online insurance marketplaces that come to mind instantly. They have wiped out much of the tedious paperwork and other lengthy procedures associated with insurance and made it accessible with a few clicks of a mouse. There is no need to visit offices or wait in queues anymore as the whole process is completed from the comfort of your home or office, that too, without even meeting an agent if you wish.

These online operators are usually aggregators that have tie-ups with a multitude of life and non-life insurance companies. Therefore, rather than interacting with a horde of physical agents and trying to decipher the policy features from their hard-selling drivel and biased information, consumers now have a user-friendly interface where they can easily access almost every policy offered in the market and compare them based on the sum insured, premium amount, coverage, exclusions, limits, benefits, claim process, renewal and other characteristics.

> Every insurance provider is offering some impressive features or the other and choosing the right policy has become a huge challenge. Online comparison opens up a systematic means of assessing the varied options before selecting the most suitable and convenient plan for yourself.

This is both time-saving and convenient as you can instantly get quotes from any insurer, download the policy brochures, understand the different facets of the policies, check the reviews and make an informed decision that suits your personal needs. Even researching the company reputation, performance, claims ratio and other pertinent details can be done online itself.



Digital insurance players are making it easier for customers to understand and buy insurance

Assistance and guidance is at your fingertips at every turn. In fact, for those who are not as comfortable with the automated process, online chats and toll-free numbers are also available.

> Insurance agents try to sell policies that do not match your requirements. This confusion is easily avoided when purchasing insurance online!

Alternatively, the algorithms can do all the hard work - reading between the lines and decoding the terms and conditions before zeroing in on the best plan(s) to suit your requirements.

Pay through any secure online mode and the policy is in your inbox within a matter of minutes. And as no brokerage or agent fees is levied, you save money while at it! In fact, premiums on online policies are often 30% to 70% lower than offline plans. This is not some deceptive scam; low overheads and lack of commissions make it possible.

> The startup Toffee Insurance has come out with bite-sized products like Cycle theft insurance and Fitness insurance. Digit Insurance has come out with home content insurance, targeting people living on rent, who want to protect their belongings.

That's not all either. The online platform also becomes a servicing channel - everything from paying premiums, renewing the policies and filing claims to tracking the investments and making changes when needed can be done online itself.

Yet, there is a need for caution akin to other online transactions. You should always confirm that you are working with an IRDAI authorised insurance broking firm. Check that the online insurance provider uses a legitimate website with a secure server and maintains confidentiality of sensitive personal information. Also, keep in mind that customised plans and rider options in many policies are not yet available in the online mode.

Jumping Onto the Digital Bandwagon

While the online insurance market has attracted major giants like Amazon and Paytm, regular insurance companies are not far behind. Primary insurers are realising that consumers prefer self-service portals with quick access and instant solutions. Accordingly, they are also moving their offerings online by incorporating websites and mobile apps for upgrading legacy systems to engage new digital consumers and facilitate a seamless insurance experience.

Digital assistants are opening up a new pathway to directly connect with and serve the customers in a personalised manner - LIC introduced LIC Mitra, New India Assurance launched BIMA Bot, United India Insurance came out with UNI Help and National Insurance initiated NYRA.

Customer interactions are happening over chats, claims are being processed automatically, information is being aggregated and more. Bajaj Allianz and HDFC Ergo have even created IoT-based insurance programmes that use connected devices to monitor client driving behaviour and reward safe driving with cheaper premiums.

Reliance General Insurance offers the Reliance SelfI smartphone app with features like live video calls, assistance with claim advisors, renewal of policies with just a tap, quick access to nearby garages and hospitals and even tracking the claim/service status in real time. Policyholders can safely store all their policies and other important documents virtually in an E-Doc vault.

Technology has shaken up the insurance industry to the extent that the otherwise complacent insurance providers are actually trying to outdo each other in delivering the best user experience to the consumers.

Innovative products and solutions are digitally transforming the insurance landscape. Some top insurance companies have even introduced some term plans that are offered exclusively online only. The product mix is evolving with insurance plans tailored to suit individual needs, for instance, investments can start for as low as just Rs. 20!

The day is not far when the insurance business will be completely digitised with end-to-end automated processes. In fact, scores of product-tech startups have cropped up and are specialising in building insurance platforms by leveraging cutting-edge technologies like artificial intelligence, machine learning, predictive analytics and Internet of Things. This is bridging the information and data gap between the various stakeholders involved in the servicing of insurance policies who otherwise still tend to work in silos. The technology is powering a superior user experience with greater access to information and seamless communication with the consumers.

In fact, the COVID-19 pandemic has accelerated the adoption of financial technology and use of digital insurance platforms, not just in developed cities and towns, but also in the remote corners of the country. Consumers are now more amenable to using online modes for getting quotes for their insurance requirements, identifying and purchasing the most appropriate insurance policy and even managing their coverage.

A Swiss Re Institute study titled 'Going Digital – Insights to Optimise Consumer Appetite for Online Insurance' surveyed 1,800 consumers in India, Indonesia and Malaysia in

Mobile apps are upping the insurance game with features like live video calls in case of an accident

IRDAI hosted an InsurTech Conference at Bengaluru on 30th May, 2022, themed 'InsurTech – Catalyst that Inspires'. In his keynote address, **Chairman, Mr. Debasish Panda** emphasised that IRDAI is ready to adopt, enable and encourage any technological innovations while ensuring that the policyholders' interests are protected. He also conveyed the belief that insurance sector is at the inflection point and IRDAI is ready to travel together by hand-holding and enabling the technological innovations in insurance ecosystem.

June 2020 to understand their attitudes toward digital platforms and perceptions of buying insurance online. The survey revealed that around 65% of Indian respondents are likely to use digital channels such as e-wallets, bank or insurance websites and e-commerce platforms to purchase insurance in the future. When respondents were asked why they want to purchase insurance digitally, ease of application and getting the best premium rates were the top reasons across the three markets.

Indian technology companies are leading InsurTech innovations and pioneering a global revolution in digitisation of distribution channels. According to IBEF estimates, more than 110 InsurTech start-ups are operating in India. Analysts at Goldman Sachs estimated the online insurance market in India to be worth $3 billion in 2020. According to S&P Global Market Intelligence data, India is the second-largest insurance technology market in Asia-Pacific, accounting for 35% of the US$ 3.66 billion InsurTech-focused venture investments made in the country. Boston Consulting Group's India Insurtech Landscape and Trends Report released in 2022 in collaboration with India Insurtech Association (IIA) reveals that InsurTech funding in India has doubled in the last 2 years, from $290 million in 2020 to $800 million in 2021.

Government Batting for Technology

With the rapid digital transformation in the insurance sector, this safety cover is finally primed to reach the masses through digital platforms in even the remotest parts of the country, especially the younger generations. Supportive government policies are also fuelling the spike in online insurance activities. In fact, the democratising of insurance solutions can be attributed to the government too in part, as the regulators are pushing hard for digitisation.

During this phase, the IRDAI is playing an active role in mobilising innovation and pushing value-added technological services to deliver value to the consumers. It is focused on machine learning, chatbots and other automation that can drive the digital power while cutting costs down to a fraction. It is also inducing seamless onboarding, paperless transactions and use of technology in claims management. Getting approvals also has become faster for insurance players.

IRDAI's regulatory sandbox approach in 2020 saw 22 insurers submitting over 170 proposals. Insurance companies have been permitted to use Video-Based Identification Process (VBIP) or video call KYC for onboarding of new customers. This is a method of customer identification by the insurer by undertaking real-time, consent-based audio-visual interaction to obtain identification information, including the required documents, and to ascertain the veracity of the information furnished. Various other measures are also being pushed to test the tech readiness of the insurers, like waiving need for physical signatures of customers on hard copy of the policy and obtaining customer's consent through OTP, registered email or mobile.

The Authority asked insurers to issue digital policies to policyholders and educate them on how to use these documents. Accordingly, it issued an advisory to all insurers to enable their IT systems to interact with 'Digilocker' facility where policyholders can preserve all their policy documents. This will eliminate customer complaints related to non-delivery of policy copy, improve turnaround time of insurance services, speed up claims processing and settlement process, reduce disputes, decrease potential frauds and improve customer contactability.

There are also attempts to draw on innovative technological products being offered in foreign markets, like, mobile response drones being dispatched to the accident spots for inspection. There is potential for using them for risk assessment and calculation as well.

Yet, the regulator always stays focused on its primary aim - safeguarding the interests of policyholders at all times. The Insurance Web Aggregator Regulations were notified in 2017 and amended in 2019.

Conclusion

The technology-oriented insurance ecosystem is truly ground breaking and will completely reshape both insurance operations and consumer interactions in the times to come. It is signalling a promising future with technology developing by the day and many more improvements on the anvil. The market is overflowing with options and yet it is becoming quite easy to navigate through the varied plans and find one that perfectly fits your needs.

The advent of new technology has not only enhanced the overall consumer experience, but also significantly dented the risk factors and trust issues. Indeed, can there be a better time to invest in insurance?

Insurance Selling – A Tale of Many Traps!

The prevalence of deceptive practices in insurance mar the entire safety experience and are responsible for the low uptake in the country. They have varied perpetrators and take on many more forms. Regulatory checks are in place as well. The ball is in the consumer's court at the end of the day as he/she is the one who stands to lose the most!

It is easy to fall prey to mis-selling and other malpractices when purchasing an insurance policy!

INSURANCE IS SUPPOSED to be a tool that will enable consumers to live life with fewer worries, content in the security that they will receive financial assistance in the case of an accident or other disaster. But what if this supposed 'security shield' turns out to be a major cause of worry by itself?

Indeed, people buy an insurance policy to safeguard themselves against certain eventualities but often end up feeling dissatisfied or even cheated as 'this is not what they thought they had signed up for'!

Fact of the matter is that insurance is a business of selling a commitment. Alas, insurers and their intermediaries often indulge in 'mis-selling' that completely disrupts the process. There are many shades to a mis-sell which can range from peddling wrong information and unrealistic expectations to not disclosing full information about the product.

Most of the mis-selling frauds are perpetrated by the intermediaries like agents and brokers. They serve as a bridge between consumers who are seeking to buy insurance and insurance companies that sell the policies. Selling a policy entitles them to fat commissions ranging from 15% to 35% of the first-year premium. This drives rogue agents to deliberately deceive the gullible consumers. Some even face pressure of sales targets that push them to adopt unethical practices.

Following are some of the common ways in which unscrupulous agents and brokers mislead their customers:

- Deliberately misrepresenting the features of a policy with wrong, distorted or exaggerated information about the coverage, benefits, term, premium payable, returns and so on. A common approach is to portray a policy as a single/flexible premium or even a fixed deposit with high returns, only for it to turn out that the premium is actually payable regularly for many years to come.
- Failing to disclose facts like waiting period, exclusions to the coverage and circumstances under which a claim is not payable or skipping discussing the charges and deductions. Some even blandly claim that anything and everything is payable under a health, accident or motor insurance policy!
- Fake promises about extra bonus on buying the policy, like gold coins, mobile towers, free health insurance cards and other benefits. Then there are bogus claims of interest-free loan on mortgaging the policy, commissions and more.
- Withholding or denying the 'free look' period so that there is no option but to continue with the policy.
- It is not always about intentional deception. Insurance policies have a complicated framework and the agent himself may not have full knowledge of the varied nuances of every policy. They provide an incomplete picture of the policy structure and the customer purchases it accordingly.
- Hard-selling an insurance policy just because it has a higher commission and misleading customers into buying the wrong plan even though it does not meet their actual needs.
- Outright fraud by tampering or forging proposal forms, failing to deposit the premiums and the like.
- Fraudsters may pose as insurance agents and sell fictitious policies from non-existent companies, pocket the premiums without any intention of paying the claims.

At times, even the insurers or their employees resort to fraudulent practices like:

- Bundling a life insurance policy with free health insurance or bundling insurance with lockers, mutual funds and other financial instruments.
- Churning an existing policy with an unnecessary update or a new one so as to increase the premium.
- Unfair or misleading advertisements that make false claims, inflate the benefits, hide/underplay risks, fail to disclose policy conditions, etc.
- Forcing customers to buy an insurance policy as a precondition for opening an account or getting a loan.

“Analysis of channel wise mis-selling complaints shows that banks and broker channels received more mis-selling complaints than other channels." - IRDAI's Annual Report 2020-21 (see Chart 3)

Phishing scams attempting to defraud insurance consumers are also booming in cyberspace. People get SMS, emails and social media messages with unbelievably low premium rates, zero documentation, health check waivers or even warnings of unpaid premiums and lapses/problems with the policy. Then there are fake websites that resemble original companies and can swindle anything from your personal and financial data to your hard earned money.

Congratulations!

You are eligible for a life insurance cover of Rs. 5 lakhs. Sign up now and enjoy premium of only Rs. 1,000 per year

Rude Awakening

It follows that consumers who buy insurance under such fraudulent clouds are shrouded in a false sense of comfort. Post-purchase dissonance will kick in very soon when it turns out that the policy terms are not the same as what was promised/ construed at the time of sale.

It comes as a shocker when they are called on to pay a premium or have to dole out a higher amount than expected. And what happens when you are left holding a policy that does not meet your needs and the benefits may be of little to no use in the future. If you stop paying, the premium already paid will go waste. Surrender charges are also high in many cases. There is

no option but to continue paying the premium which can seriously dent the budget in the future.

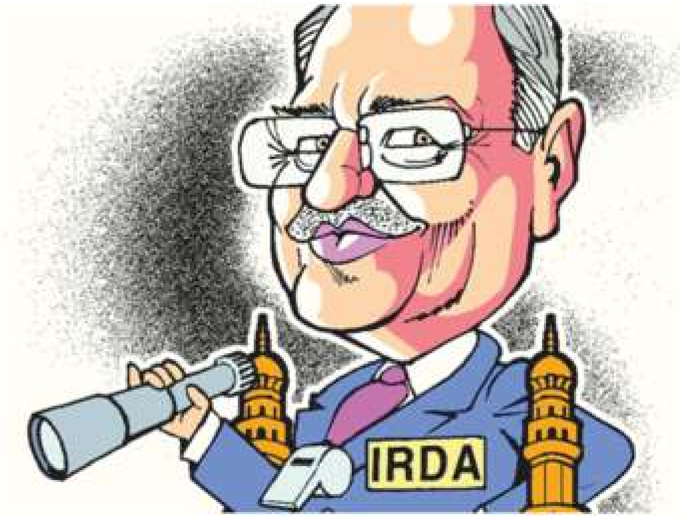
Many others keep paying the premium and realise that they were scammed only when they make a claim and it does not come through as expected! Alas, in some cases, the family of a life insurance policyholder finds that the benefits or sum assured do not pan out as they were told. They are left with nothing despite the deceased person actually planning for their financial security well in advance!

And yet, persistency in insurance (proportion of policyholders who continue to pay their renewal premium) is markedly low in India – IRDAI Handbook reported that the median 61-month persistency figure for life insurance companies in 2020-21 was only 39.4%.

Watchdog To The Rescue

The IRDAI is playing an active role in reducing mis-selling by ensuring greater transparency, fairness and honesty.

The regulator has prescribed rules for both insurers and intermediaries at the point of sale, policy servicing and claims servicing. They have to act according to the Code of Conduct prescribed by IRDAI, industry councils and the relevant recognised professional associations.



Moreover, intermediaries have to strictly abide by the IRDAI rule book which covers statutes like practicing sales in a fair manner; not offering any different benefits, conditions or rates than what is already stated in the script for the product; etc. Under the persistency ratio rules, it is mandatory for corporate agents to retain 50% of their clients. Accordingly, an agent's license will get cancelled if at least 50% of the policies sold by him are not renewed.

IRDAI has also introduced the rule of standardised script in every aspect of the insurance policy. Accordingly, the insurers have to prepare a script that covers all the key product features, services, benefits and key disclosures. All agents must be instructed to strictly adhere to the script during all sale activities. This makes it easy for customers to understand the details and they can easily compare different plans based on standardised scripts. Moreover, IRDAI wants the companies to record and file every conversation call – this can be used in the case of disputes in the future.

Another mandate directs insurance companies to compulsorily provide clear policy-related communication (based on the clauses mentioned in the policy) to prospective customers without any addition or subtraction. For instance, they have to issue benefit illustrations based on two different assumed rates of return in a prescribed format. The guidelines also seek to provide a voice copy of the document if the customer demands it at any time during the term of the policy.

The strict watch is yielding results. According to IRDAI's Annual Report 2020-21, the number of mis-selling complaints have reduced from 41,754 in 2018-19 to 25,482 in 2020-21 (see Chart 1). Incidence of mis-selling complaints per 10,000 policies sold has also reduced over the years.

The IRDAI (Insurance Advertisements and Disclosure) Regulations, 2021 require insurers and their intermediaries to ensure that advertisements are relevant, fair and in simple language which can enable people to take informed decisions. In May this year, the regulator cautioned general insurers against issuing misleading motor insurance advertisements by projecting motor vehicle services as benefits provided within the insurance cover.

IRDAI imposed a Rs. 1 crore penalty on Acko General Insurance over misleading advertisements.

Some more changes like low surrender charges for getting out of a policy and review of incentives for intermediaries is still needed. A phased elimination of upfront commissions for agents and moving to a fee based advised system will be beneficial.

Also, more than 10 lakh agents are operating in the industry and most of them are woefully untrained at that! Given the crucial role they play in the entire life cycle of a policy, insurers need to pay attention to developing their knowledge and skills as well.

Chart 1

Incidence of Mis-selling Complaints

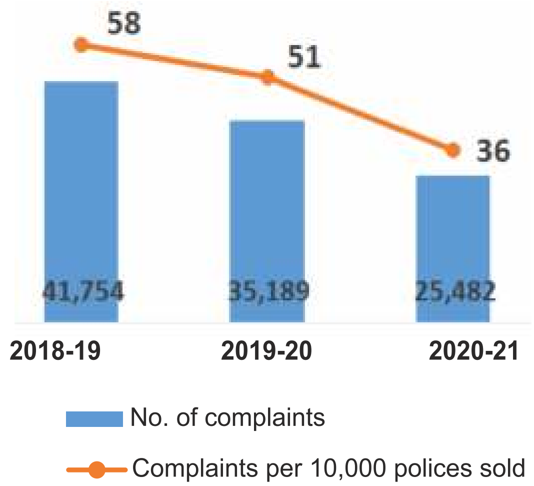


Chart 2

Disposal of Mis-selling Complaints

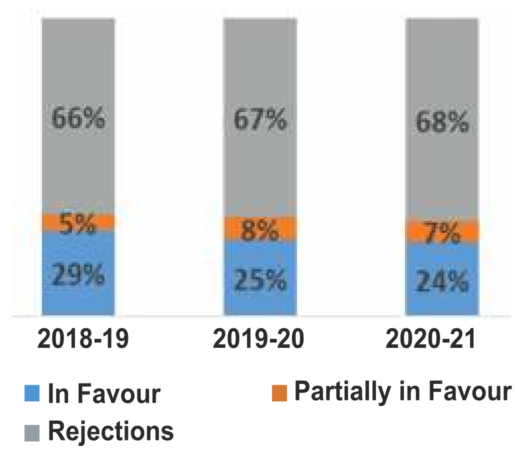
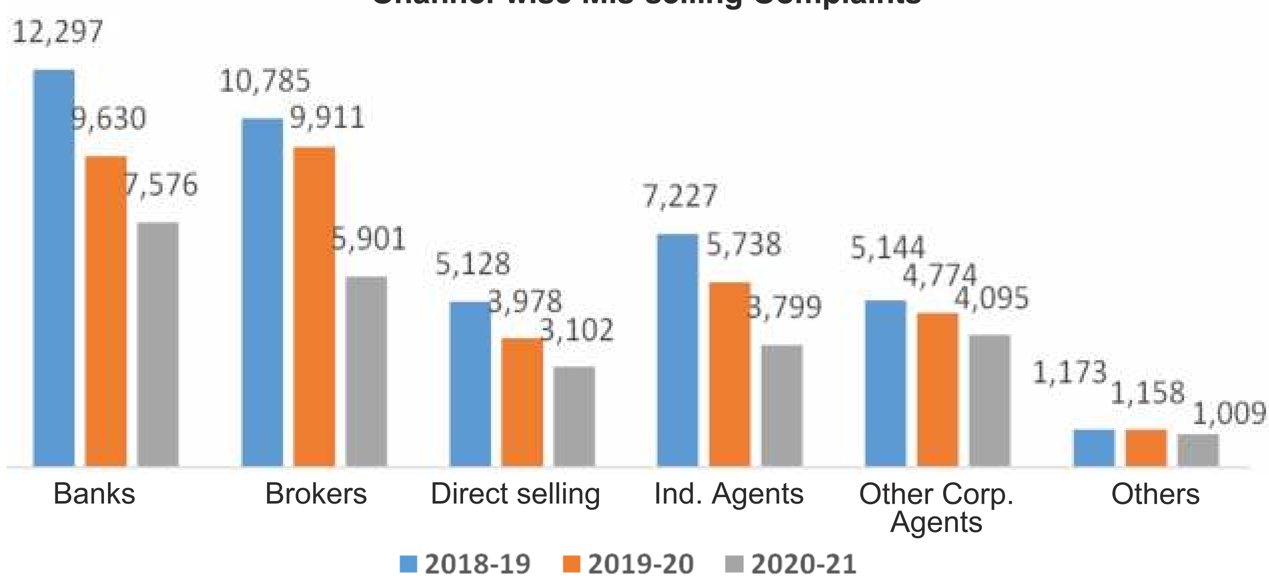


Chart 3

Channel-wise Mis-selling Complaints



Help is at Hand!

In February 2020, Madan Pal Puri of Delhi filed a complaint with the Insurance Ombudsman for mis-sale of two Assured Money Back policies by Future Generali Life Insurance Co. Ltd. He alleged that the policies were mis-sold to him by the insurance company representatives with the promise of transfer of bonus of old policy. After some time, he realised the mis-sale and applied for cancellation of policy and refund of the premium, but it was rejected in view of being beyond the free-look period. Following an online hearing with both the parties, the forum ruled the complaint as allowed and directed the insurer to cancel both the policies and refund the premium collected so far within 30 days.

Complaints on Unfair Business Practices Registered against Life Insurers						
Complaints	2019-20			2020-21		
	LIC	Private	Total	LIC	Private	Total
No. of UFBP complaints	3,994	39,450	43,444	3,928	26,746	30,674
% change over last year	-6.59	-12.90	-12.36	-1.65	-32.20	-29.39
Total complaints on Life Insurers	1,12,005	53,212	1,65,217	1,09,631	41,415	1,51,046
Share of UFBP complaints to Total complaints (%)	3.57	74.14	26.30	3.58	64.58	20.31
No. of policies under individual new business (lakhs)	218.96	69.50	288.47	209.75	71.52	281.27
Share of UFBP to new policies sold (%)	0.02	0.57	0.15	0.02	0.37	0.11

UFBP- Unfair Business Practices

Due to effective supervision and efforts of IRDAI, there is continuous reduction in UFBP complaints over the years – Source Annual Report 2020-21

IRDAI's cyber security awareness campaign

Do's

✓ Look for credibility of sellers, namely agents, intermediaries such as brokers or insurance company staff

✓ Provide personal information only on need-to-know basis

✓ Provide KYC information when needed

✓ Use a Strong password to setup account in the insurance company's websites or web-aggregators if required

Don'ts

✗ Avoid insurance related websites NOT starting with https

✗ Avoid sellers/intermediaries with suspicious and spurious identity

✗ Beware of the insurance intermediaries' asking for sensitive information

Empowering Consumers with Awareness

IRDAI is continuously engaged in various consumer awareness campaigns to equip both the existing and prospective policyholders with reasonable understanding of their risk coverage needs and for choosing insurance products suitable to meet those needs. This is done through a multi-pronged approach using electronic, print, digital and social media platforms. Different education and protection activities are also underway.

Better Safe Than Sorry

Well, it cannot be denied that mis-selling is a harsh reality of the insurance industry. While the regulator is taking stern action and various checks are in place, fraudsters continue to play their game at varied points of the policy purchase process. Consumers have to be on their guard at all times; a lackadaisical attitude or lack of involvement will prove to be very costly in more ways than one.

- Check that the agent is licensed by IRDAI and ask for client history if possible.
- Ensure that you gain a clear understanding of the policy structure rather than claiming later that this was not what was told to you! Ask a lot of questions about the coverage, restrictions and situations when the claim may not be payable.
- Request the agent to illustrate all crucial aspects of the policy and to show official illustrations from the insurance company.

Use of modern technology

Usage of mobile-based technology and the creation of a portal for insurance registration, premium payment and claim settlement have made farmers' lives easier. Lately, the Government has been exploring the use of satellite imagery for crop loss estimation in the claim settlement process.

- Be aware that the agents have vested interests and you cannot believe everything they say. Take an active role in the process by doubly checking on the promised benefits. You can always use online tools to compare the features and quotes of different policies.

Follow the thumb rule - If something appears too good to be true, then it probably is!

- Take the time to read the terms and conditions of the proposal and final document in detail and understand all the clauses.
- Especially in the case of health insurance, never believe that everything is covered and all expenses will be paid in full up to the sum insured.
- Do your calculations carefully and do not rely only on the figures demonstrated by the agent.
- Be especially wary if an agent seems over-enthusiastic or prevaricates any queries or is in a hurry to close a sale. Get a second opinion at the least.

In case you are the victim of mis-selling, reach out to the insurance company at once. Gather the documents and initiate contact by telephone, email, website or WhatsApp and request a resolution of your concerns.

Point to note: While we blame insurers and agents for deliberate mis-selling, it cannot be denied that policy-holders also indulge in frauds to swindle the insurance companies. The tactics range from misrepresenting facts in the application, falsifying medical history and inflating claims to even submitting claims for injuries or damage that never occurred and faking a robbery, accident or death. Keep in mind that not only is this unethical and illegal, but it can also backfire in many instances. Faced with an abnormal or dubious claim, the insurer may increase the premium amount in the future. Or, the false claim may exhaust the claim limit, thus preventing you from making another genuine claim in the same year.

Conclusion

It is crucial that fraudulent activities should be eliminated from the industry. All stakeholders from the government and insurers to agents and consumers have to work together to put an end to mis-selling and other deceitful practices.

"And the biggest of all, no one should buy a plan just because their peer bought it. Insurance is a highly personalised thing that varies as per goals, income and other factors. One size fits all doesn't work here. Hence always look for a policy that is closest to your goals." - Naval Goel, founder and CEO, PolicyX.com, an insurance web aggregator

Dr. Alka Mukne
Ph.D. (Tech.)
Board Member-PSAIIF

Decoding the Health Insurance Conundrum

"Health insurance covers various medical expenses that would otherwise have to be paid out of the consumer's pocket. Therefore, it keeps people financially equipped during medical emergencies. Let's take a look at how it pans out in reality…."

– Dr. Alka Mukne

HEALTH INSURANCE PROVIDES coverage for the medical costs in case of sickness, injury, accident or other emergency that involve hospitalisation, surgery, day care procedures, etc. Without health insurance, you are left to flounder on your own in a crisis situation. The exorbitant healthcare expenses can eat into your finances to the extent of depleting all the savings and may even leave you in debt. Indeed, the bill for just two days of medical procedures and hospitalisation can run into lakhs of rupees!

With advances in medical technology, procedures, devices and medications making healthcare more and more expensive, the only way to afford quality treatment for accidental injuries, critical illnesses, lifestyle diseases and other health ailments is to buy a health insurance policy and pay the premium regularly on time much before the date of expiry. This financial security shield will bring peace of mind so that you can focus on getting cured without worrying about how to foot the impending costs.

Health, life and general insurers offer a range of medical insurance policies with varying features to suit different requirements. Apart from individual plans, there are family floater plans that cover the entire family and senior citizen plans for people aged 60 and above. The premium will be calculated based on the age, gender, medical history and even lifestyle of the insured.

All health policies are valid for a year and have to be renewed accordingly. It is advisable to opt for lifelong renewability option to ensure that you are always covered. Some even come with no-claim benefits, wherein either there is a discount on the premium or increase in the coverage amount for every claim-free year.

While every health policy is unique in its own way, most of them usually cover:

- Hospitalisation (includes room rent, doctor visits, diagnostic tests, etc.)
- Pre- and post-hospitalisation expenses
- Prescription medications
- Ambulance charges
- Outpatient or day care procedures
- Preventive medical check-ups at regular intervals

Not Everything Is Always Payable!

The catch is that most of the above features come with their own conditions and limitations. For instance, the post-hospitalisation expenses will be covered for a fixed number of days only. Similarly, there are sub-limits which caps the liability - on say, room rent or specific treatments like cancer - to a fixed amount or a percentage of the total sum insured. Anything that is incurred beyond this will have to be borne by the policyholder.

Then there are charges and deductibles applicable on every claim, therefore, the net coverage is around 90% of the total medical expenses while the remainder has to be paid from your own pocket. Not to mention if the policy comes with a co-payment clause – this requires a percentage of the claim (usually 10% to 30%) to be paid by the policyholder irrespective of the claim amount.

There is usually a waiting period of around 30 days after taking the policy and no claims will be entertained during this period. For pre-existing and lifestyle diseases like diabetes, blood pressure, heart, liver and kidney ailments, the waiting period can extend to 2 to 4 years. Likewise, critical illnesses, maternity treatment and mental health may or may not be covered under the policy. In fact, every health policy comes with its own list of exclusions, ranging from eye and dental surgeries to cosmetic treatments and more.

Unfortunately, many consumers are under the impression that anything and everything is payable under a claim and they will not have to spend a single rupee when they meet with an accident or have to be admitted in a hospital for some other reason. This can lead to a lot of heartache and frustration at the time of processing the claim.

This is why consumers should always study or seek full information from the insurers (or their agents) on all the features of the health insurance policy and understand the limits and other aspects in detail. They can opt for riders like maternity cover, critical illness, room rent waiver, hospital cash and so on to extend the policy coverage for a small hike in the premium. Hospital cash is an excellent option as it allows a fixed daily cash allowance for incidental expenses incurred during the hospitalisation. Then there is Top Up and Super Top Up insurance for enhancing the coverage should it get exhausted during the coverage. All such features needs to be explained by the insurers prior to selling a policy cover to the potential customers.

How Cashless is Cashless?

Health insurance is a promise to reimburse the medical costs – the policyholder initially pays the bills and files a claim with the insurer who will compensate the approved

Consumer sentiments through the health insurance claims journey

33%	53%	43%
of the respondents were not able to understand the deductions made in claims.	of the respondents expressed dissatisfaction with the speed claim settlement.	of the respondents reported facing difficulty in receiving clear communication.

amount at a later date. However, all insurance providers are now offering cashless treatment facilities at their network hospitals that circumvents the initial financial burden on the policyholders. This means that you don't have to arrange a lot of hard cash upfront as the bill will be directly settled by the insurer under the cashless claim!

In reality, the insurers/third party administrators take 30 to 45 days to approve the cashless insurance. Therefore, hospitals often insist on a cash deposit from the policyholder, which is not allowed as per cashless policy terms and conditions. At times, the hospitals itself take long to approve a 'cashless' admission and the only way to circumvent the delay in treatment is to make the payment and take a reimbursement later, which is not in the interest of the policyholder.

No wonder the India Health Insurance XP Survey – 2020 by Beshak (a research platform for insurance users) reveals that only 32% of insurance claims are cashless. Over half (52%) respondents faced problems in getting timely support from insurers or their third-party administrators. Around 19% had to wait 24 hours to get their cashless claims settled and 46% had to wait for 7 to 24 hours. Therefore, discharge from the hospital becomes a waiting game, with the patient waiting to hear from the hospital's billing desk that the claim has been settled!

While health insurance merely covers hospitalisation expenses in India, many other countries enfold clinical visits, medication and some wellness care too. Moreover, the doctor or hospital that provides the medical service directly bills the patient's insurance company! The consumer does not even have to be involved in most of the cases.

That's not all. Hospitals are known to levy higher tariffs and escalate other charges on insured patients to get a bigger pay-out from the insurance companies. Apropos, the insurers raise the premiums which again have to be footed by the consumers.

Various other issues also surface in the course of the policy. While some increase in the premium prices can be expected with increase in age and medical advancements, many insurers bring in sharp and unwarranted hikes. Even if the insured cannot afford the new rates, they have no choice but to continue with the policy or risk losing out on the coverage/no claim benefits. Porting to a different provider is challenging for those who have already made claims, suffer from an illness or are in the higher age bracket.

Similarly, insurers often resort to refiling their policies under the garb of introducing new products with additional features. However, the exclusions and charges are also changed to the detriment of the policyholder.

Prompt and Proactive Stance by Regulator

Unfortunately, hospitals are outside the purview of the IRDAI. However, the regulator has framed various rules and regulations to rein in the health insurers. For instance, insurers cannot reject a claim if the policyholder has renewed the policy for eight years without any break or lapse. If a claim is not paid within 30 to 45 days, the insurer is liable to pay interest on the amount.

IRDAI was leading from the front when consumers were left feeling helpless and entrapped by the unprecedented COVID-19 health crisis. It immediately issued an advisory that all health insurance policies should cover the costs of COVID treatment. All insurers were requested to effectively coordinate with their network hospitals to allow seamless cashless facility and render speedy services to all policyholders. They were also instructed to quickly settle all COVID and regular claims, and repudiate liability only after being reviewed by the claims committee.

To ensure smooth operations and seamless service, IRDAI ensured that insurance is an 'essential service'. It announced various other customer-friendly measures like extending premium payment periods for health and motor

There are certain 'orphan diseases' that affect a minute percentage of the population. In India, diseases that affect less than 1 individual for every 2500 are classified as rare diseases. This can develop as an autoimmune disorder or be inherited genetically, and usually involves excessively expensive treatment and medications. The chronic nature of such diseases necessitates lifelong medical attention.

Many health insurance plans are available that encompass certain orphan diseases. However, in reality, people suffering from a rare ailment find it very difficult to get health insurance coverage as insurance providers turn them away on one pretext or the other.

Therefore, the suffering patients are not just deprived of treatment for their special conditions, but are also unable to avail insurance benefits for common ailments like dengue, typhoid or other infection. With about one-fifth of the country or 96 million people combatting a rare disease, does it make sense to keep them out of the insurance loop? What if a person suffering from a non-life-threatening but rare disease like ankylosing spondylitis requires an angioplasty? Should he not have the right to avail insurance cover like the next person without this pre-existing condition?

Countries around the world are mindful of providing insurance coverage for orphan diseases. Why can't Indian insurers at least make special provisions to cover routine requirements of certain rare maladies?

third party insurance, fixing settling time limit for authorising cashless claims at two hours, easing KYC norms with online options, suspending mandatory physical medical tests and Sandbox initiative for launching pilot products.

Based on IRDAI guidelines, the insurers launched two special, short-term standard health insurance products with affordable premiums and without any deductibles:

- **Corona Kavach –** The indemnity coverage includes expenses of COVID hospitalisation, home treatment, and Ayush treatment along with masks, gloves, PPE kits, ventilators and oxygen cylinders following hospitalisation of minimum 24 hours.

- **Corona Rakshak policy –** The fixed benefit plan provides a lump sum payment for COVID hospitalisation expenses (minimum 72 hours).

The Authority designed another standard health insurance policy called Arogya Sanjeevani to be offered by all health insurers to cover primary medical insurance needs - a good option for those who do not have medical insurance cover, particularly in smaller towns. It also encouraged insurers to develop COVID-specific products and fast tracked the approvals.

Conclusion

Health insurance has become the fastest growing segment in recent years. However, even now, India ranks high in out-of-pocket spending in healthcare with very few Indians having health insurance. It is high time we realise that this is a worthwhile investment that will not only provide financial security against the rapid increases in healthcare costs, but the premium prices are also likely to come down as more and more consumers opt to get insured!

India has promised the world that by 2030 it will enable citizens to access Universal Health Coverage (UHC) and make Pradhan Mantri Jan Arogya Yojna (PMJAY) Ayushman Bharat a reality in India.

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Dr. Umesh Mishra
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BAMS, CRAV, D.Ac. PGDCRP, MBA

Redressal Framework for Consumer Grievances in INSURANCE

"Recourses are available to policyholders if they are not served in an acceptable manner. The robust grievance redressal mechanism is supplemented by the ombudsmen that leave little room for the insurers to wriggle out!"

– observes Umesh Mishra

INSURANCE CONSUMERS OFTEN end up discontented with a product or the action taken/not taken on the same. They may be unhappy with the quality of service received or the absence of service. The handling of claims and settlement offers frequently turns out to be unsatisfactory and marred by delays. In such cases, they should be able to lodge a complaint and seek remedial action.

Therefore, there is a need for a fair, independent and consistent grievance redressal system that promptly addresses consumer issues and provides an appropriate resolution in a timely manner to the aggrieved consumers.

IGMS - Integrated Grievance Management System (IGMS) is IRDAI's primary grievance redress monitoring tool. All insurance companies have integrated their online complaint logging systems to the digital IGMS platform. The regulator also set up a Consumer Affairs Department (CAD) to manage compliance of insurers and intermediaries with respect to the Protection of Policyholders' Interests Regulations.

Policyholders are required to first register their complaints with the Grievance Redressal Channel of the said insurance company (grievance redressal officer (GRO) details of all insurance companies are listed on https://www.cioins.co.in/). If a GRO is not accessible, the

IRDAI cracks down heavily on insurers who do not handle customer grievances according to the procedures specified in the Protection of Policyholders' Interests (PPHI) Regulations 2002

Table 1: Status of Grievances as per IGMS

Insurer Type	2019-20			2020-21		
	Reported during the year	Attended during the year	Pending at the end of the year	Reported during the year	Attended during the year	Pending at the end of the year
Life Insurer						
LIC	1,12,005	1,09,153	2,852	1,09,631	1,12,454	29
Private	53,212	53,272	24	41,415	41,286	153
Life Insurer Total	**1,65,217**	**1,62,425**	**2,876**	**1,51,046**	**1,53,740**	**182**
General Insurer						
Public Sector	23,002	22,699	642	21,192	21,456	378
Private	26,986	27,218	29	26,825	26,421	433
General Insurer Total	**49,988**	**49,917**	**671**	**48,017**	**47,877**	**811**
Grand Total	**2,15,205**	**2,12,342**	**3547**	**1,99,063**	**2,01,617**	**993**

IGMS portal – www.igms.irda.gov.in - provides a gateway for registering complaints with insurance companies (online complaint form - https://igms.irda.gov.in/loginph.aspx). A complaint registered through IGMS will flow to the insurer's system as well as the IRDAI repository. Updating of status will be mirrored in the IRDAI system. If need be, they can be escalated to CAD in IRDAI. Therefore, IGMS serves as an alternate channel for online registration and tracking of complaints by insurance customers; it even captures the resolution provided by insurers.

This is the best method of recourse for simple complaints. The system assigns, stores and tracks unique complaint IDs and also sends intimations to various stakeholders as required. There are other tools that automatically trigger activities at the appropriate time through rule based workflows. IRDAI has assigned specific turnaround times and keeps monitoring the complaints and their progress in real-time.

> If you aren't happy with the outcome of a claim, complain to your insurer!

It follows that IGMS is a comprehensive solution which not only provides centralised access to the policyholders, but also a standard platform to all insurers to resolve policyholder grievances and for IRDAI to monitor the effectiveness of the grievance redress system of insurers. It further creates a central repository of industry-wide insurance grievance data. (The 2020-21 status of complaints can be seen in Table 1)

Procedure of handling grievances:

- The complaint is registered with a unique token number.
- An acknowledgement with the complaint token number is sent to the complainant by email or by letter to the postal address (if no email is registered).
- A brief description of the grievance is given on the IGMS.
- The documents relating to the complaint are captured and forwarded to the insurance company for resolution.
- The insurance company is required to examine the complaint and attend to it within two weeks by responding to the complainant.
- The action taken on the complaint has to be updated by the insurance company in the IGMS.
- The status of the complaint and the description of action taken can be checked by the complainant from the IGMS or by calling up the IRDAI Grievance Call Centre by using the token number assigned to the complaint.
- In case the complainant does not come back within 8 weeks of the insurance company attending to the complaint and recording the action taken, the complaint will be closed by the insurance company.
- In case the company does not respond even after 15 days or if the complainant is not satisfied with the action taken, he can escalate the complaint to IRDAI. It will then take up the complaint with the company for its resolution and responding to the complainant.
- In case the complainant is not satisfied with the resolution of the insurance company, he may approach the Insurance Ombudsman or the appropriate legal authority.

IGCC - IRDAI Grievance Call Centre (IGCC) is an alternative redressal channel that is interfaced with the IGMS. Complaints can be registered through a toll-free telephone number (155255 or 1800 4254 732) or email (complaints@irdai.gov.in). It also furnishes the status of

"A committee appointed by IRDAI to review consumer interface with Ombudsmen is currently looking at ways and means to make the system, including IGMS helpline, more effective and user friendly. Towards this end, the committee is also looking at the need for capacity building at the Ombudsman and his/her staff level so as to have a better consumer orientation. Currently, only a fraction of the grievances reach the Ombudsman and there is a need to create awareness about the system through media campaigns too. All in all, there is a need to make the existing system more effective." - ***BP Acharya*** *(IAS retd) Chairman, Advisory Committee to IRDAI on Insurance Ombudsman Reforms*

the resolution. A physical complaint can be mailed to the Grievance Redressal Cell in the Consumer Affairs Department of IRDAI. The complaint registration form can be downloaded from the IRDAI website. The website also provides details of the consumer grievance departments of all the insurance companies.

In health insurance, there should be well-defined guidelines for deductions which are accessible to consumers so that everyone is aware of what will be deducted or not eligible for reimbursement. In case the insurer does not follow the guidelines, the same should be reversed by IRDAI. For instance, when key medicines of a covered disease have to be reimbursed, how can an insurance company refuse to accept the medicine cost which is well regulated and based on MRP?

Scheme of Ombudsman - It was way back in 1998 that the government had introduced a system of Ombudsman in the insurance sector to provide an expeditious, efficient and inexpensive out-of-court forum for adjudication of matters relating to claims (in respect of personal lines of insurance up to a certain limit). This grievance redressal framework underwent a sea change with the Insurance Ombudsman Rules, 2017 ordained by the IRDAI. The rules provide for the appointment of Insurance Ombudsman; manner, timelines and grounds on which a complaint can be made to Insurance Ombudsman; timelines for disposal of complaints, compliance of awards by insurers, etc.

The primary purpose is to resolve all complaints of all personal lines of insurance, group insurance policies, policies issued to sole proprietorship and micro enterprises by insurance companies and their agents and intermediaries in a cost-effective and impartial manner. Therefore, they ensure that all regulated entities fulfil their obligations towards the policyholders.

There are 17 Insurance Ombudsman in different locations (Ahmedabad, Bengaluru, Bhopal, Bhubaneswar, Chandigarh, Chennai, Delhi, Guwahati, Hyderabad,

Policyholder grievances are being heard and settled in a fair and beneficial manner.

Mrs. Lakshmamma of Mandya, Karnataka approached the forum on the matter of the death claim on her mother's policy. Smt. Rajamma had availed a Life Cash Back Term Plan policy with Shriram Life Insurance Company Ltd. on 13th August, 2015 for 20 years. She expired on 17th March, 2019 due to natural death in her residence. When the insurer repudiated the claim on the grounds that they had not received relevant documents from the complainant, the latter represented the issue to their Grievance Redressal Officer (G.R.O.) but to no avail.

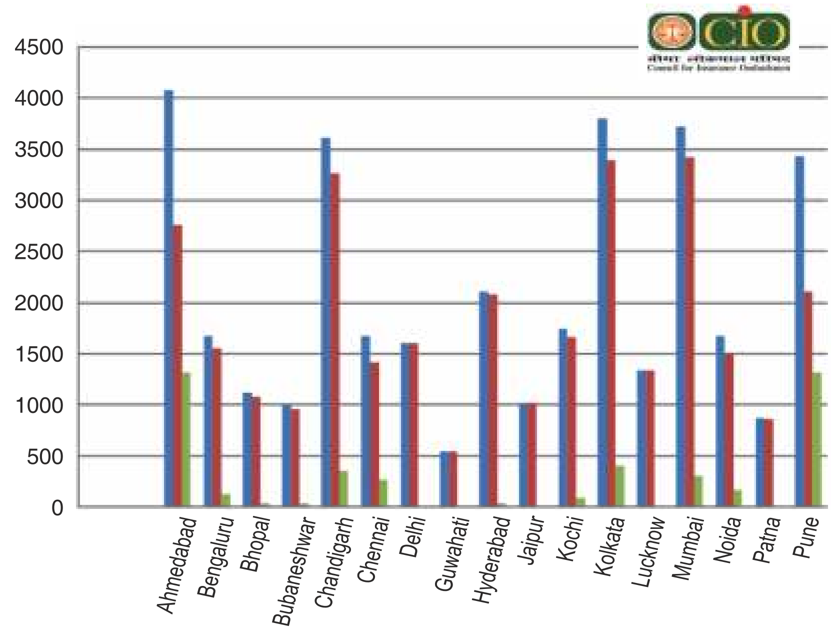
During the personal hearing initiated by the Insurance Ombudsman, the insurance company informed the forum that during their investigation it was found that the age of the insured and the nominee did not conform with the records and it was a case of fraud. The forum ruled that the contention of fudging of ages and identity is not acceptable as the policy was taken through the agent who had the benefit of scrutinising the documents and the physical age of the insured person. Accordingly, the Ombudsman directed the company to settle the death claim for full sum assured in favour of the registered nominee/complainant together with interest at 8.25% (6.25% bank rate + 2 % as per Rule 14(ii) of Policy Holders Protection Rules 2017) from the date of submission of all the requirements till the date of payment.

In January 2020, Mr. Kuldeep Singh's claim on his Floater Health Policy with Reliance General Insurance Company Ltd. for his son, Rohit Singh's treatment at AIIMS, Delhi (from 13th-20th Dec. 2019) for recurrent multiple seizure disorder was rejected. The policyholder filed a complaint with the Insurance Ombudsman which conducted a hearing of both the parties. The insurance company contended that the patient was evaluated for drug refractory epilepsy and adjustment disorder and as per the policy terms and conditions, corrective ailment management falls under General Exclusions clause 3.4.6, which excludes the hospitalisation done primarily for diagnostic and evaluation purpose.

The forum ruled that the hospitalisation was for conducting diagnostic studies required to identify the seizure type and as a work up for epilepsy surgery. Therefore, the claim was considered admissible under the exceptions to the exclusions. Accordingly, the insurer was directed to admit and settle the claim within 30 days.

For more such success stories check the Council's award archives at https://www.cioins.co.in/Awards/Archive.

LIFE INSURANCE, GENERAL & HEALTH INSURANCE INDUSTRY: COMPLAINT ANALYSIS (L1G1H1) AS AT 31.03.2021



- Total No. of Complaints Total Received
- Total No. of Complaints Total Disposed
- Total No. of Complaints Total Outstanding

Complaint status in the Offices of Insurance Ombudsman (2020-21)

Jaipur, Kochi, Kolkata, Lucknow, Mumbai, Pune, Patna and Noida) and an aggrieved consumer can make a complaint against an insurer in writing in the appropriate jurisdiction (for contact details check https://www.cioins.co.in/Ombudsman).

Renamed as the Council for Insurance Ombudsmen, the scheme now covers insurance brokers and deficiencies in service as well. Policyholders can also file their complaints digitally with the Ombudsman for faster resolution; hearings can also be held online.

Neither does the complainant have to pay any fee to the Ombudsman nor does he have to hire a lawyer to represent the case. However, the Ombudsman can be approached only after the complaint with the insurance company is rejected, not resolved to your satisfaction or not responded to within 30 days. The value of the claim including expenses claimed should not exceed Rs. 30 lakhs.

The Ombudsman will act as mediator and arrange a hearing. It will declare a fair recommendation based on the facts of the dispute. If the complainant accepts this as a full and final settlement, the Ombudsman will inform the company which should comply with the terms in 15 days. In case a settlement by recommendation does not work, the Ombudsman will pass an award within 3 months of receiving all the requirements from the complainant which will be binding on the insurance company. The insurer has to comply within 30 days and intimate compliance to the Ombudsman. IRDAI even monitors non-compliance of awards passed by the Ombudsman.

Therefore, when a consumer has an issue, he/she first contacts the insurance company and whena satisfactory solution is not provided, he/she contacts IRDAI. IRDAI forwards the complaint to the insurance company which extends the same unsatisfactory solution even after IRDAI's intervention. Then the consumer moves to the Ombudsman who again involves the insurance company in the same complaint. Therefore, the solution remains unsatisfactory even after three layers! Instead, why don't the IRDAI and Ombudsman have their own complaint review resolution mechanism so that consumer can directly get satisfactory solutions from the government body?

Indeed, consumers often hesitate to take advantage of the facilityas there is a deep-seated notion that the Ombudsmen are inherently biased and operate in favour of the industry. While such cases were rampant earlier, the forum is adopting an increasingly consumer-friendly stance in the recent years. The Ombudsmen are very active now and are promoting insurance in an effective manner. However, like always, very few consumers are aware of the initiative…..

The regular redressal mechanisms like Alternate Dispute Resolution, Lok Adalats, consumer forum and district courts can also deal with insurance grievances. These should be the last resort for the policyholders; however, it is observed that the policyholders prefer to knock on the consumer court doors rather than approaching the Ombudsman, even though the latter are better empowered to deal with such issues. Typically, the ombudsman comes to a decision quickly - in one or two hearings – while the courts involve several rounds of hearing before awarding a decision.

Conclusion

The IGMS is an effective mechanism but it does not have adjudicating powers. This is why the insurance Ombudsman is a bright ray of hope for policyholders who have been shortchanged by the insurers. They can seek redressal and the decision will be binding on the latter. Remember, you can approach the consumer court after approaching the ombudsman, but you cannot go to an ombudsman after you have gone to the court!

Where can consumers have their say about policies and legislation, about their needs and requirements, about products and services, about genuine and fraud companies? We provide you the platform to share with our readers your experiences.
Write to us: bejonmisra@consumerconexion.org

Bane of Consumer Experiences with Insurance

The perception of insurance emerged around 6,000 years ago when people felt the need for some kind of safety net. This gave birth to the concept of insurance as a means of providing security to the people against untoward situations. Life insurance was developed first and this was followed by general insurance. Various developments and refinements have defined insurance into a product as we know it today. While the industry has come a long way in terms of product offerings, ease of doing business and consumer protection, the common man is still plagued by a lot of challenges while trying to secure a protective cover against extenuating circumstances.

INSURANCE IS QUITE a mysterious and puzzling subject. The scores of different plans and top-ups make things all the more complicated for a simple person like me. I really have no clue how to make any sense of it! I cannot even rely on the agents as I know they are only looking to earn as much commission as possible. I wish there was someone who could clarify things to me and make the right suggestions while keeping my best interests at heart!

– C R Rajalakshmi, Hyderabad

Indian insurance is a tale of unbridled complexities. Simplifying price points and underwriting will increase our trust and confidence in the sector. Why do I have to be on my guard all the time? Why can't there be some measures to safeguard me and deliver maximum value in my favour?

– Haripriya Rana, Delhi

Deliberate deceptions and frauds are tarnishing the insurance buying experience. I am so wary now that I find it difficult to trust anything that is told to me! In the end, I don't buy any insurance at all and I only stand to lose the most here!

– Ashwani Tyagi, Ahmedabad

Buying insurance is still easy. Things become completely harrowing when it comes time to make a claim. I have to run from pillar to post to get the money that was promised to me. It is like nobody wants to believe the truth and are just questioning whatever happened. I am not the only one here by a long shot. The maximum consumer complaints deal with filing a claim. Why does there always have to be some or the other problem? Why can't we have a smooth and stress-free process for a change?

– Karan Garodia, Mumbai

The government is indeed on our side and is pushing insurers to live up to their promise of providing protection when we need it. IRDAI initiatives are exemplary in this regard. But it cannot be denied that insurance penetration is very low in the country and when people don't have insurance itself, how can they be given a measure of protection?

– K Sriram, Raichur

Update on the May edition on

Education for All Builds Consumer Awareness - #NationalEducationPolicy2020

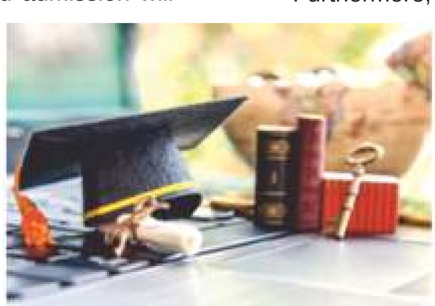
Students Can Pursue Two Full-Time Degree Courses Simultaneously from 2022-23

THE UNIVERSITY GRANTS Commission (UGC) has allowed under-graduate and post-graduate students to pursue two full-time and same-level academic courses simultaneously in accordance with the National Education Policy (NEP). This will be applicable for physical degrees, online degrees and even diplomas from the academic year 2022-23 onwards for students pursuing academic programmes other than Ph.D.

Accordingly, students will be able to pursue two UG or PG degrees/diplomas together in the physical + physical mode or physical + online mode or in online + online mode, that too from two different universities/institutions or under the same university.

However, it is imperative that the time schedule for classes and other academic activities of both full-time degree programmes should not clash with each other. This means that if a student is pursuing B.Com. from one college in the morning or regular session, he can opt for a B.A. in Psychology anywhere else, provided it is offered in the evening session. Moreover, both the courses under UGC's Dual Degree Programme have to be at the same level – a student cannot choose to pursue one undergraduate and one postgraduate degree. Top universities of India have been given the choice to offer online degree courses.

For now, the two degrees will only be non-technical programmes that are approved by the UGC. They can be a combination of subjects from different streams, that is humanities, science and commerce, and admission will be granted depending on the eligibility of the student and the availability of programmes.



The dual degree program will allow students to carry credits across degrees if they fulfil the basic requirements. However, when it comes to degree programmes, candidates will be required to earn and fulfil all credit requirements as specified by the university guidelines without any concessions under the dual degree programme.

UGC Chairman, M Jagadeesh Kumar announced, “The idea is to provide as much flexibility as possible to the students. These guidelines are part of the NEP and are aimed to customise and personalise education, even allow multidisciplinary education across various domains. It is a great opportunity for students to expand their skills.”

Furthermore, Prime Minister Narendra Modi reviewed the implementation of the NEP and said that since its launch, there have been many initiatives taken to achieve access, equity, inclusivity and quality in the education sector. He pointed out that various initiatives to bring back out of school children to the mainstream and introduction of multiple entry and exit in higher education are already underway.

YOUR OPINION MATTERS

letters to the editor

We are truly humbled by the praise and acknowledgment that is flowing in from varied sources. Please feel free to send in your comments, views or feedback on The Aware Consumer magazine at bejonmisra@theawareconsumer.in – we will publish your opinions and implement your feedback while ensuring that your voice is heard on the right platforms.

(May issue: Education for All Builds Consumer Awareness - #NationalEducationPolicy2020)

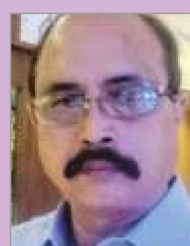
TAC May issue has comprehensively covered most important development of the decade 'National Education Policy'. I term it as the most pivotal development, as a country's future is dependent on the education that it imparts to its young generation. It is said, *'Sa Vidya ya Vimuktaye',* meaning education enlightens and emancipates. India. more appropriately. 'Bharat' was a world leader for hundreds of years prior to the foreign invasions, due to its robust education system. In many ways the NEP being envisaged by the present government is bringing in aspects of the earlier system, such as skill-based and employment-oriented education, multilingualism and inclusive care. This is being judiciously combined with the present day technology to gainfully deliver quality and affordable education to all. TAC May Issue has highlighted critical issues of the NEP, the articles on industry experts taking active part in education of the next generation, the establishment of different types of Institutes (Multidisciplinary Research Intensive Universities, Multidisciplinary Teaching Intensive Universities, Degree Awarding Multidisciplinary Autonomous Colleges),The Case For Private Sector Schools to mention a few are succinct and informative. Article on Private Schools draws attention to contentious issues of profitability and sustainability. While it is important to encourage private participation, I would contend that the quality of government schools should be on par or better than private institutions. The two interviews are insightful. Role of technology in driving interdisciplinary and transdisciplinary research leading to innovative solutions is brought out elegantly.

As always, going through TAC May issue was a pleasure and a great learning experience. True to its title, TAC ensures complete awareness to the 'consumer'. I wish every 'consumer' citizen reads this fine magazine regularly. I wish TAC team a fulfilling journalism.

– Dr. Anil Kumar Kruthiventi,
Mumbai • anil.kumar@arnaimmuno.com

Every month in the first week we so eagerly wait for the new edition of TAC, like the daily newspaper. The May'22 edition on 'The national education policy 2020' covers some very interesting pointers. So many important features of the NEP 2020 has been discussed like stress upon mother tongue up to class 5, activities based classes till class 3 and freedom to choose subjects from 9 to 12, are definitely going to bring in a subtle change in the thought process & overall development of the new generation of students who will be aligned with our national goals and policies. The editorial as always is the most important part of the TAC. That an aware student will become an aware citizen about the rights of the citizen, certainly augurs a bright future for the consumer industry.

– Anuj Singh, *Jamshedpur* • singhanujk@gmail.com



Welcome the edition based on National Education Policy! Since Maculay's time, for last two hundred years, our education policy is based on Babudom, Now our present govt has brought new education policy to transform India. Digital and online education which saw the necessity during two years of Corona that resulted inclosing down educational institutions and coachings. We welcome that it will be game changer to make India a Global Power, and initiate own start-ups instead of becoming employee.The education policy will also aware consumers to protect their rights and skill development

– Lavi Tikkha, *Lucknow* • l.tikkha@redifmail.com

I have been reading TACM virtually since its inception, albeit only those articles of interest to me. The editorial content is balanced and informative without 'sponsors' which such periodicals often have, damaging their non-partisan approach.

– Niroop Mahanty • niroop@rmassociates.co.in

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WATCH OUT!

for the next issue in August dedicated to "Tackling the Menace of Plastic Pollution!"

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