

## PART – I

### POLICIES AND PROGRAMMES

#### I.1 GENERAL ECONOMIC ENVIRONMENT

**I.1.1** As per the provisional estimates of Annual National Income, 2018-19 released by Central Statistics Office (CSO), Ministry of Statistics and Programme Implementation, Government of India the GDP at current prices for the year is estimated at ₹ 190.10 lakh crore, showing a growth rate of 11.2 percent over the First Revised estimates of GDP for the year 2017-18 of ₹ 170.95 lakh crore.

**I.1.2** All sectors, except Agriculture, i.e., 'Mining & Quarrying', 'Manufacturing', 'Electricity, Gas, Water Supply and Other Utility Services', 'Construction', 'Trade, Hotels, Transport, Communication and Services Related to Broadcasting', 'Financial, Real Estate & Professional Services', and 'Public Administration, Defence and Other Services' have registered growth rate of over 9.0 percent and above at Current Prices.

**I.1.3** The Gross National Income (GNI) at current prices is estimated at ₹ 188.17 lakh crore during 2018-19, as compared to ₹ 169.10 lakh crore during 2017-18, showing a rise of 11.3 percent. The per capita Net National Income (NNI) at current prices during 2018-19 is estimated to have attained a level of ₹ 1,26,406 as compared to the estimates for the year 2017-18 of ₹ 1,14,958 showing a rise of 10.0 percent.

(Source: CSO press note dated 31.05.2019)

**TABLE**  
**PROVISIONAL ESTIMATES OF NATIONAL INCOME AND EXPENDITURES ON GDP**

(At current prices)			
Item	2016-17	2017-18	2018-19(PE)
<b>Domestic Product (₹ crore)</b>			
1. Gross Value Added (GVA) at basic prices	13,935,917	15,482,715 (11.1)	17,199,815 (11.1)
2. Gross Domestic Product (GDP)	15,362,386	17,095,005 (11.3)	19,010,164 (11.2)
3. Net Domestic Product (NDP)	13,771,661	15,313,286 (11.2)	17,030,846 (11.2)
4. Gross National Income (GNI)	15,185,986	16,910,192 (11.4)	18,816,538 (11.3)
5. Net National Income (NNI)	13,595,261	15,128,474 (11.3)	16,837,219 (11.3)
6. Gross National Disposable Income (GNDI)	15,565,424	17,315,933 (11.2)	19,237,943 (11.1)
7. Net National disposable income (NNDI)	13,974,699	15,534,214 (11.2)	17,258,624 (11.1)
<b>Per Capita Income, Product and Final Consumption (₹)</b>			
8. Per Capita GDP	118,263	129,901 (9.8)	142,719 (9.9)
9. Per Capita GNI	116,905	128,497 (9.9)	141,265 (9.9)
10. Per Capita NNI	104,659	114,958 (9.8)	126,406 (10.0)
11. Per Capita GNDI	119,826	131,580 (9.8)	144,429 (9.8)
12. Per Capita PFCE	70,175	76,619 (9.2)	84,760 (10.6)

**PE:** Provisional Estimates; **PFCE:** Private Final Consumption Expenditure

**Note:** Figures in brackets are percentage changes over the previous year.

**Source:** CSO, Press Note dated 31st May, 2019.

**TABLE**  
**PROVISIONAL ESTIMATES OF GVA AT BASIC PRICE BY ECONOMIC ACTIVITY**

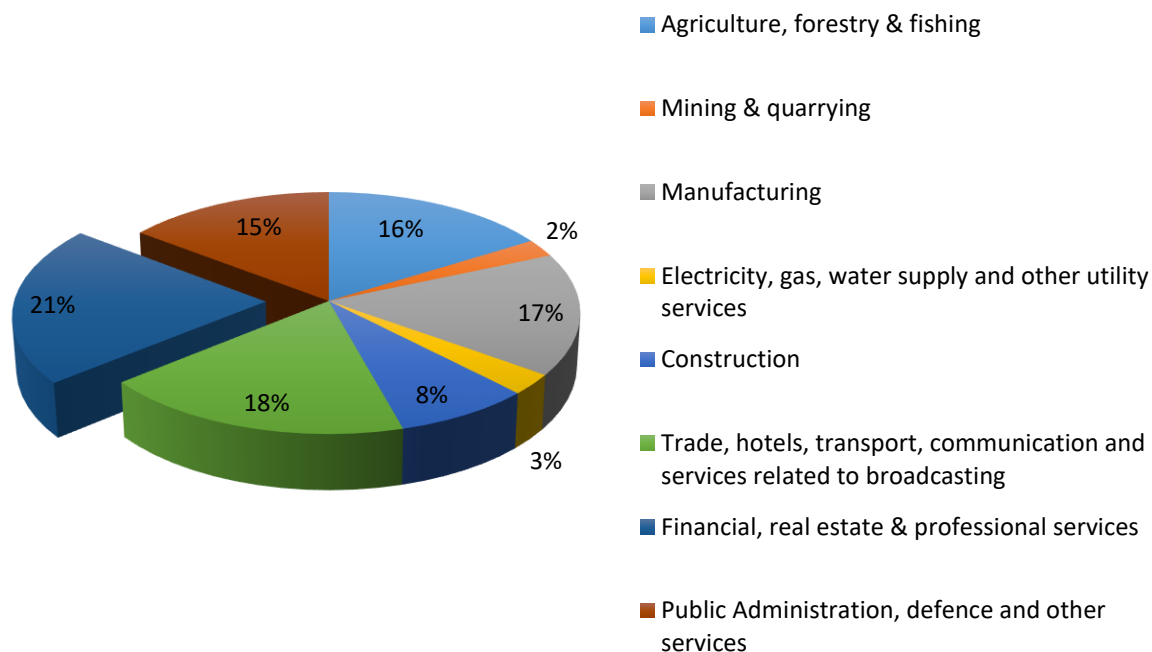
(At current prices) (r crore)

Industry	2016-17	2017-18	2018-19 (PE)	Percentage change	
				2017-18	2018-19
Agriculture, forestry & fishing	2,496,358	2,670,147	2,775,852	7.0	4.0
Mining & quarrying	321,872	351,058	410,151	9.1	16.8
Manufacturing	2,335,068	2,542,089	2,818,218	8.9	10.9
Electricity, gas, water supply and other utility services	353,468	423,089	479,871	19.7	13.4
Construction	1,082,466	1,213,628	1,376,293	12.1	13.4
Trade, hotels, transport, communication and services related to broadcasting	2,538,268	2,823,263	3,151,709	11.2	11.6
Financial, real estate & professional services	2,911,901	3,252,789	3,666,326	11.7	12.7
Public Administration, defence and other services	1,896,516	2,206,652	2,521,395	16.4	14.3
<b>GVA at Basic Price</b>	<b>13,935,917</b>	<b>15,482,715</b>	<b>17,199,815</b>	<b>11.1</b>	<b>11.1</b>

PE: Provisional Estimates

Source: CSO, Press Note dated 31st May, 2019

**CHART - SHARE OF SECTORS IN GVA 2018-19 (PE) AT CURRENT PRICES**



## Financial Savings of the Household Sector

**I.1.4** The rate of gross domestic saving had increased marginally to 30.1 per cent of gross national disposable income (GNDI) in 2017-18 from declines in the previous two years (Table 4). While the saving of private nonfinancial corporations had increased marginally, the general government's dissaving had increased. The household financial saving – the most important source of funds – had increased by 0.3 percentage points of GNDI, though it had remained much lower than 7.3 per cent during 2011-16 (Table 3).

**I.1.5** The saving-investment gap has come down over the years, indicating that a larger part of the requirement to fund investment is being met through domestic resources and conversely, the net inflow of resources from abroad has declined, which corresponds to the degree of openness of the economy. The household sector continues to remain the net supplier of funds to the deficit sectors, i.e., non-financial corporations and general government (Chart II.1.5). In recent years, however, it is evident that resource gap of nonfinancial corporations, both public and private, has got significantly reduced, indicating that their investment needs are met through their internal resources. The drawdown on saving by the general government sector continues to remain at an elevated level.

(Source: RBI Annual Report 2018-19)

**TABLE**  
**FINANCIAL SAVINGS OF THE HOUSEHOLD SECTOR**

(In percent of GNDI)							
Item	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
<b>A. Gross financial savings of which</b>	<b>10.4</b>	<b>10.5</b>	<b>10.4</b>	<b>9.9</b>	<b>10.7</b>	<b>9.2</b>	<b>10.8</b>
1. Currency	1.2	1.1	0.9	1.0	1.4	-2.0	--
2. Deposits	6.0	6.0	5.8	4.8	4.6	6.3	--
3. Shares and debentures	0.2	0.2	0.2	0.2	0.3	0.2	--
4. Claims on government	-0.2	-0.1	0.2	0.0	0.5	0.4	--
5. Insurance funds	2.2	1.8	1.8	2.4	1.9	2.3	--
6. Provident and Pension funds	1.1	1.5	1.5	1.5	2.1	2.0	--
<b>B. Financial liabilities</b>	<b>3.2</b>	<b>3.2</b>	<b>3.1</b>	<b>3.0</b>	<b>2.7</b>	<b>3.0</b>	<b>4.3</b>
<b>C. Net financial savings ( A-B )</b>	<b>7.2</b>	<b>7.2</b>	<b>7.2</b>	<b>6.9</b>	<b>7.9</b>	<b>6.2</b>	<b>6.5</b>

GNDI - Gross National Disposable Income; --: Not Available

Note: Figures may not add up to total due to rounding off.

2. Data on components of gross financial saving are as per First Revised Estimates of 2016-17.

Source: NSO as published in RBI Annual Report 2018-19, Appendix Table 3B

**TABLE**  
**GROSS SAVINGS**

(In percent of GNDI)

Item	2014-15	2015-16	2016-17	2017-18
<b>Gross Savings</b>	<b>31.6</b>	<b>30.5</b>	<b>29.9</b>	<b>30.1</b>
<b>1.1 Non-financial Corporations</b>	<b>11.1</b>	<b>12.0</b>	<b>11.6</b>	<b>12.0</b>
1.1.1 Public non-financial corporations	1.0	1.1	1.1	1.4
1.1.2 Private non-financial corporations	10.1	10.9	10.5	10.6
<b>1.2 Financial Corporations</b>	<b>2.7</b>	<b>2.1</b>	<b>2.2</b>	<b>2.1</b>
1.2.1 Public financial corporations	1.3	1.3	1.3	1.3
1.2.2 Private financial corporations	1.3	0.8	0.8	0.9
<b>1.3 General Government</b>	<b>-1.4</b>	<b>-1.2</b>	<b>-0.8</b>	<b>-0.9</b>
<b>1.4 Household sector</b>	<b>19.2</b>	<b>17.6</b>	<b>16.9</b>	<b>17.0</b>
1.4.1 Net financial saving	6.9	7.9	6.2	6.5
Memo: Gross Financial Saving	9.9	10.7	9.2	10.8
1.4.2 Saving in physical assets	11.9	9.4	10.3	10.2
1.4.3 Saving in the form of valuables	0.4	0.3	0.3	0.2

*GNDI - Gross National Disposable Income*

**Note:** Net financial savings of the household sector is obtained as the difference between gross financial savings and financial liabilities during the year.

**Source:** NSO as published in RBI Annual Report 2018-19, Appendix Table 3A

## I.2 WORLD INSURANCE SCENARIO

**I.2.1** According to the 'World Insurance in 2018' report published by reinsurance major, Swiss Re, global economic growth supported the insurance sector in 2018, with real gross domestic product (GDP) up 3.2%.

**I.2.2** Global direct premiums surpassed the USD 5 trillion mark for the first time ever in 2018, reaching USD 5193 billion (6.1% of global GDP). Total premiums expanded in both nominal and real terms, but overall growth was slower than in 2017 due to weakness in the life sector. The latter was due to shrinking markets in Europe, China and Latin America. Non-life insurance premium growth was steady at 3%, outpacing the historic average as advanced markets slowed and emerging markets improved.

Global life insurance premiums increased only marginally by 0.2% to USD 2820 billion in 2018 (2017: 0.5%). This was a significant deceleration from 2017, mainly due to contraction in China as China was the largest contributor for global life premium growth in 2017, but this position was reversed in 2018. To the extent that its negative contribution (−0.6 ppt) neutralized most of the positive contributions by North America (0.5 ppt), advanced Asia-Pacific (0.3 ppt) and emerging Asia excluding China (0.3 ppt). Life premiums in emerging markets fell by 2.0% in 2018 after increasing by 13% in 2017. The sharp turnaround was mainly driven by China, with premiums contracting by 5.4% due to a tightening of regulatory supervision on the distribution of savings policies. Elsewhere in emerging Asia, life premiums increased by 7.0% with robust growth in key markets.

Global non-life premiums increased to 3% to USD 2373 billion in 2018 up from 2.8% in 2017 as there was significant improvement in Asia-Pacific region also premiums in the emerging economies grew by 7.1% in 2018, an improvement over the previous year. Emerging Asia continued to expand rapidly, with premiums up more than 11%, and by 12% in China.

**I.2.3** Profitability continues to be under pressure in both the life and non-life sectors. In life, low interest rates continue to depress profitability, especially in Europe and advanced Asia-Pacific. In non-life, return on equity (ROE) remained roughly stable at 6–6.5% in 2018. Technical results have turned slightly positive as the improvement in underwriting conditions that began at the end of 2017 carried on into 2018. However, stabilization of the soft market trend has not been sufficient to notably narrow the profitability gap that still besets the non-life insurance sector.

**I.2.4** Global life premium growth is expected to improve in 2019/20, at a rate well above the annual average of the last 10 years. This will be mostly driven by emerging markets, in particular a bounce back in China. In the advanced markets, life premiums will grow slowly, but also faster than the historical average.

In non-life, global premiums will likewise grow faster than the historical average. Advanced markets will outpace the average with premium growth tracking overall economic growth, led by the US, Canada and advanced Asia-Pacific, while advanced EMEA (Europe, Middle East, Africa) continues to lag. Growth in the emerging markets will remain robust but undershoot the 10-year average given moderation in China and other emerging Asian markets. Premium growth in other emerging markets, however, will improve considerably.

### **Indian Insurance in the global scenario**

**I.2.5** Globally, India's share in global insurance market was 1.92 percent during 2018. However, during 2018, the total insurance premium in India increased by 9.3 percent (inflation adjusted) whereas global total insurance premium increased by 1.5 percent (inflation adjusted).

Globally, the share of life insurance business in total premium was 54.30 percent and the share of non-life insurance premium was 45.70 percent during 2018. However, the share of life insurance business for India was very high at 73.85 percent while the share of non-life insurance business was at 26.15 percent.

**I.2.6** In life insurance business, India is ranked 10<sup>th</sup> among the 88 countries, for which data is published by Swiss Re. India's share in global life insurance market was 2.61 percent during 2018. However, during 2018, the life insurance premium in India increased by 7.7 percent (inflation adjusted) when global life insurance premium increased by 0.2 percent (inflation adjusted).

**I.2.7** The Indian non-life insurance sector witnessed a growth of 14 percent (inflation adjusted) during 2018. During the same period, the growth in global non-life premium was 3 percent (inflation adjusted). However, the share of Indian non-life insurance premium in global non-life insurance premium was at 1.1 percent and India ranked 15<sup>th</sup> in global non-life insurance markets.

<b>TABLE</b> <b>TOTAL REAL PREMIUM</b> <b>GROWTH RATE 2018</b>			
(In percent)			
<b>Regions/Countries</b>	<b>Life</b>	<b>Non-Life</b>	<b>Total</b>
Advanced markets	0.8	1.9	1.3
Emerging markets	-2.0	7.1	2.1
Asia-Pacific	-0.1	6.4	2.1
India	7.7	14.0	9.3
<b>World</b>	<b>0.2</b>	<b>3.0</b>	<b>1.5</b>
<b>Source:</b> Swiss Re, Sigma No. 3/2019.			

### **Insurance Penetration and Density in India**

**I.2.8** The measure of insurance penetration and density reflects the level of development of insurance sector in a country. While insurance penetration is measured as the percentage of insurance premium to GDP, insurance density is calculated as the ratio of premium to population (per capita premium).

**I.2.9** During the first decade of insurance sector liberalization, the sector has reported consistent increase in insurance penetration from 2.71 percent in 2001 to 5.20 percent in 2009. Since then the level of penetration was declining. However, there was a slight increase in the years 2015 (3.44 percent), in 2016 (3.49 percent), in 2017 (3.69) and in 2018 (3.70). The level of insurance density reached the maximum of USD 64.4 in the year 2010 from the level of USD 11.5 in 2001. During the year 2018, the insurance density was USD 74 (USD 73 in 2017).

**I.2.10** The insurance density of life insurance sector had gone up from USD 9.1 in 2001 to reach the peak at USD 55.7 in 2010. Since then it has exhibited a declining trend up to the year 2013. During the year 2018, the level of life insurance density was USD 55 (USD 55 in 2017). The life insurance penetration had gone up from 2.15 percent in 2001 to 4.60 percent in 2009. Since then, it has exhibited a declining trend up to the year 2014. There was a slight increase in 2015 reaching 2.72 percent, remained same in 2016, increased to 2.76 in the year 2017 and decreased to 2.74 in the year 2018.

**I.2.11** The penetration of non-life insurance sector in the country has gone up from 0.56 in 2001 to 0.97 in 2018 (0.93 in 2017). Its density has gone up from USD 2.4 in 2001 to USD 19 in 2018 (18 in 2017).  
*(Source: Swiss Re, Sigma various issues)*

**TABLE**  
**REGION-WISE LIFE AND NON-LIFE INSURANCE PREMIUM 2018**

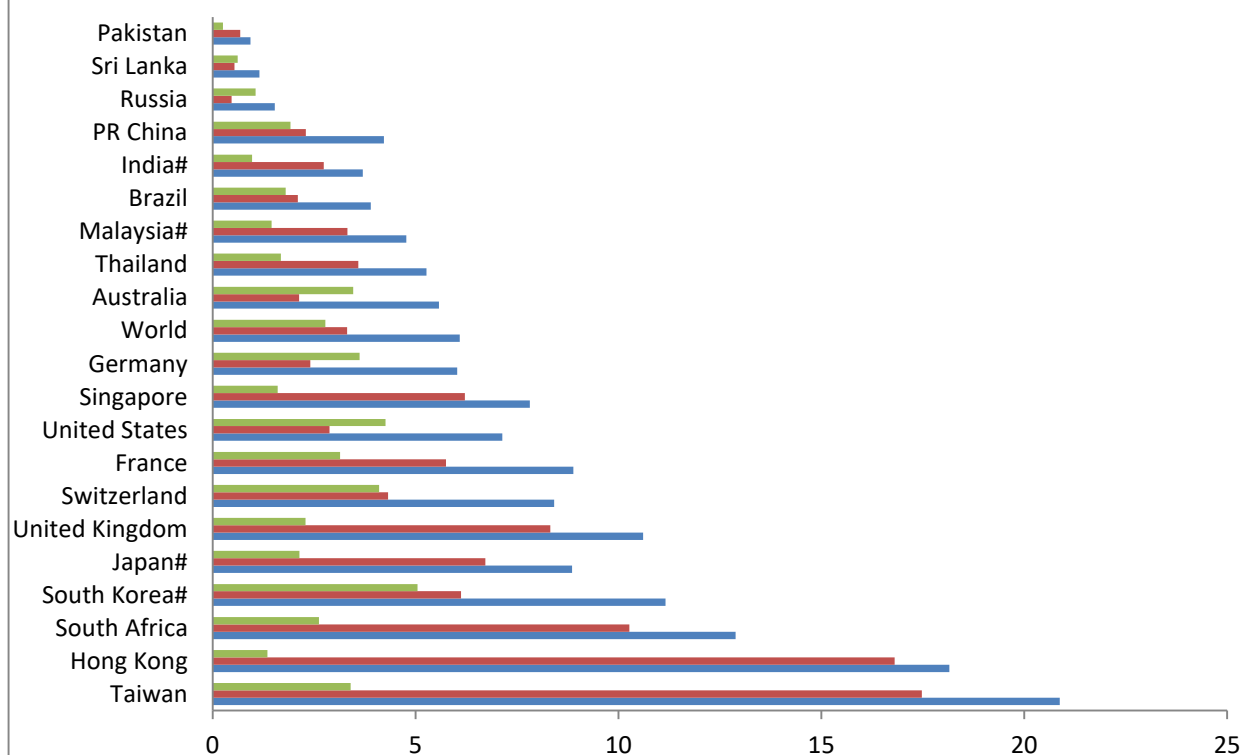
(Premium in USD Billions)

Region/Country	Life	Non-Life	Total
Advanced markets	2231.35 (54.61)	1854.79 (45.39)	4086.14 (100.00)
Emerging markets	588.82 (53.19)	518.27 (46.81)	1107.09 (100.00)
Asia-Pacific	1092.85 (64.95)	589.66 (35.05)	1682.51 (100.00)
India	73.74 (73.86)	26.10 (26.14)	99.84 (100.00)
<b>World</b>	<b>2820.18</b> <b>(54.30)</b>	<b>2373.05</b> <b>(45.70)</b>	<b>5193.23</b> <b>(100.00)</b>

**Source:** Swiss Re, Sigma 3/2019

**Note:** Figures in brackets indicate share of the segment in percent.

**CHART : INSURANCE PENETRATION IN SELECT COUNTRIES - 2018**

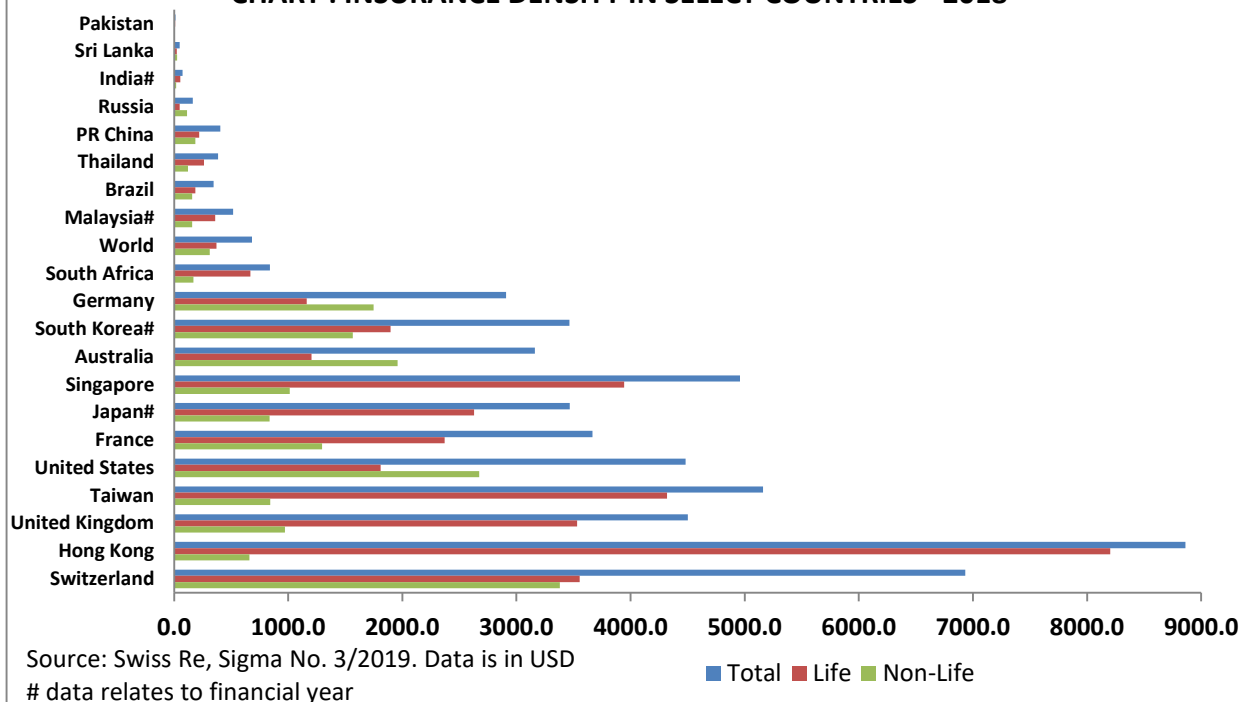


Source: Swiss Re, Sigma No. 3/2019. Data is in per cent.

# Data relates to Financial Year

■ Non-Life ■ Life ■ Total

**CHART : INSURANCE DENSITY IN SELECT COUNTRIES - 2018**



**TABLE**  
**INSURANCE PENETRATION AND DENSITY IN INDIA**

Year	Life		Non-Life		Industry	
	Density (USD)	Penetration (percentage)	Density (USD)	Penetration (percentage)	Density (USD)	Penetration (percentage)
2001	9.10	2.15	2.40	0.56	11.50	2.71
2002	11.70	2.59	3.00	0.67	14.70	3.26
2003	12.90	2.26	3.50	0.62	16.40	2.88
2004	15.70	2.53	4.00	0.64	19.70	3.17
2005	18.30	2.53	4.40	0.61	22.70	3.14
2006	33.20	4.10	5.20	0.60	38.40	4.80
2007	40.40	4.00	6.20	0.60	46.60	4.70
2008	41.20	4.00	6.20	0.60	47.40	4.60
2009	47.70	4.60	6.70	0.60	54.30	5.20
2010	55.70	4.40	8.70	0.71	64.40	5.10
2011	49.00	3.40	10.00	0.70	59.00	4.10
2012	42.70	3.17	10.50	0.78	53.20	3.96
2013	41.00	3.10	11.00	0.80	52.00	3.90
2014	44.00	2.60	11.00	0.70	55.00	3.30
2015	43.20	2.72	11.50	0.72	54.70	3.44
2016	46.50	2.72	13.20	0.77	59.70	3.49

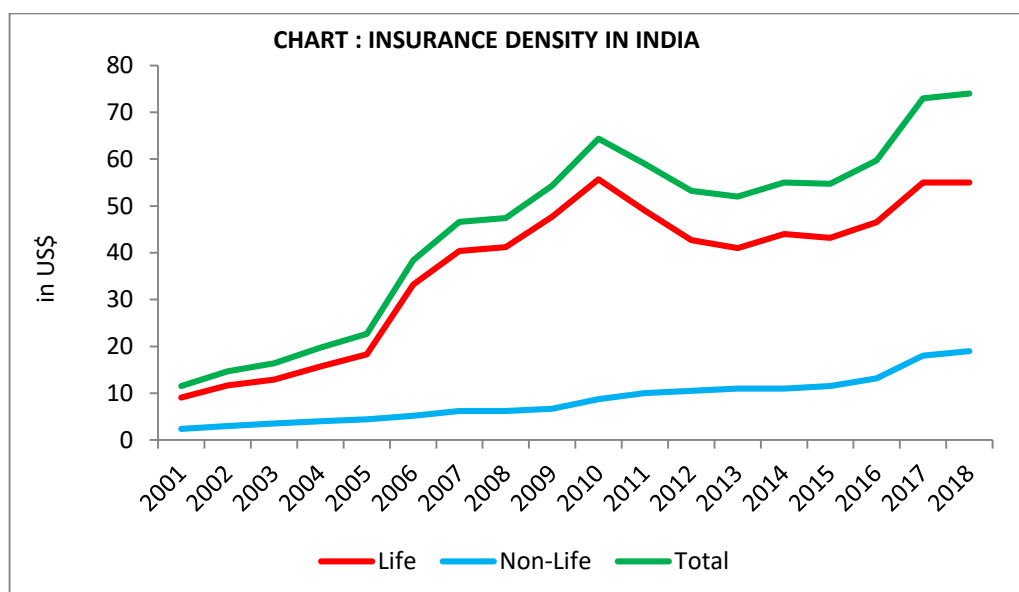
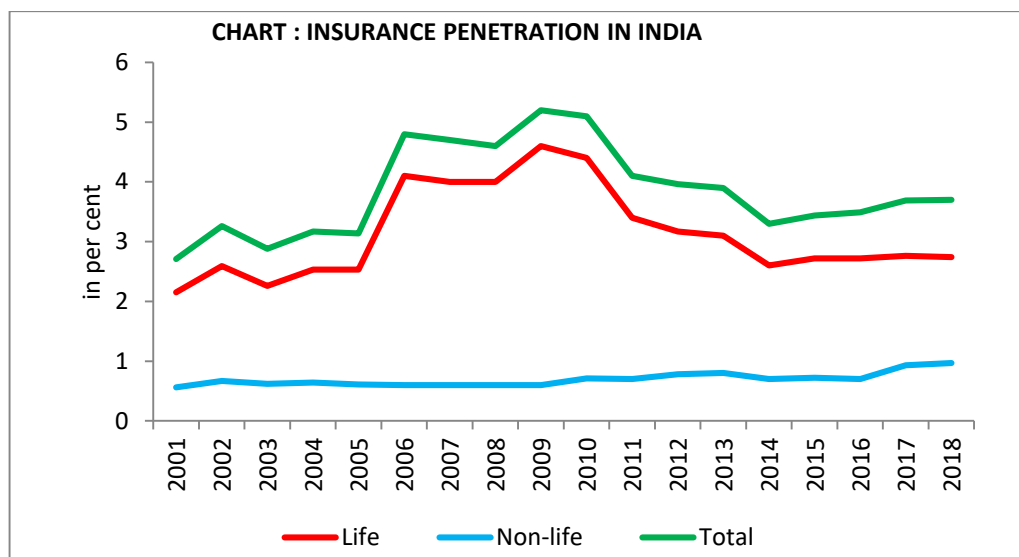


2017	55.00	2.76	18.00	0.93	73.00	3.69
2018	55.00	2.74	19.00	0.97	74.00	3.70

**Note:** 1. Insurance density is measured as ratio of premium (in USD) to total population.

2. Insurance penetration is measured as ratio of premium (in USD) to GDP (in USD).

**Source:** Swiss Re, Sigma, Various Issues.



### I.3 APPRAISAL OF INDIAN INSURANCE MARKET

#### Registered insurers in India

**I.3.1** At the end of March 2019, there are 70 insurers operating in India; of which 24 are life insurers, 27 are general insurers, 7 are health insurers exclusively doing health insurance business and 12 are re-insurers including foreign reinsurers branches and Lloyd's India.

**I.3.2** Of the 70 insurers presently in operation, eight are in the public sector and the remaining sixty-two are in the private sector. Two specialized insurers, namely ECGC and AIC, one life insurer namely LIC of India (LIC), four in general insurance and one in reinsurance namely GIC Re. are in public sector. 23 life insurers, 21 general insurers, 7 standalone health insurers and 11 reinsurers including foreign reinsurers' branches and Lloyd's India are in private sector.

Out of 21 Private general insurers, 6 insurers namely Bajaj, ICICI, IFFCO TOKIO, Reliance, Royal Sundaram & Tata AIG have completed more than 15 years of their operations in general insurance market in India.

**Table**  
**REGISTERED INSURERS INCLUDING**  
**FOREIGN REINSURERS' BRANCHES /**  
**LLOYD'S INDIA**

Type of Insurer	Public Sector	Private Sector	Total
Life	1	23	24
General	6	21	27
Health	0	7	7
Re-insurers (including Foreign Reinsurers Branches/ Lloyd's India)	1	11	12
<b>Total</b>	<b>8</b>	<b>62</b>	<b>70</b>
<b>Note:</b> List of registered insurers is given in Annexure 1			

## **LIFE INSURANCE**

### **Premium**

**I.3.3** Life insurance industry recorded a premium income of `508132.03 crore during 2018-19 as against `458809.44 crore in the previous financial year, registering growth of 10.75 percent (9.64 percent growth in previous year). While private sector insurers posted 21.37 percent growth (19.15 percent growth in previous year) in their premium income, LIC recorded 6.06 percent growth (5.90 percent growth in previous year) (Table ....).

TABLE

## PREMIUM UNDERWRITTEN AND MARKET SHARE: LIFE INSURERS

	(Premium in ₹crore)		(Market Share in percent)	
	Premium		Market Share	
Insurer	2017-18	2018-19	2017-18	2018-19
<b>First year premium (1)</b>				
LIC	28146.40	31326.22	42.82	42.79
	(7.02)	(11.30)		
Private Sector	37581.33	41887.02	57.18	57.21
	(13.71)	(11.46)		
<b>Total</b>	<b>65727.73</b>	<b>73213.24</b>	<b>100.00</b>	<b>100.00</b>
	<b>(10.75)</b>	<b>(11.39)</b>		
<b>Single premium (2)</b>				
LIC	106525.29	111009.74	82.95	78.29
	(8.39)	(4.21)		
Private Sector	21900.88	30780.06	17.05	21.71
	(24.65)	(40.54)		
<b>Total</b>	<b>128426.17</b>	<b>141789.80</b>	<b>100.00</b>	<b>100.00</b>
	<b>(10.85)</b>	<b>(10.41)</b>		
<b>New Business Premium (3 =(1+2))</b>				
LIC	134671.69	142335.96	69.36	66.20
	(8.10)	(5.69)		
Private Sector	59482.21	72667.08	30.64	33.80
	(17.51)	(22.17)		
<b>Total</b>	<b>194153.90</b>	<b>215003.04</b>	<b>100.00</b>	<b>100.00</b>
	<b>(10.82)</b>	<b>(10.74)</b>		
<b>Renewal Premium (4)</b>				
LIC	183551.51	195169.11	69.35	66.58

	(4.35)	(6.33)		
Private Sector	81104.03	97959.88	<b>30.65</b>	<b>33.42</b>
	(20.39)	(20.78)		
<b>Total</b>	<b>264655.54</b>	<b>293129.00</b>	<b>100.00</b>	<b>100.00</b>
	<b>(8.79)</b>	<b>(10.76)</b>		
<b>Total Premium (5 =(3+4)=(1+2+4))</b>				
LIC	318223.20	337505.07	<b>69.36</b>	<b>66.42</b>
	(5.90)	(6.06)		
Private Sector	140586.24	170626.96	<b>30.64</b>	<b>33.58</b>
	(19.15)	(21.37)		
<b>Total</b>	<b>458809.44</b>	<b>508132.03</b>	<b>100.00</b>	<b>100.00</b>
	<b>(9.64)</b>	<b>(10.75)</b>		

**Note:** Figures in brackets indicate the growth (in per cent) over the previous year.

**I.3.4** While renewal premium accounted for 57.68 percent (57.68 percent in previous year) of the total premium received by the life insurers, new business premium contributed the remaining 42.32 percent (42.32 percent in previous year). During 2018-19, the growth in renewal premium was 10.76 percent (8.79 percent in previous year). New business premium registered a growth of 10.74 percent in comparison to a growth of 10.82 percent during previous year (Table ...).

**I.3.5** Further bifurcation of the new business premium indicates that single premium income received by the life insurers recorded a growth of 10.41 percent during 2018-19 (10.85 percent growth in previous year). Single premium products continue to play a major role for LIC as they contributed 32.89 percent of LIC's total premium income (33.48 percent in previous year). In comparison, the contribution of single premium income in total premium income during 2018-19 was 18.04 percent for private insurance companies (15.58 percent in previous year).

**I.3.6** The first year premium registered 11.39 percent growth in 2018-19, as against 10.75 percent growth in previous year. The private life insurers registered a growth of 11.46 percent (13.71 percent growth in previous year); while LIC registered a growth of 11.30 percent in the first year premium (7.02 percent growth in previous year).

**I.3.7** Unit-linked products (ULIPs) registered a growth of 17.42 percent premium from `64850.90 crore in 2017-18 to `76152.17 crore in 2018-19. On the other hand, the growth in premium from traditional products was at 9.65 percent, with premium `431979.87 crore as against `393958.54 crore in 2017-18. Accordingly, the share of unit-linked products in total premium increased to 14.99 percent in 2018-19 as against 14.13 percent in 2017-18 (Statement No. 5).

## Market Share

**I.3.8** On the basis of total premium income, the market shares of LIC decreased from 69.36 percent in 2017-18 to 66.42 percent in 2018-19. The market share of private insurers has increased from 30.64 percent in 2017-18 to 33.58 percent in 2018-19 (Table I.10).

**1.3.9** The market share of private insurers in new business premium was 33.80 percent in 2018-19 (30.64 percent in previous year). The same for LIC was 66.20 percent (69.36 percent in previous year). Similarly, in renewal premium, LIC continued to have a higher share at 66.58 percent (69.35 percent in previous year) when compared to 33.42 percent (30.65 percent in previous year) share of private insurers.

## New Policies

**I.3.10** During 2018-19, life insurers issued 286.48 lakh new individual policies, out of which LIC issued 214.04 lakh policies (74.7% of total new policies issued) and the private life insurers issued 72.44 lakh policies (25.3% of total new policies issued). While the private sector achieved a growth of 5.61% in the number of new policies issued against the previous year, LIC achieved a growth of 0.31%.

**TABLE**  
**NEW INDIVIDUAL POLICIES ISSUED BY LIFE INSURERS**  
**IN FY 2018-19**

(in lakh)

Insurer	2017-18	2018-19
LIC	213.38 (5.99)	214.04 (0.31)
Private Sector	68.59 (8.47)	72.44 (5.61)
<b>Total</b>	<b>281.97</b> <b>(6.58)</b>	<b>286.48</b> <b>(1.70)</b>

**NOTE:** Figures in bracket indicates the growth/decline over the previous year in percentage terms.

## Paid-up capital

**I.3.11** The total capital of the life insurance companies as on 31st March, 2019 was `27615.94 crore. During 2018-19, an additional capital of `351.56 crore was brought in the industry by the private sector insurers.

**TABLE**  
**PAID UP CAPITAL\* : LIFE INSURERS**

(₹crore)

<b>INSURER</b>	<b>As at 31st March, 2018</b>	<b>Additions during 2018-19</b>	<b>As at 31st March, 2019</b>
LIC	100.00	0.00	100.00
Private Sector	27164.38	351.56	27515.94
<b>TOTAL</b>	<b>27264.38</b>	<b>351.56</b>	<b>27615.94</b>

**Note:** \* Excludes Share premium & Share application money

### Expenses of Life insurers

**I.3.12** Pursuant to Insurance Laws (Amendment) Act, 2015, section 40B of Insurance Act, 1938 was amended and reads as under: “No insurer shall, in respect of insurance business transacted by him in India, spend as expenses of management in any financial year any amount exceeding the amount as may be specified by the regulations made under this Act.”.

Accordingly, IRDAI (Expenses of Management of Insurers transacting life insurance business) Regulations, 2016 were notified on 9th May 2016. These Regulations prescribe the allowable limits of expenses of management taking into account, inter alia the type and nature of product, premium paying term and duration of insurance business. The overall expenses (commission and operating expenses) of life insurers increased by 6.41 percent in the 2018-19. (increased by 8.67 percent in 2017-18)

**I.3.13** The overall commission expenses ratio (commission expenses as a percentage of premiums) decreased marginally to 5.47 percent in 2018-19 from 5.53 percent in 2017-18. However, total commission increased by 9.55 percent (total premium growth 10.75 percent), first year commission increased by 9.58 percent (first year premium growth 11.39 percent), new business commission increased by 10.32 percent (new business premium growth 10.74 percent) and renewal commission increased by 8.60 percent (renewal premium growth 10.76 percent). The single premium has increased by 10.41 percent while single commission increased by 24.30 percent. However, there is some variation in the position when compared between the private insurers and LIC, as reflected in Table ...., providing bifurcation of the commission ratios for both private and public sector life insurers.

**I.3.14** The operating expenses of the life insurers increased by 4.73 percent in 2018-19 (increased by 5.81 percent in 2017-18). The operating expenses towards life insurance business stood at `51130.26 crore in 2018-19 (`48819.66 crore in 2017-18). The operating expenses of LIC decreased by 3.19 percent and that of private insurers by 17.51 percent. For the industry as a whole, the operating expenses ratio decreased from 10.64 percent in 2017-18 to 10.06 percent in 2018-19. (Table ....And.....). Operating expenses, as a percent of gross premium underwritten also decreased for LIC from 9.47 percent in 2017-18 to 8.65 percent in 2018-19. The same for private insurers decreased from 13.29 percent in 2017-18 to 12.86 percent in 2018-19.

**TABLE**  
**COMMISSION EXPENSES AND COMMISSION EXPENSE RATIO: LIFE**  
**INSURERS**

	Commission (in ₹ crore)		Commission expenses ratio (in percent)	
Insurer	2017-18	2018-19	2017-18	2018-19
<b>First Year Commission (1)</b>				
LIC	8235.52	8799.61	<b>29.26</b>	<b>28.09</b>
	(7.02)	(6.85)		
Private Sector	5100.55	5813.95	<b>13.57</b>	<b>13.88</b>
	(13.71)	(13.99)		
<b>Total</b>	<b>13336.08</b>	<b>14613.56</b>	<b>20.29</b>	<b>19.96</b>
	<b>(10.75)</b>	<b>(9.58)</b>		
<b>Single premium (2)</b>				
LIC	524.55	487.72	<b>0.49</b>	<b>0.44</b>
	(8.39)	7.02		
Private Sector	182.64	391.34	<b>0.83</b>	<b>1.27</b>
	(24.65)	(114.27)		
<b>Total</b>	<b>707.19</b>	<b>879.06</b>	<b>0.55</b>	<b>0.62</b>
	<b>(10.85)</b>	<b>(24.30)</b>		
<b>New Business commission (3 =(1+2))</b>				
LIC	8760.07	9287.33	<b>6.50</b>	<b>6.57</b>
	(8.10)	(6.02)		
Private Sector	5283.19	6205.30	<b>8.88</b>	<b>8.54</b>
	(17.51)	(17.45)		
<b>Total</b>	<b>14043.26</b>	<b>15492.63</b>	<b>7.23</b>	<b>7.21</b>
	<b>(10.82)</b>	<b>(10.32)</b>		
<b>Renewal Commission (4)</b>				
LIC	9511.46	10057.99	<b>5.18</b>	<b>5.15</b>
	(4.35)	(5.75)		
Private Sector	1798.22	2223.93	<b>2.22</b>	<b>2.27</b>
	(20.39)	(23.67)		
<b>Total</b>	<b>11309.67</b>	<b>12281.92</b>	<b>4.27</b>	<b>4.19</b>

	(8.79)	(8.60)		
<b>Total Commission (5 =(3+4)=(1+2+4))</b>				
LIC	18271.53	19345.32	<b>5.74</b>	<b>5.73</b>
	(5.90)	(5.88)		
Private Sector	7081.41	8429.23	<b>5.04</b>	<b>4.94</b>
	(19.15)	(19.03)		
<b>Total</b>	<b>25352.94</b>	<b>27774.54</b>	<b>5.53</b>	<b>5.47</b>
	(9.64)	(9.55)		

**Note:** Figures in brackets indicate the growth (in per cent) over the previous year.

### TABLE OPERATING EXPENSES : LIFE INSURERS

	Operating Expenses (in ₹ crore)		Operating Expense Ratio (in percent)	
	2017-18	2018-19	2017-18	2018-19
<b>INSURER</b>				
LIC	30142.40	29182.02	9.47	8.65
Private Sector	18677.27	21948.24	13.29	12.86
<b>TOTAL</b>	<b>48819.66</b>	<b>51130.26</b>	10.64	10.06

### Benefits Paid

**I.3.15** The life industry paid benefits of `329678.28 crore in 2018-19 (`277953.63 crore in 2017-18) constitutes 64.88 percent of the gross premium underwritten (60.58 percent in 2017-18). The benefits paid by the private insurers was `80393.42 crore (`81235.59 crore in 2017-18) constituting 47.12 percent of the premium underwritten (57.78 percent in 2017-18). LIC paid benefits of `249284.86 crore in 2018-19, constituting 73.86 percent of the premium underwritten (`196718.04 crore in 2017-18, 61.82 percent of the premium underwritten). The benefits paid on account of surrenders / withdrawals increased at `111170 crore, of which LIC accounted for `69237 crore and private sector `41933 crore. The comparative previous year statistics were `99265 crore, of which LIC accounted for `51678 crore and private sector paid `47587 crore. In the current year, in case of LIC, out of the `69237 crore surrenders, ULIP policies accounted for `4082.23 crore (5.89 percent) as against `8087.82 crore, (15.65 percent) in 2017-18. In case of the private insurance industry, the ULIP surrenders accounted for `35948.72 crore (85.73 percent) in 2018-19 as against `41864.50 crore (87.97 percent) in 2017-18.



**TABLE**  
**BENEFIT PAID : LIFE INSURERS**

(₹ crore)

INSURER	2017-18			2018-19		
	Surrender/Withdrawal	Others	Total	Surrender/Withdrawal	Others	Total
LIC	44924.56	121952.32	166876.88	69237.27	180047.59	249284.86
Private Sector	45080.85	24382.15	69463.00	41931.73	38461.69	80393.42
<b>TOTAL</b>	<b>90005.40</b>	<b>146334.47</b>	<b>236339.87</b>	<b>111169.00</b>	<b>218509.28</b>	<b>329678.28</b>

### Investment income

**I.3.16** In the case of LIC, the investment income (Policyholder's and Shareholder's) including capital gains and other income was `223642.30 crore in 2018-19 (`206069.53 crore in 2017-18). In the case of private insurance industry, the investment income including capital gains was at `61158.07 crore in 2018-19 (`55754.32 crore in 2017-18).

**TABLE**  
**INVESTMENT INCOME - LIFE INSURERS**

(₹ crore)

Insurer	2017-18	2018-19
LIC	206069.53	223642.30
Private Sector	55754.32	61158.07
<b>Total</b>	<b>261823.85</b>	<b>284800.37</b>

### Retention Ratio

**I.3.17** During 2018-19, `319.67 crore was ceded as reinsurance premium by LIC (`372.22 crore in 2017-18). The private insurers together ceded `2079.96 crore (`1761.71 crore in 2017-18) as premium towards reinsurance. Retention ratio of Life insurers was 99.53% for 2018-19 (99.54% for 2017-18).

### Profits of Life Insurers

**I.3.18** During the financial year 2018-19, the life insurance industry reported a profit after tax of `8435.81 crore as against `8511.99 crore in 2017-18. Out of the twenty-four life insurers in operations during 2018-19, twenty companies reported profits. The total profit reported by the Life Insurance Corporation during the year under

consideration is `2688.50 crore (`2446.41 crore in the previous year. The private insurers together reported profit after tax of `5747.31 crore (`6064.32 crore previous year).

**TABLE**  
**PROFIT AFTER TAX BY LIFE INSURERS**

(₹ crore)		
Insurer	2017-18	2018-19
LIC	2446	2688
Private Sector	6064	5747
<b>Total</b>	<b>8511</b>	<b>8436</b>

### Returns to Shareholders

**I.3.19** For the year 2018-19, LIC paid `2660.60 crore (`2421.82 crore in 2017-18) as dividend to shareholder i.e. Government of India. Eight private life insurers paid dividends during the financial year 2018-19. HDFC Standard Life paid `328.83 crore (`273.22 crore in 2017-18), ICICI Prudential paid `703.43 crore (`990.46 crore in 2017-18), Max Life paid `285.90 crore (`397.19 crore in 2017-18), SBI Life paid `200 crores (`200 crores in 2017-18), Shriram Life paid `17.94 crore (`20.09 crores in 2017-18), Bajaj Allianz `105.50 crore, Sahara Life `23.20 crore and Star Union Life `5.18 crore.

**TABLE**  
**DIVIDENDS PAID BY LIFE INSURERS**

(₹ crore)		
Insurer	2017-18	2018-19
LIC	2422	2661
Private Sector	1770	1781
<b>Total</b>	<b>4191</b>	<b>4442</b>

## DEATH CLAIMS FOR THE YEAR 2018-19

### Individual Life Insurance Business

**I.3.20** In the year 2018-19, the life insurance companies had paid 8.43 lakh claims on individual policies, with a total payout of ₹17,365.30 crore. The number of claims repudiated was 6,372 for an amount of Rs.539.14 crore and the number of claims rejected was 3,697 for an amount of ₹25.18 crore.

**I.3.21** Claim settlement ratio of LIC was at 97.79 percent as at 31.03.2019 when compared to 98.04% as at 31.03.2018. The proportion of repudiations has come down to 0.43% in 2018-19 compared to that of 0.67% in previous year.

For private insurers, settlement ratio had increased to 96.64% during the financial year 2018-19 when compared to 95.24 % during the previous year. The proportion of repudiations came down to 2.83% in the year 2018-19 when compared to that of 3.97% in previous year.

**I.3.22** The industry's settlement ratio marginally declined to 97.64 % in 2018-19 from 97.68% in 2017-18 and the repudiation ratio decreased to 0.74% compared to that of 1.10% in 2017-18.

**TABLE  
INDIVIDUAL DEATH CLAIMS OF LIFE INSURERS DURING 2018-19**

(Figures in percent of policies)

Life Insurer	Total Claims	Claims paid	Claims repudiated	Claims rejected	Claims Unclaimed	Claims pending at end of year	Break up of claims pending -- duration wise (Policies)			
							< 3 mths	3 - < 6 mths	6 - < 1 yr	> 1 yr
Private Total	100.00	96.64	2.83	0.23	0.10	0.20	59.73	18.58	8.85	12.83
LIC	100.00	97.79	0.43	0.46	1.22	0.11	46.78	36.03	11.25	5.94
<b>Industry Total</b>	<b>100.00</b>	<b>97.64</b>	<b>0.74</b>	<b>0.43</b>	<b>1.08</b>	<b>0.12</b>	<b>49.66</b>	<b>32.15</b>	<b>10.72</b>	<b>7.47</b>

### Group Life Insurance

**I.3.23** During 2018-19 out of 8,70,042 total number of group claims payable, life insurance industry paid a total of 8,62,452 (99.13%) claims.

**I.3.24** While LIC paid 99.68 % of the claims, the private life insurers paid 98.89% of the claims. The industry repudiated 0.32% of the claims and rejected 0.19% of the claims.

**TABLE**  
**GROUP DEATH CLAIMS OF LIFE INSURERS DURING 2018-19**

(Figures in percent of lives covered)

Life Insurer	Total Claims	Claims paid	Claims repudiated	Claims rejected	Claims Unclaimed	Claims pending at end of year	Break up of claims pending -- duration wise (Lives)			
							< 3 mths	3 - < 6 mths	6 - < 1 yr	> 1 yr
Private Total	100.00	98.89	0.44	0.27	0.004	0.39	59.73	18.58	8.85	12.83
LIC	100.00	99.68	0.02	0.00	0.00	0.30	68.40	3.93	3.81	23.86
<b>Industry Total</b>	<b>100.00</b>	<b>99.13</b>	<b>0.32</b>	<b>0.19</b>	<b>0.003</b>	<b>0.36</b>	<b>66.47</b>	<b>7.20</b>	<b>4.93</b>	<b>21.40</b>

## EXPANSION OF OFFICES

**I.3.25** Number of Life insurance offices increased to 11279 as on 31.03.2019 compared to 11112 as on 31.03.2018.

**I.3.26** It is observed that majority of offices of life insurers are located in Semi-Urban areas which are with a population between 10,000 to 99,999. Around 38.4% of life insurance offices are located in these areas. After the Semi-Urban areas, majority of the life insurance offices i.e. 35.1% are located in Urban areas with a population between 1,00,000 to 9,99,999 and 24.5% in Metro areas with a population of 10 lakhs and above, 2% in rural areas with population of less than 10,000.

**TABLE**  
**Number of Life Offices \***  
**(As on 31st March)**

Insurer	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Private</b>	8785	8768	8175	7712	6759	6193	6156	6179	6057	6204	6347
<b>LICI</b>	3030	3250	3371	3455	3526	4839	4877	4892	4897	4908	4932
<b>Industry**</b>	<b>11815</b>	<b>12018</b>	<b>11546</b>	<b>11167</b>	<b>10285</b>	<b>11032</b>	<b>11033</b>	<b>11071</b>	<b>10954</b>	<b>11112</b>	<b>11279</b>

\* Offices opened after seeking approval of the Authority

\*\*Excludes two foreign offices and one foreign representative office

**Note:** 1) Office as defined under Section 64VC of the Insurance Act, 1938.

2) For similar data for 2001-2008, refer IRDA Annual report for 2007-08.

**TABLE**  
**Distribution of Offices\* of Life Insurers Number of Life Offices**  
**(As on 31st March 2019)**

Insurer	Metropolis	Urban	Semi-Urban	Rural	Total
<b>Private</b>	1909	2983	1397	58	6347
<b>LICI</b>	853	976	2932	171	4932
<b>Industry**</b>	<b>2762</b>	<b>3959</b>	<b>4329</b>	<b>229</b>	<b>11279</b>

\* Offices opened after seeking approval of the Authority.

\*\*Excludes two foreign offices and one foreign representative office

\*\*\***Classification of locations done as under:**

Metro: 10,00,000 and above

Urban: From 1,00,000 to 9,99,999

Semi-Urban: From 10,000 to 99,999 Rural: Population upto 9999

**TABLE**  
**Tier wise Distribution of Offices\* of Life Insurers Number of Life Offices**  
**(As on 31st March 2019)**

Insurer	Tier I	Tier II	Tier III	Tier IV	Tier V	Tier VI	Total
Private	4881	801	500	107	29	29	6347
LICI	1829	556	1350	1026	117	54	4932
Industry	6710	1357	1850	1133	146	83	11279

\* Offices opened after seeking approval of the Authority.

\*\*As per the following classification:

Tier I - Population 1,00,000 & Above. Tier II - Population of 50,000 to 99,999.

Tier III - Population of 20,000 to 49,999 Tier IV - Population of 10,000 to 19,999.

Tier V - Population of 5,000 to 9,999. Tier VI - Population less than 5,000.

### **District Level Presence of Life Offices**

**I.3.27** As at 31<sup>st</sup> March, 2019, the sole public sector life insurer, LIC of India have its offices in 669 districts out of 718 districts in the country. As such, it covered 93.18 % of all districts in the country, whereas the private sector insurers have offices in 587 districts covering 81.75% of all districts in the country. In total, both LIC and private insurers together covered 94.29% of all districts in the country. The number of districts with no presence of life insurance offices stood at 40 in the country. Out of these, 34 districts belong to the north eastern states namely Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland and Sikkim. In 23 states (out of a total of 29 states and 7 union territories in the country), all the districts were covered through life insurance offices.

## **GENERAL INSURANCE**

### **Premium**

**I.3.28** The non-life insurance industry underwrote total direct premium of ₹169448 crore in India for the year 2018-19 as against ₹150662 crore in 2017-18, registering a growth rate of 12.47 percent as against 17.59 percent growth rate recorded in the previous year. The public sector insurers exhibited growth of 1.28 percent in 2018-19, over the previous year's growth rate of 12.58 percent. The private general insurers registered a growth rate of 24.25 percent, against 21.59 percent growth rate during the previous year.

**1.3.29** The standalone health insurers registered a growth rate of 36.56 percent against 41.93 percent growth rate during the previous year and the specialized insurers registered a negative growth rate of 10.79 percent as against the growth 10.75 percent during the previous year.

**I.3.30** The premium underwritten by 28 private sector insurers (including standalone health insurers) in 2018-19 was ₹92641 crore as against ₹73734 crore in 2017-18. ICICI Lombard continued to be the largest private sector non-life insurance company, with market share of 8.55 percent in the current year against a market

share of 8.20 percent in the previous year. Bajaj Allianz, the second largest private sector non-life insurance company, which underwrote a total premium of ₹11059 crore, reported increase in market share from 6.27 percent in 2017-18 to 6.53 percent during the year under review. All the 28 private insurers (including standalone health insurers) operating in the year 2018-19, reported an increase in premium underwritten for the year 2017-18 as against the previous year.

**I.3.31** In case of public sector non-life insurers, two out of four companies expanded their business with an increase in respective premium collections over the previous year. However, the market shares of all the public sector insurers except Oriental Insurance has decreased from previous year. The market shares of New India declined to 14.11 percent in 2018-19 from 15.08 percent in the previous year, National declined to 8.93 percent in 2018-19 from 10.75 percent in the previous year and United India Insurance declined to 9.69 percent in 2018-19 from 11.57 percent in the previous year. The market share of Oriental increased from 7.60 percent in 2017-18 to 7.79 percent in 2018-19. New India which collected Direct Premium of ₹23910 crore, once again remained as the largest general insurance company in India.

**TABLE : GROSS DIRECT PREMIUM INCOME IN INDIA GENERAL AND HEALTH INSURERS**

(₹ crore)		
Insurer	2017-18	2018-19
Public Sector Insurers	67,794.23 12.58%	68,658.85 1.28%
Private Sector Insurers	65,419.82 21.59%	81,287.15 24.25%
Standalone Health Insurers	8,314.28 41.93%	11,354.03 36.56%
Specialized Insurers	9,133.81 10.75%	8,148.42 -10.79%
<b>Total</b>	<b>1,50,662.13</b> <b>17.59%</b>	<b>1,69,448.46</b> <b>12.47%</b>

**TABLE : GROSS DIRECT PREMIUM  
INCOME IN INDIA: GENERAL AND HEALTH INSURERS  
INSURER-WISE**

(₹ crore)				
Insurer	Amount in ₹		Market Share	
	2017-18	2018-19	2017-18	2018-19
<b>Public Sector Insurers</b>				
National	16,193.55	15,128.90	10.75%	8.93%
New India	22,718.76	23,910.16	15.08%	14.11%
Oriental	11,451.97	13,199.32	7.60%	7.79%
United	17,429.95	16,420.47	11.57%	9.69%

<b>Sub-Total</b>	<b>67,794.23</b>	<b>68,658.85</b>	<b>45.00%</b>	<b>40.52%</b>
<b>Private Sector Insurers</b>				
Acko General	0.92	141.89	0.00%	0.08%
Bajaj Allianz	9,445.22	11,059.41	6.27%	6.53%
Bharti AXA	1,753.58	2,258.05	1.16%	1.33%
Cholamandalam	4,102.57	4,428.16	2.72%	2.61%
DHFL General	141.07	243.07	0.09%	0.14%
Edleweiss General	1.30	92.55	0.00%	0.05%
Future Generali	1,906.37	2,553.94	1.27%	1.51%
Go Digit	93.74	894.82	0.06%	0.53%
HDFC ERGO	7,289.97	8,612.85	4.84%	5.08%
ICICI Lombard	12,356.85	14,488.22	8.20%	8.55%
IFFCO Tokio	5,631.89	7,001.84	3.74%	4.13%
Kotak Mahindra	185.39	301.11	0.12%	0.18%
Liberty General***	816.53	1,125.16	0.54%	0.66%
Magma HDI	526.69	970.11	0.35%	0.57%
Raheja QBE	83.45	115.96	0.06%	0.07%
Reliance	5,069.08	6,191.03	3.36%	3.65%
Royal Sundaram	2,623.44	3,172.57	1.74%	1.87%
SBI	3,544.20	4,706.55	2.35%	2.78%
Shriram	2,100.76	2,356.34	1.39%	1.39%
Tata AIG	5,435.92	7,742.66	3.61%	4.57%
Universal Sampo	2,310.86	2,830.87	1.53%	1.67%
<b>Sub-Total</b>	<b>65,419.82</b>	<b>81,287.15</b>	<b>43.42%</b>	<b>47.97%</b>
<b>Standalone Health Insurers</b>				
Aditya Birla	243.17	496.80	0.16%	0.29%
Apollo Munich	1,717.51	2,194.44	1.14%	1.30%
CignaTTK	346.40	484.82	0.23%	0.29%
Max Bupa	754.47	947.02	0.50%	0.56%
Reliance Health	NA	4.09	NA	0.00%
Religare	1,091.61	1,825.57	0.72%	1.08%
Star Health	4,161.11	5,401.29	2.76%	3.19%
<b>Sub-Total</b>	<b>8,314.28</b>	<b>11,354.03</b>	<b>5.52%</b>	<b>6.70%</b>
<b>Specialized Insurers</b>				
AIC	7,893.39	6,900.88	5.24%	4.07%
ECGC	1,240.42	1,247.54	0.82%	0.74%
<b>Sub-Total</b>	<b>9,133.81</b>	<b>8,148.42</b>	<b>6.06%</b>	<b>4.81%</b>
<b>Grand Total</b>	<b>1,50,662.13</b>	<b>1,69,448.46</b>	<b>100.00%</b>	<b>100.00%</b>

\*\*\* Erstwhile Liberty Videocon General Insurance Co. Ltd.

NA indicates that insurer's business was not in operation during the corresponding financial year.

Note: Reclassification/Regrouping in the previous year's figures, if any, by the insurer has not been considered.

## Segment wise premium

**I.3.32** The Motor business continued to be the largest non-life insurance segment with a share of 38.08 percent (39.32 percent in 2017-18). It reported growth rate of 8.91 percent (17.90 percent in 2017-18). The premium collection in Health segment continued to surge ahead at ₹50834 crore in 2018-19 from ₹41981 crore of 2017-18, registering growth of 21.09 percent. The market share of health segment has increased to 30.00 percent from 27.86 percent of previous year. The premium collection from fire increased by 8.23 percent and for Marine segments by 11.87 percent in 2018-19.

**TABLE : PREMIUM (WITHIN INDIA) UNDERWRITTEN BY GENERAL AND HEALTH INSURERS  
SEGMENT-WISE**

(₹ Crore)		
Segment	2017-18	2018-19
Fire	10780.70 7.16%	11,667.64 6.89%
Marine	2894.66 1.92%	3,238.14 1.91%
Motor	59246.11 39.32%	64,522.35 38.08%
Health	41980.56 27.86%	50,833.55 30.00%
Others	35760.09 23.74%	39,186.78 23.13%
<b>Total Premium</b>	<b>150662.13</b>	<b>1,69,448.46</b>

**Note:** 1. Figures in percentage indicate the ratio (in percent) of respective segment.

2. The above figures include premium of specialized insurers and Standalone Health Insurers

3. Health includes Personal Accidents

## Premium Underwritten Outside India

**I.3.33** All public sector insurers (except United India) are underwriting non-life insurance business outside India. United India ceased operations outside India in 2003-04. The total premium underwritten outside the country by the three public sector insurers stood at ₹3034 crore in 2018-19 as against ₹2776 crore in 2017-18 registering a growth of 9.32 percent against decline of 2.33 percent in the previous year.

**I.3.34** New India continued to be the largest public sector general insurer in terms of premium underwritten outside India. The overseas premium constitutes 10.14 percent of the total premium underwritten by the insurer in 2018-19 (9.70 percent in 2017-18). In case of Oriental, it is 2.12 percent in 2018-19 (2.43 percent in 2017-18). National Insurance continued to have a small component of overseas business at 0.34 percent in 2018-19 (0.31 percent in 2017-18).

**I.3.35** Of the total premium of ₹3034 crore underwritten outside India in 2018-19, New India underwrote a premium of ₹2698 crore (₹2441 crore in 2017-18), its market share in the total outside India premium of general insurers increased to 88.91 percent in 2018-19 from 87.93 percent in 2017-18. National Insurance underwrote



a premium of ₹51 crore in 2018-19 (₹50 crore in 2017-18). The outside India premium underwritten by Oriental Insurance stood at ₹285 crore in 2018-19.

**TABLE :RATIO OF OUTSIDE INDIA PREMIUM TO TOTAL PREMIUM**

(in percent)

Insurer	2017-18	2018-19
National	0.31	0.34
New India	9.70	10.14
Oriental	2.43	2.12
United	-	-

**Note:** Reclassification/Regrouping in the previous year's figures, if any, by the insurer has not been considered.

**Table - GROSS DIRECT PREMIUM FROM BUSINESS  
OUTSIDE INDIA**

(₹ Crore)

Insurer	2017-18	2018-19
National	50.13 11.82%	51.04 1.81%
New India	2,440.55 -1.72%	2,697.83 10.54%
Oriental	284.86 -9.19%	285.42 0.20%
United	- -	- -
<b>Total</b>	<b>2,775.54</b> <b>-2.33%</b>	<b>3,034.30</b> <b>9.32%</b>

**Note:** Figures in percentage indicate the growth over previous year.

Reclassification/Regrouping in the previous year's figures, if any, by the insurer has not been considered.

## Number of Policies Issued

**I.3.36** The general insurers (excluding Standalone Health Insurers) have issued 1832.74 lakh policies in F.Y. 2018-19 as against 1702.30 lakh policies issued in F.Y. 2017-18, reporting an increase of 7.7% during F.Y. 2018-19 (10.4% increase in F.Y. 2017-18). The Public sector insurers witnessed decline in the number of

policies issued. They reported an 8.1% decrease in number of policies issued during F.Y. 2018-19 (6.4% decrease in F.Y. 2017-18). The Private sector insurers reported a growth in number of policies issued at 29.7% in F.Y. 2018-19 (26.1% in F.Y. 2017-18). The Specialized insurers reported a decrease of 33.2% in the number of policies issued during the F.Y. 2018-19 (increase of 79.2% in the F.Y. 2017-18).

<b>TABLE</b> <b>NUMBER OF NEW POLICIES ISSUED:</b> <b>GENERAL INSURERS*</b> <b>(In Lakhs)</b>		
<b>Insurer</b>	<b>2017-18</b>	<b>2018-19</b>
Public Sector	797.71 (-6.4)	733.02 (-8.1)
Private Sector	787.13 (26.1)	1021.23 (29.7)
Specialized Insurers	117.46 (79.2)	78.49 (-33.2)
<b>Total</b>	<b>1702.30</b> <b>(10.4)</b>	<b>1832.74</b> <b>(7.7)</b>
<i>* Excluding Standalone Health Insurers</i> <b>Note:</b> Figures in brackets indicate the growth / decline (in per cent) over previous year.		

## Paid-up Capital

**I.3.37** The total paid-up capital of non-life insurers and re-insurers (including assigned capital of foreign reinsurance branches) as on 31<sup>st</sup> March, 2018 was ₹17541 crore. During 2018-19, the non-life insurers and re-insurers added ₹5780 crore to their equity capital base, including increase of ₹3087 crore in the assigned capital of foreign reinsurance branches. Public sector insurers infused capital of ₹412 crore whereas specialized insurer ECGC infused a further capital of ₹500 crore. Private sector insurers infused further capital to the extent of ₹701 crore. Standalone health insurers infused a capital of ₹641 crore. GIC infused ₹439 Crore. Total paid up capital of all insurers and reinsurers (including assigned capital of foreign reinsurance branches) as on 31.3.2019 is ₹23321 crore.

**TABLE**  
**PAID-UP CAPITAL : GENERAL, HEALTHINSURERS AND REINSURERS**

<b>(₹ crore)</b>		
<b>Insurer</b>	<b>2017-18</b>	<b>2018-19</b>
<b>General Insurers</b>		
Public Sector	862.00	1,274.00
Private Sector	8,869.24	9,570.88
<b>Sub Total</b>	<b>9,731.24</b>	<b>10,844.88</b>
<b>Standalone Health Insurers</b>		
Public Sector	N.A.	N.A.
Private Sector	2,831.90	3,472.97
<b>Sub Total</b>	<b>2,831.90</b>	<b>3,472.97</b>

<b>Specialized Insurers</b>		
Public Sector	1,700.00	2,200.00
Private Sector	N.A.	N.A.
<b>Sub Total</b>	<b>1,700.00</b>	<b>2,200.00</b>
<b>Reinsurers</b>		
Public Sector	438.60	877.20
Private Sector	268.94	268.94
<b>Sub Total</b>	<b>707.54</b>	<b>1,146.14</b>
<b>Grand Total</b>	<b>14,970.69</b>	<b>17,664.00</b>
<b>Branches of Foreign Re-insurers including Lloyd's India</b>	<b>2570.35*</b>	<b>5657.27*</b>

\*assigned capital; NA:- Not applicable

**Note:**Reclassification/Regrouping in the previous year's figures, if any, by the insurer has not been considered.

## Other Forms of Capital

**I.3.38** Pursuant to the power given under section 6A(1)(i) of The Insurance Laws (Amendment) Act, 1938 and in exercise of the power conferred under section 114A of the Insurance Act and section 26 of the IRDA Act, 1999, the Authority has notified IRDAI (Other Forms of Capital) Regulations, 2016. Under the provisions of said Regulations, the General insurance industry raised Other Forms of Capital amounting to ₹824 crore during 2018-19 whereas in the year 2017-18 ₹1550 crore was raised. Out of four public sector insurers, Oriental Insurance Co. Ltd. raised Other Forms of Capital of ₹750 crore. One private sector insurer i.e. Apollo Munich raised ₹74 crore. Total other forms of capital as on 31<sup>st</sup> March 2019 is ₹4656 crore.

## Underwriting Experience

**I.3.39** The underwriting losses of the General insurance companies increased to ₹22320 crore in 2018-19 from ₹15341 crore in the previous year. The underwriting losses increased by 45.49 percent over previous year. The public sector insurers' losses increased by 47.06 percent to ₹18533 crore in 2018-19 from ₹12603 crore in 2017-18. The private sector insurers' reported increase in underwriting losses which is ₹2890 crore in 2018-19 from ₹2085 crore in 2017-18. Standalone health insurers reported increase in underwriting losses in 2018-19 which is ₹568 crore as compared to underwriting loss of ₹436 crores in 2017-18. The underwriting losses of Specialized insurers slightly to ₹328 crore in 2018-19 from ₹218 crore in 2017-18. The ratio of underwriting loss to net earned premium for public sector insurers, private sector insurers, standalone health insurers and specialised insurers in 2018-19 was 33.34%, 6.10%, 7.26% and 38.44% respectively as compared to 23.56%, 5.39%, 7.67% and 8.31% respectively in the year 2017-18. The ratio of underwriting loss to net earned premium for general insurance industry in 2018-19 was 19.98% as compared to 15.27% in the year 2017-18.

**TABLE**  
**UNDERWRITING EXPERIENCE GENERAL AND HEALTH INSURERS**

(₹ Crore)		
Insurer	2017-18	2018-19
Public Sector Insurers	-12602.57 -23.56%	-18532.95 -33.34%
Private Sector Insurers	-2085.43 -5.39%	-2889.87 -6.10%
Standalone Health Insurers	-435.73 -7.67%	-568.22 -7.26%
Specialized Insurers	-217.69 -8.31%	-328.45 -38.44%
<b>Total</b>	<b>-15341.42</b> <b>-15.27%</b>	<b>-22319.50</b> <b>-19.98%</b>

**Note:** Figures in brackets indicate ratio of underwriting profit/ loss to net earned premium  
(Underwriting Profit/Loss = Premium Earned (Net)-Claim Incurred (Net)-Commission-Operating Expenses related to Insurance Business-Premium Deficiency  
Regrouping/Reclassification, if any, in previous years figures by the insurer has not been considered.

### Expenses of Non-Life Insurers

**I.3.40** The gross commission expenses of public insurers, private non-life insurers, standalone health insurers and specialized insurers stood at ₹5041 crore, ₹5811 crore, ₹1411 crore and ₹14 crore respectively for 2018-19, cumulatively amounting to a total gross commission expense of ₹12277 crore for the general insurance industry. The gross commission expenses were highest in the Motor segment, which stood at ₹4903 crore, comprising of ₹1957 crore for the public sector and ₹2946 crores for the private sector companies.

**I.3.41** Commission expenses and operating expenses constitute a major part of the total expenses. The operating expenses of general insurance companies stood at ₹28624 crore in 2018-19 as against ₹25611 crore in 2017-18, showing overall increase of 11.76 percent. The operating expenses of the public sector insurers, private sector insurers, standalone health insurers and specialized insurers increased by 4.56 percent, 14.20 percent, 33.75 percent and 28.10 percent respectively.

**I.3.42** During the financial year 2018-19, 7 private insurers were under exemption period i.e. The period of five financial years shall be in addition to the first partial financial year. Out of balance 27 General insurers, 21 general insurers were compliant and 5 general insurers were granted forbearance to IRDAI (Expenses of Management of Insurers transacting General or Health Insurance Business) Regulations, 2016, subject to the condition that excess of expenses of management shall be charged to shareholders' fund.

**TABLE**  
**GROSS COMMISSION EXPENSES: GENERAL AND HEALTH INSURERS**

(₹ Crore)

Segment	Public Sector Insurers		Private Sector Insurers		Standalone Health Insurers		Specialised Insurers		Total	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Fire	619.15	609.58	559.93	430.57	NA	NA	NA	NA	1,179.08	1,040.14
Marine	154.80	147.23	175.72	143.49	NA	NA	NA	NA	330.53	290.73
Motor	1,957.35	2,197.69	2,945.87	2,070.15	NA	NA	NA	NA	4,903.22	4,267.84
Health	1,472.67	1,515.79	1,173.49	931.19	1,411.45	987.82	NA	NA	4,057.61	3,434.81
Others	837.51	612.51	955.65	370.68	NA	NA	13.83	13.64	1,806.98	996.83
<b>Total</b>	<b>5,041.48</b>	<b>5,082.80</b>	<b>5,810.66</b>	<b>3,946.08</b>	<b>1,411.45</b>	<b>987.82</b>	<b>13.83</b>	<b>13.64</b>	<b>12,277.42</b>	<b>10,030.34</b>

NA:- Not applicable

**Note:** Reclassification/Regrouping in the previous year's figures, if any, by the insurer has not been considered.

**TABLE**  
**OPERATING EXPENSES of GENERAL AND HEALTH INSURERS**

(₹ Crore)

Insurer	2018-19	2017-18
Public Sector Insurers	12,161.88	11,631.57
Private Sector Insurers	12,940.27	11,331.64
Standalone Health Insurers	3,065.65	2,292.04
Specialized Insurers	456.30	356.19
<b>Total</b>	<b>28,624.10</b>	<b>25,611.44</b>

**Note:** Reclassification/Regrouping in the previous year's figures, if any, by the insurer has not been considered.

### Incurred Claims Ratio

**I.3.43** The net incurred claims of the non-life insurers stood at ₹101051 crore in 2018-19 as against ₹85651 crore in 2017-18. The incurred claims exhibited an increase of 17.98 percent during 2018-19. The public sector insurers, private sector non-life insurers and standalone health insurers reported increase of 14.74 percent, 23.77 percent and 40.43 respectively, while specialized insurers reported decrease in the incurred claims by 9.91 percent.

**I.3.44** The incurred claims ratio (net incurred claims to net earned premium) of the non-life insurance industry was 89.16 percent during 2018-19 which is higher than the previous year figure of 85.26 percent. The incurred claims ratio for public sector insurers was 103.46 percent for the year 2018-19 which was increased from the previous year's incurred claims ratio of 93.73 percent. Whereas for the private sector nonlife insurers, standalone health insurers and specialized insurers incurred claims ratio for the year 2018-19 was 76.20

percent, 60.68 percent and 106.33 percent respectively as compared to the previous year's ratio of 75.46 percent, 59.58 percent and 112.95 percent respectively.

**1.3.45** Among the various segments, Motor segment had a highest claims ratio at 90.60 percent. The incurred claims ratio of Fire segment has increased to 90.48 percent from 82.35 in the previous year. The incurred claims ratio of Marine segment has increased to 84.48 percent from 65.30 in the previous year. The incurred claims ratio of the health Segment was increased to 89.34 percent in the year 2018-19 from the previous year's ratio 92.21 percent. The incurred claims ratio of others segment had increased to 82.88 percent from previous year's ratio of 78.90 percent.

**TABLE**  
**NET INCURRED CLAIMS: GENERAL AND HEALTH INSURERS**

(₹ Crore)

Insurer	2018-19	2017-18
Public Sector Insurers	57,514.90 14.74%	50126.17 2.21%
Private Sector Insurers	36,120.88 23.77%	29184.70 13.25%
Standalone Health Insurers	4,750.43 40.43%	3382.67 41.41%
Specialized Insurers	2,664.80 -9.91%	2957.82 -14.41%
<b>Grand Total</b>	<b>1,01,051.01</b> <b>17.98%</b>	<b>85651.36</b> <b>6.19%</b>

**Note:** Figure in percentage indicate percentage growth over previous year

**TABLE**  
**INCURRED CLAIMS RATIO: GENERAL AND HEALTH INSURERS**

(in percent)

Segment	Public Sector Insurer		Private Sector Insurer		Standalone Health Insurer		Specialised Insurer		Total	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Fire	98.34	91.31	64.81	47.19	NA	NA	NA	NA	90.48	82.35
Health	107.12	109.86	75.85	71.32	60.68	59.58	NA	NA	89.34	92.21
Marine	83.71	64.06	85.33	66.93	NA	NA	NA	NA	84.48	65.30
Motor	107.73	89.48	76.22	77.77	NA	NA	NA	NA	90.60	83.45
Others	77.24	64.65	77.68	76.95	NA	NA	106.33	112.95	82.88	78.90
<b>Total</b>	<b>103.46</b>	<b>93.73</b>	<b>76.20</b>	<b>75.46</b>	<b>60.68</b>	<b>59.58</b>	<b>106.33</b>	<b>112.95</b>	<b>89.16</b>	<b>85.26</b>

**Note:** Health includes Personal Accident NA:- Not Applicable

Reclassification/Regrouping in the previous year's figures, if any, by the insurer has not been considered.

### Investment Income: Non-Life Insurers

**I.3.46** The investment income of all non-life insurers during 2018-19 was ₹26289 crore (₹25007 crore in 2017-18) registering a growth of 5.13 percent as against 15.08 percent in the previous year. During the year under review, the investment income of public sector insurers has decreased by 0.64 percent. Investment income of private sector insurers, standalone health insurer and specialized insurers has grown at the percent of 14.50 percent, 33.15 percent and 11.10 percent respectively.

**TABLE**  
**INVESTMENT INCOME OF**  
**GENERAL AND HEALTH INSURERS**

(₹ Crore)		
Insurer	2018-19	2017-18
Public Sector Insurers	15599.13 -0.64%	15,699.85 18.57%
Private Sector Insurers	8,884.58 14.50%	7,759.21 9.53%
Standalone Health Insurers	515.19 33.15%	386.93 23.89%
Specialized Insurers	1,289.60 11.10%	1,160.71 6.19%
<b>Grand Total</b>	<b>26,288.51</b> <b>5.13%</b>	<b>25,006.71</b> <b>15.08%</b>

**Note:** Figures in percentage indicate growth rate (in percent) of the respective insurers

### Profits After Tax (PAT) of Non-Life Insurers

**I.3.47** During the year 2018-19, the total PAT of non-life insurance industry was ₹683 crore as against a profit of ₹6909 crore in 2017-18. The public sector companies reported a loss after tax of ₹3288 crore against a profit after tax of ₹2543 crore in 2017-18. The private sector insurers reported a PAT of ₹3584 crore against a PAT of ₹3798 crore in 2017-18 and specialized insurers have reported ₹685 crore PAT against a PAT of ₹670 crore in 2017-18 whereas the standalone health insurers reported loss of ₹298 crore against a loss after tax of ₹102 crore in 2017-18.

**I.3.48** Out of four public sector insurers, one has reported PAT and three have reported loss after tax during the year 2018-19. New India reported a PAT of ₹580 crore during the year 2018-19 against a PAT of ₹2201 crore in 2017-18. National, Oriental and United reported loss of ₹1696 crore, ₹294 crore and ₹1878 crore respectively.

**I.3.49** Among the twenty one private general insurance companies, while fourteen companies reported PAT, the remaining seven companies incurred losses during 2018-19.

**TABLE**  
**PROFIT AFTER TAX OF GENERAL AND HEALTH INSURERS**

(₹ Crore)

Insurer	2018-19	2017-18
Public Sector Insurers	(3,287.90)	2,542.70
Private Sector Insurers	3,584.40	3,798.33
Standalone Health Insurers	(298.00)	(102.19)
Specialised Insurers	684.71	669.95
<b>Grand Total</b>	<b>683.21</b>	<b>6,908.80</b>

**Note:** Reclassification/Regrouping in the previous year's figures, if any, by the insurer has not been considered.

### Returns to Shareholders

**I.3.50** None of the four public sector non-life insurance companies has paid dividend during the year 2018-19. Private sector general insurers have paid dividend of ₹618 crore and specialised insurers have paid dividend of ₹30 crore in 2018-19.

**I.3.51** GIC Re has paid dividend of ₹1184 crore in 2018-19 as against ₹1002 crore in 2017-18.

**TABLE DIVIDEND PAID by GENERAL, HEALTH AND REINSURERS**

(₹ crore)

Insurer	2018-19	2017-18
<b>General Insurers</b>		
Public Sector	-	309.00
Private Sector	617.92	315.94
<b>Sub Total</b>	<b>617.92</b>	<b>624.94</b>
<b>Standalone Health Insurers</b>		
Public Sector	NA	NA
Private Sector	-	-
<b>Sub Total</b>	<b>-</b>	<b>-</b>
<b>Specialized Insurers</b>		
Public Sector	30.00	-
Private Sector	NA	NA
<b>Sub Total</b>	<b>30.00</b>	<b>-</b>
<b>Reinsurers</b>		
Public Sector	1,184.22	1,002.00
Private Sector	-	-
Branches of Foreign Re-insurers	-	-
<b>Sub Total</b>	<b>1,184.22</b>	<b>1,002.00</b>
<b>Grand Total</b>	<b>1,832.14</b>	<b>1,626.94</b>

NA:- Not Applicable

Above figures include proposed final dividend and interim dividend also.

**Note:** Reclassification/Regrouping in the previous year's figures, if any, by the insurer has not been considered.



## Number of Offices:

**I.3.52** As on 31<sup>st</sup> March 2019, the general insurers were operating from 10695 offices (excluding standalone health insurers) as against 10425 offices for FY 2017-18, all over the country. When compared to the previous FY, there is an increase of 270 offices. The sector-wise and state-wise distribution of offices throughout India is given in Table No. I.40 & I.41, respectively.

<b>Table</b> <b>NUMBER OF OFFICES OF GENERAL INSURERS (Ason 31<sup>st</sup> March )</b>		
<b>Sector</b>	<b>2018</b>	<b>2019</b>
Public	8296	8150
Private	2043	2459
Specialised	86	86
<b>Total</b>	<b>10425</b>	<b>10695</b>
<b>Note:</b> This data doesn't include standalone Health Insurers' offices		

<b>TABLE</b> <b>NUMBER OF GENERAL INSURERS' OFFICES TIER WISE AS ON 31ST MARCH</b>								
<b>Category of Insurers</b>	<b>Year</b>	<b>Tier I</b>	<b>Tier II</b>	<b>Tier III</b>	<b>Tier IV</b>	<b>Tier V</b>	<b>Tier VI</b>	<b>Total</b>
<b>Public sector</b>	2018	4087	1107	1693	1256	92	61	8296
	2019	4247	967	1607	968	292	69	8150
<b>Private sector</b>	2018	1982	55	4	2	0	0	2043
	2019	2301	118	28	9	3	0	2459
<b>Specialized sector</b>	2018	86	0	0	0	0	0	86
	2019	86	0	0	0	0	0	86
<b>Total</b>	2018	6155	1162	1697	1258	92	61	10425
	2019	6634	1085	1635	977	295	69	10695

Tier I - Population 1,00,000 & Above. Tier II - Population of 50,000 to 99,999.

Tier III - Population of 20,000 to 49,999. Tier IV - Population of 10,000 to 19,999.

Tier V - Population of 5,000 to 9,999. Tier VI - Population less than 5,000.

## District level coverage – General Insurers

**I.3.53** In the general insurance sector, the public sector insurers have offices in 647 out of 718 districts in the country (i.e., 90.11% of total districts in the country). The private sector insurers (excluding standalone health insurers) cover 290 districts (i.e., 40.4 % of total districts in the country). 71 districts in India do not have any offices of general insurers.

## I.3.54 Revision in Motor Third Party Premium Rates

- IRDAI determines the premium rates for Motor Third Party Insurance every year.
- Accordingly, for the FY 2019-20, IRDAI has carried out the exercise of determining the Motor Third Party premium rates for each of the classification codes contained in the erstwhile All India Motor Tariff. IRDAI sought comments from all the stakeholders on the exposure draft dated 20.05.2019 (placed in the IRDAI's website).

- iii. After considering the interests of all the stakeholders, the schedule of rates arrived at for Motor Third Party Insurance Premium for FY 2019-20 were notified vide the Authority's notification no. "IRDAINL/NL/NTFN/MOTP/91/06/2018" 4<sup>th</sup> June 2019.

### I.3.55 Motor Third Party Insurance Business Obligations

- In order to comply with Sec 32D of Insurance Laws (Amendment) Act 2015, the Authority, in consultation with Insurance Advisory Committee, issued IRDAI (Obligations of Insurers in respect of Motor Third Party Insurance Business) Regulations, 2015 on 2<sup>nd</sup> June 2015 stating the methodology for the minimum obligation of Insurers transacting motor insurance business.
- In FY 2018-19, out of the twenty-five non-life insurers, two insurers did not comply with the minimum obligation with respect to Motor Third Party Insurance Business. The matter is under examination from the regulatory perspective.
- All the public sector insurers complied with the Motor Third Party obligations for the financial year 2018-19.
- Considering that around 3 years have elapsed from the issuance of the Regulation, and also in the light of the recent Supreme Court judgement on issuance of Long-Term Motor Third Party (TP) policies as well as certain concerns raised by various Insurers, it has been decided to review the Regulations. A Working Group has been formed to review the current framework.

**TABLE**  
**DATA FOR CALCULATING MOTOR TP OBLIGATIONS FOR THE FY 2019-20**

(₹ Crores)

Insurer	Financial Year 2018-19			
	Motor OD GDP	Motor Third Party GDP	Total Motor GDP	Total GDP
Acko General Insurance Ltd.	27.46	47.86	75.32	141.89
Bajaj Allianz General Insurance Co. Ltd	2102.83	2754.20	4,857.03	11,059.41
Bharti AXA General Insurance Co. Ltd	678.29	464.71	1,143.00	2,258.05
Cholamandalam MS General Insurance Co. Ltd	1034.97	1966.10	3,001.08	4,428.16
DHFL General Insurance Ltd	4.10	17.01	21.11	243.07
Edelweiss General Insurance Co. Ltd	0.16	26.74	26.90	92.55
Future Generali India Insurance Co. Ltd	495.56	647.91	1,143.47	2,553.94
Go Digit General Insurance Ltd.	234.25	620.29	854.53	894.82
HDFC ERGO General Insurance Co. Ltd	1635.12	1424.87	3,059.99	8,612.85
ICICI Lombard General Insurance Co. Ltd	3407.77	3015.76	6,423.53	14,488.23
IFFCO Tokio General Insurance Co. Ltd	1594.93	1666.32	3,261.25	7,001.84
Kotak Mahindra General Insurance Co. Ltd	103.61	93.99	197.60	301.11
Liberty General Insurance Co. Ltd	440.37	314.33	754.70	1,125.16
Magma HDI General Insurance Co. Ltd	219.93	526.62	746.55	970.11
National Insurance Co. Ltd	2284.58	3879.70	6,164.28	15,128.90
The New India Assurance Co. Ltd	3015.80	5830.88	8,846.68	23,910.16
The Oriental Insurance Co. Ltd	1477.49	3057.69	4,535.18	13,199.31
Raheja QBE General Insurance Co. Ltd	0.28	76.68	76.96	115.96
Reliance General Insurance Co. Ltd	1314.35	1542.40	2,856.74	6,191.03
Royal Sundaram General Insurance Co. Ltd	1230.18	845.70	2,075.87	3,172.57

SBI General General insurance Co. Ltd	599.74	316.36	916.10	4,706.55
Shriram General General Insurance Co. Ltd	574.64	1677.81	2,252.45	2,356.34
TATA AIG General Insurance Co. Ltd	1873.05	1918.29	3,791.34	7,742.66
United India Insurance Co. Ltd	1818.15	4923.19	6,741.33	16,420.47
Universal Sompo General Insurance Co. Ltd	319.90	379.46	699.36	2,830.87
<b>Grand Total</b>	<b>26,487.50</b>	<b>38,034.85</b>	<b>64,522.34</b>	<b>1,49,946.00</b>

Note: Exempted Insurers are not included

#### **SPECIALISED INSURERS:**

##### **Export Credit Guarantee Corporation of India Ltd.**

**I.3.56** ECGC Limited is a specialized credit insurance company functioning under administrative control of Ministry of Commerce and Industry to protect the insurable interest of Indian Exporters and Banks in India. The core activity of the Company is to underwrite export credit insurance business.

**I.3.57** During FY 2018-19 the total revenue of the Company from its Operations was up by 6.25% to Rs. 1349.84 crore from 1270.41 crore in previous year 2017-18. The gross premium earned by the Company during FY 2018-19 was 1247.54 crore against Rs. 1240.42 crore during the previous Financial Year registering a positive growth of 0.57%. Investment and other Income have increased to Rs. 876.47 crore in FY 2018-19 from Rs. 696.29 crore in previous FY reflecting growth of 25.88%. The total claim paid by the Company is Rs. 1013.31 crore against Rs.1283.17 in previous FY. The Net Incurred claim increased for the FY 2018-19 to 1141.16 crore against 1138.59 crore for the previous FY. The insurer's Net Earned Premium is to the tune of Rs. 854.42 crore as against Rs. 839.24 crore in the previous year. The insurer reported an underwriting loss of Rs. 538.18 crore against Rs. 561.22 crore underwriting loss in the previous year. The net profit (PAT) of the company increased to Rs.244.38 crore from Rs. 67.92 crore in the previous year. The insurer reported incurred claims ratio of 133.56% in 2018-19 (135.67% in 2017-18).

**I.3.58** The Company had 12325 short term export credit insurance policies in force in 2017-18 (11946 in 2017-18). Premium income earned on short term policies during the year was Rs.412.26 crore (Rs. 367.95 crore in 2017-18). The Premium income earned on short term ECIB during the year was Rs.806.83 crore (Rs. 843.21 crore in 2017-18). The premium income from the medium and long term business during 2018-19 was Rs.28.45 crore as against Rs. 29.25 crore in 2017-18.

##### **Agricultural Insurance Company of India Ltd**

**I.3.59** Agriculture Insurance Company of India Ltd (AIC) is a specialized insurer underwriting Crop Insurance Business. The Company had underwritten Gross Direct Premium of Rs. 6901 crores during the financial year 2018-19, reporting decrease of 13.09 % as against Rs. 7893 in crore during financial 2017-18. The insurer's Net Earned Premium for the year 2018-19 is Rs.1652 crore as against Rs. 1780 crore in the previous year. The insurer reported underwriting profit of Rs. 178 crores in 2018-19 against underwriting Profit of Rs. 337 crores in 2017-18. The net profit of the company has decreased to Rs. 440 crores from Rs.596 crores in the previous year. The company's incurred claims ratio has decreased to 92.25% in 2018-19 as against 102.23% in 2017-18.

**I.3.60** AIC has been the main insurer under Pradhan MantriFasalBimaYojana (PMFBY). Other than PMFBY, AIC has been also insuring farmers under Restructured Weather based Crop Insurance Scheme (RWBCIS)

and Coconut Palm Insurance Scheme (CPIS). There are certain in-house products also for crop insurance (other than the above-mentioned Government sponsored schemes).

## **REINSURERS**

### **General Insurance Corporation of India (GIC)**

**I.3.61** GIC is the national reinsurer, providing reinsurance to the direct general insurance companies in India. The Corporation's reinsurance program has been designed to meet the objectives of optimizing the retention within the country, ensuring adequate coverage for exposure and developing adequate capacities within the domestic market.

**I.3.62** The total net premium written by GIC during 2018-19 increased by 3.62 percent to ₹38996 crore from ₹37634 crore in 2017-18. The net earned premium of the Reinsurer during 2018-19 is decreased to ₹37679 crore from ₹38096 crore in 2017-18. The net incurred claim ratio has increased to 89.55 percent in 2018-19 from 86.50 percent in 2017-18. The company reported a profit after tax of ₹2224 crore in 2018-19 as against profit after tax of ₹3234 crore in 2017-18.

### **ITI Re**

**I.3.63** During the year 2016-17, the Authority had granted certificate of registration (CoR) to ITI Reinsurance Limited, a private reinsurer. The CoR has been cancelled on 8<sup>th</sup> May 2019.

### **Foreign Reinsurance Branches**

**I.3.64** During the year 2018-19, total premium on reinsurance accepted by foreign reinsurance branches was ₹10418 crores.

**I.3.65** During the year 2018-19, assigned capital of foreign reinsurance branches increased by ₹3087 crore to ₹5657 crore as on 31<sup>st</sup> March 2019 from ₹2570 crore as on 31<sup>st</sup> March 2018.

**I.3.66** Out of all the foreign reinsurance branches in India, 5 foreign reinsurance branches have reported profit after tax in year 2018-19. Total profit after tax of all foreign reinsurance branches was ₹10 crore in 2018-19 as against loss of ₹324 crore in 2017-18.

## **I.4 REVIEW**

### **I.4.1 PROTECTION OF INTERESTS OF POLICYHOLDERS**

**I.4.1.1 Protection of policyholders' interests' regulation:** The basic framework for protection of policyholder's interests is contained in the IRDA (Protection of policyholder's Interests) Regulations 2017. They contain frame work for insurers, intermediaries and agents on procedures to be followed at point of sale, proposal stage, policy issuance stage and at claims stage. The Regulations prescribe insurers to have in place a board approved policy for protection of policyholders interests which shall include their Insurance awareness programmes, defining service parameters, turnaround times, procedure for expeditious resolution of complaints, steps to prevent mis-selling and un fair business practices and steps to ensure proper information flow to prospects. The regulations also prescribe insurers to pay interest on delayed settlement of insurance claims.

**I.4.1.2 Proposer or Policyholder Grievances:**Grievance/complaint has been specifically defined in Regulation 4(4) of the Insurance Regulatory and Development Authority of India (Protection of Policyholders' Interests) regulations, 2017 which reads as follows:

"Complaint" or "Grievance" means written expression (includes communication in the form of electronic mail or other electronic scripts), of dissatisfaction by a complainant with insurer, distribution channels, intermediaries, insurance intermediaries or other regulated entities about an action or lack of action about the standard of service or deficiency of service of such insurer, distribution channels, intermediaries, insurance intermediaries or other regulated entities;

Explanation: An inquiry or request would not fall within the definition of the "complaint" or "grievance".

**I.4.1.3Grievance Redressal and Consumer Education:**The IRDAI facilitates resolution of policyholder grievances by monitoring the insurers' policy of Grievance Redressal and takes several initiatives towards protecting the interests of the Insurance consumers. Grievance Redressal procedure is prescribed in protection of policyholders' interests Regulations, 2017 in terms of which the IRDAI mandated all insurers to have in place a grievance redressal policy, designate a Grievance Redressal Officer at the Head Office/Corporate Office/Principal Office and also a Grievance Redressal Officer at every other office. The Regulations also prescribe insurers to constitute a policyholder protection committee in accordance with the corporate governance guidelines for receiving and analysing reports relating to grievances and their Redressal.

In order to provide alternative channels to receive complaints against insurers, IRDAI has set up IRDAI Grievance Call Centre (IGCC) which receives complaints through a toll free telephone number & by email and registers complaints apart from furnishing the status of the resolution. IRDAI has also put in place the Integrated Grievance Management System (IGMS) as an online system for grievance management that is not only a gateway for registering and tracking grievances online but also act as an industry-wide grievance repository for IRDAI to monitor disposal of grievances by insurance companies. IGCC has an interface with IGMS; and through IGMS, IRDAI has an interface with grievance systems of all insurers.

The IRDAI receives complaints on insurers from prospects and policyholders; and takes up these grievances with insurers for resolution. Prospects and policyholders are advised to first file their complaints with the respective insurance companies. An insurance company is required to resolve a grievance within two weeks of its receipt. If a complainant is unhappy with service/Redressal provided by an insurance company or an intermediary associated with the company, he/she should approach the Grievance Redressal Officer (GRO) of the insurance company first and give a complaint in writing along with the necessary supporting documents. The GRO should provide resolution within 2 weeks. In case the complaint is not resolved within two weeks of its receipt or it is unattended, or if the insurance company does not resolve the complaint to the satisfaction of the complainant, the complainant can approach insurance ombudsman of appropriate jurisdiction. The Regulations prescribe that insurers shall provide contact details of insurance ombudsman having jurisdiction over complaints, in every policy document issued by them. The insurance ombudsman resolves grievance either through effective mediation or by passing an award. The award passed by insurance ombudsman is binding on Insurer. However, there are instances wherein courts have allowed appeals by insurers on the orders passed by ombudsman in exercise of their constitutional powers. Therefore, in order to ensure timely disposal of complaints, the Authority has issued Circular Ref: IRDA/CAD/CIR/MISC/194/11/2015 dated 03.11.2015 advising insurers to comply with the orders of Insurance Ombudsman, Motor Accidents Claims Tribunals (MACT) and other judiciary bodies as per time lines specified in the orders or within 60 days of receipt of the order/award by insurer, in cases where no time limit is specified in the order. If insurer chooses to prefer

an appeal against the order, such appeal against the order shall be preferred within the stipulated time limit as per applicable rules and the customer should be informed accordingly.

The IRDAI is also actively engaged in consumer education with a view to spread insurance awareness. Insurance, being a complex financial product, requires special knowledge to understand the nature of insurance products on offer, their utility and the terms and conditions. The consumer education initiatives of IRDAI are aimed at ensuring that the consumer identifies his/her needs, understands the insurance products and the risks involved therewith so that he/she takes an informed decision while purchasing insurance. Insurance awareness campaigns by IRDAI are carried out through all possible channels including print and electronic media viz. newspaper ads and publication of handbooks/comic books, radio/television, internet, seminars, social websites like You tube, face book, twitter etc. The consumer education website [www.policyholder.gov.in](http://www.policyholder.gov.in) hosts a lot of insurance related information of interest to the public in simple language. In order to enhance the reach of the material, IRDAI has launched a Hindi site and also prepared the books in major regional languages so that the information can be made available to the people across the country in the language of their choice. IRDAI is focusing now on the distribution of the material developed for which IRDAI is collaborating with the insurance industry, other regulatory bodies, Financial Literacy Centres etc., and using all available alternative channels used to reach people across the nation for spreading insurance awareness, thereby creating the demand push for enhancing the levels of insurance inclusion. IRDAI is also an active participant in implementing the National Strategy on Financial Education by working with other financial sector regulators towards imparting financial literacy from early stages of one's life.

**I.4.1.4 Mis-selling:** Unfair trade practice in life insurance sector refers to the use of various deceptive, fraudulent, or unethical methods to solicit or procure insurance business. Unfair trade practices include misrepresentation of terms, conditions and benefits available under the life insurance products, false advertising or representation of a product, tied selling/force selling, false free prize or gift offers, deceptive pricing etc. Such acts are considered unlawful by Consumer Protection Act, 2019 in India. The term "Unfair Trade Practices" is defined in Consumer Protection Act, 2019 vide section 2(47). This opens up recourse for consumers by way of compensatory or punitive damages. An unfair trade practice is sometimes referred to as a "deceptive trade practice" or an "unfair business practice."

Mis-selling is mostly in life insurance sector where there is saving and/or investment element along with risk coverage element. It is also prevalent to an extent in health insurance where misrepresentations about benefits or coverage or both are made to solicit and sell health cover. In pure risk policies like other non-life policies, there is not much of mis-selling as there is no incentive to mis-sell. The focus therefore is on mis-selling by life insurance companies.

Keeping the gravity and the consequences of such practices in view, the IRDAI categorised following complaints as Unfair Business Practices Complaints.

- Mis selling/Mis-representation
- Tampering Records/Forging Signature
- Free-Look refund not paid.

Data pertaining to Unfair Business Practices Complaints registered against public and private sector life insurers during last 4 financial years is furnished below. The UFBP complaints as a percentage of new policies sold is also furnished for information.

#### TABLE

Year	Insurer	No. of UFBP complaints	% increase/decrease change over last year	Total Life complaints	% of UFBP complaints	No. of new policies sold	% of UFBP to new policies sold
2015-16	LIC	1891	-19.97%	64750	2.92%	20546749	0.32%
	Pvt. Life Insurers	98366	-31.10%	139951	70.29%	6193339	2.26%
2016-17	LIC	1215	-35.75%	30784	3.95%	20131500	0.15%
	Pvt. Life Insurers	61071	-37.91%	90063	67.81%	6325145	1.42%
2017-18	LIC	2908	139.34%	77184	3.77%	21338176	0.36%
	Pvt. Life Insurers	51321	-15.97%	77183	66.49%	6860602	1.13%
2018-19	LIC	4276	47.04%	102127	4.19%	21433256	0.48%
	Pvt. Life Insurers	45294	-11.74%	61137	74.09%	7254556	0.84%

**Source:** Integrated Grievance Management System and Business Figures-Life of IRDAI

A cursory glance at the complaints registered in IGMS and new business policies procured by public and private sector life insurers reveal that the number of unfair business practices complaints registered against private sector is very high and needs to be acted upon. It may be noted that due to effective supervision and efforts of IRDAI there is continuous reduction in UFBP complaints as a percentage of new policies in respect of private sector life insurers during last 4 years. The percentage of UFBP complaints to new policies sold has been reduced from 2.26 in 2015-16 to 0.84 in 2018-19 in private life sector. It is also not to be noted that number of UFBP complaints registered against private sector life insurers have decreased from 98366 in 2015-16 to 45294 in 2018-19.

**II. Spurious calls:** Spurious calls in the name of officials of IRDAI/IGMS, various government agencies and other financial institutions is a matter of concern for the Insurance Industry. IRDAI has issued several public notices, press releases, advertisements in leading TV Channels, newspapers, and directions to Insurance Companies to caution public against spurious calls etc at various touch points and in media as well. In order to ensure that all the complaints under Mis-selling and spurious calls are handled as per the laid down policy of the Insurance company in all cases, All the life insurers were advised to draw out a

- Company Specific Policy on handling Mis-selling Complaints and also a
- Company Specific Policy on handling Spurious Calls Complaints.

All the life insurance companies have drawn above policies.

### III. ROOT CAUSE OF MISSELLING COMPLAINTS

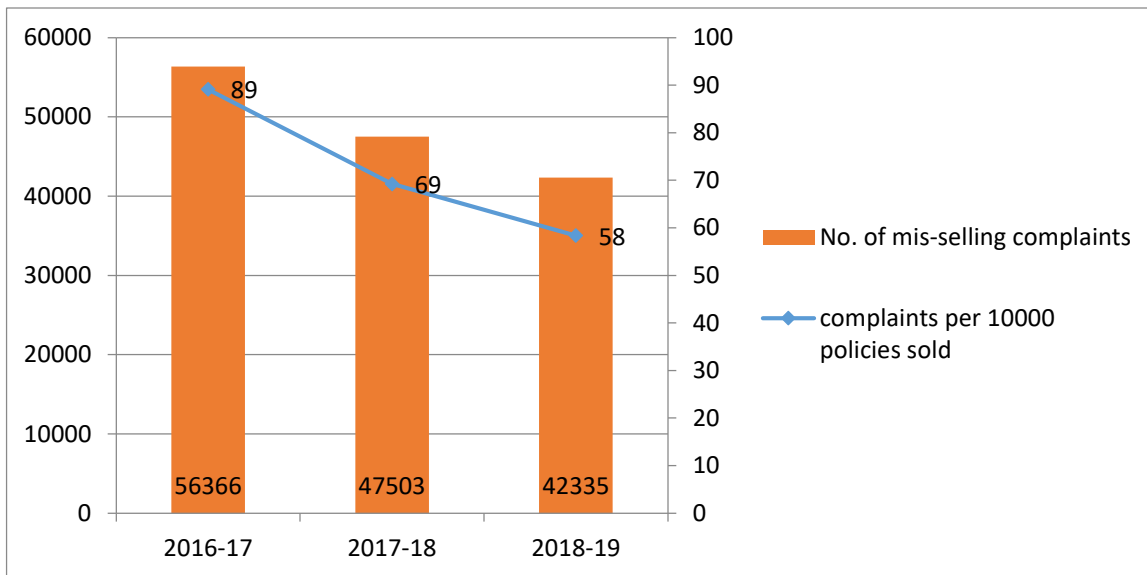
1. Based on consolidation of submissions made by Insurers and analysis of complaints, the following issues have been identified as root cause of mis-selling complaints.
  - a) Incorrect explanation of product features and benefits by Sales person sourcing the business.
  - b) Incorrect premium paying term and policy term is explained to policyholder especially in cases where regular premium paying product is sold as single premium product.
  - c) Policy is sold to gullible prospects assuring Loan / Bonus / Medical Benefits/ Gold coins/Mobile towers/other benefits upon purchase of insurance policy.
  - d) Tampering, forgery of proposal/ other related documents.
  - e) High attrition rate amongst Sales team

- f) Inducements such as rebate, commission are offered while sourcing the policy.
- g) Pressure on the sales person to meet sales target.
- h) Free look cancellation requests are rejected by Sales personnel who are not authorized to take such decisions.
- i) Splitting of policies wherein multiple policies are issued to the same proposer at the same time.
- j) Life Insurance policies are sold as Tax saving/ Investment plans.
- k) Sales personnel lack proper knowledge /are inadequately trained, thereby recommending unsuitable products to prospects.
- l) Improper/Incorrect financial needs assessment of Prospect is done while sourcing the policy by the sales personnel.
- m) Charges under the policy and lock in period are not properly explained while sale of Unit Linked Insurance Policies.
- n) Advising policyholder to surrender the existing policy and to take a new policy and wait for a few months after which the fresh policy would be entitled for additional enhanced returns /benefits.
- o) Contact numbers updated on the proposals are tampered, which restricts the success of the Pre Issuance Verification calls.
- p) Lack of awareness on insurance on the policyholder's part thus being misled into buying the insurance policy.
- q) Policyholders do not read policy terms and conditions at point of sale and realize that they have been misled when the promised benefits do not accrue.
- r) Even educated customers tend to overlook the fact that life insurance is a long-term product. The expectation of short-term gains seems appealing to customers, but they fail to comprehend that the charges in insurance products are higher initially and usually taper down as the term progresses. Thus, an early exit is never beneficial.
- s) Policyholder's blind faith on the person authorized to sell, and thus failing to cross-check details
- t) Customers adhere to the sales person's request to give choreographed replies on the Pre Issuance Verification calls.
- u) Customers sign the proposal form, benefit illustration and therefore, it is difficult to establish and identify the correctness of the complaint or if it was only an afterthought to cancel the policy.
- v) Financial Problems/incapacity of the policyholder to pay future premiums
- w) Insurance is sold to customers stating it is mandatory to avail loan/locker facility etc. at bank
- x) Bank deposits/Debentures are converted into insurance premium by employees of Banks/NBFCs without consent of customer
- y) Insurance is sold to clients who were not present in India at the time of sourcing along with premium being funded without customer consent through bank accounts held with the bank.
- z) Instigation by employees, advisor, channel partners, others who are no longer sourcing new business for the insurer.

2. Based on consolidation of data submitted by Pvt. Life Insurers, statistics pertaining to mis-selling complaints are reproduced below:

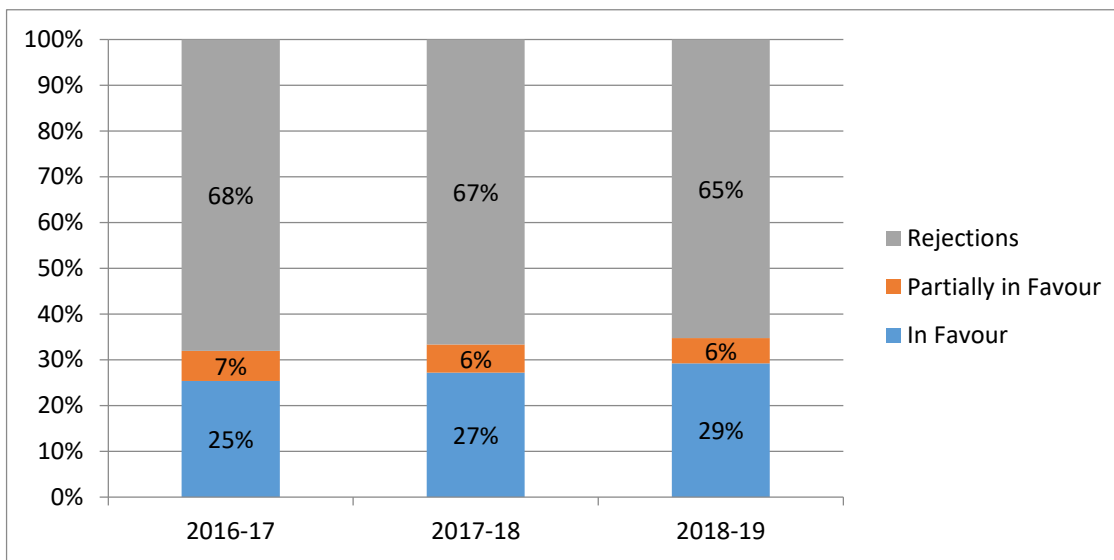
1. Incidence of mis-selling complaints per 10,000 policies sold





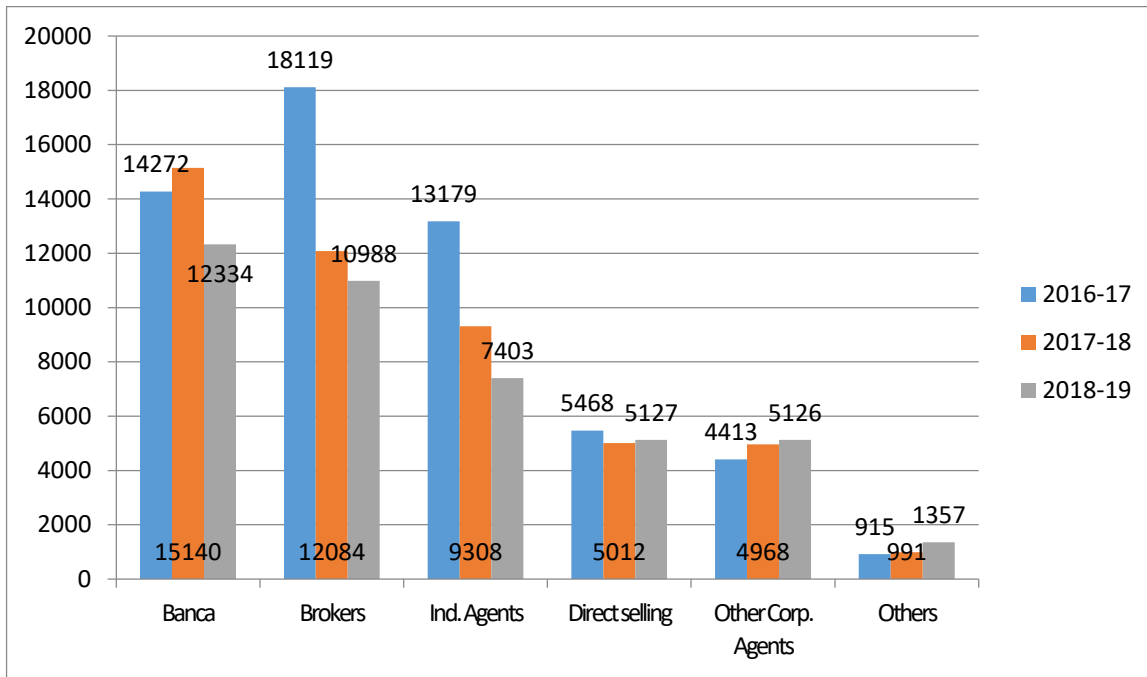
No. of mis-selling complaints have reduced from 56366 in 2016-17 to 42335 in 2018-19 in respect of Private Life Insurers. Incidence of mis-selling complaints per 10,000 policies sold has also reduced over the years.

## 2. Acceptance status of mis-selling complaints



Percentage of complaints being disposed in favour of complainant has increased slightly from 25% in 2016-17 to 29% in 2018-19.

### 3. Channel wise Mis-selling complaints:



## IV. CONSUMER EDUCATION

The definitive way of reducing mis-selling is to make the members of public aware of the concept of insurance, kinds of insurance policies, risks covered, benefits offered, exclusions, and conditions etc. This is sought to be achieved through various efforts of financial education to improve financial literacy

- Bima Bemisal campaign through print and electronic media,
- Cautioning public against fictitious offers and spurious calls
- Launching consumer education website [www.policyholder.gov.in](http://www.policyholder.gov.in) and its mobile version
- Devising various films, comics, games, handbooks and FAQs relating to insurance and initiatives of IRDAI and publicizing them
- Conducting regular seminars involving customer groups addressing policyholder concerns and policyholder education.
- Introducing mobile application which enables the prospective policyholders to compare insurance products and premium rates in case of unit linked products.

Considering the fact that several complaints were received from members of public relating to spurious calls and fictitious offers involving insurance products, IRDAI launched a multi-pronged campaign to caution members of public through print, electronic and mass media including Internet and by way of specific directions to insurers to incorporate the caution in their publicity material in policy related advertisements as well as advertisements in print, electronic media and TV.

## **V. ACTION BY INSURERS**

Insurers have also been taking the issue of mis-selling seriously by doing a root cause analysis of mis-selling complaints to identify the major causes and have taken steps to prevent or reduce mis-selling through steps to ascertain suitability of product, place controls on the various channels tuning it based on the vulnerability of the channel and have a strategy on dealing with complaints of mis-selling.

In addition to the action taken by IRDAI based on the examination of complaints by the insurers, they also take up action against the agents or intermediaries in the form of issuing warning letters, terminating employees, filing police complaints and most commonly resort to claw-back of commission wherever the policies have been cancelled as a consequence of proven mis-selling.

Further, every insurer has a Board approved insurance awareness policy containing the strategy and efforts to build awareness among customers.

## **VI. INSURANCE LAWS (AMENDMENT) ACT, 2015 provisions to multi-level marketing/mis-selling of insurance products:**

The amendments to the Insurance Act, 1938 have been made through the enactment of Insurance Laws (Amendment) Act, 2015. In terms of section 42 (A)(2), no person shall allow or offer to allow, either directly or indirectly, as an inducement to any person to take out or renew or continue an insurance policy through multilevel marketing scheme. Further, section 42 (A)(3) prescribes that the Authority may through an officer authorised in this behalf, make a complaint to the appropriate police authorities against the entity or persons involved in multilevel marketing scheme. This Amendment Act vide section 42(5) also prescribes that the insurers shall be responsible for all the acts and omissions of its agents including violation of code of conduct and liable to a penalty which may extend to one crore rupees. These changes will enable the interests of consumers to be better served through provisions like those enabling penalties on intermediary's / insurance companies for misconduct and disallowing multilevel marketing of insurance products in order to curtail the practice of mis-selling. The amended Law has several provisions for levying higher penalties ranging from up to ₹1 Crore to ₹25 Crore for various violations including mis-selling and misrepresentation by agents / insurance companies.

## **INSURANCE LITERACY AND CONSUMER AWARENESS INITIATIVES OF IRDAI**

### **1.4.1.17**

Protection of interests of insurance policyholders and ensuring the orderly growth of the insurance sector in India are the objectives which are at the core of IRDAI's mission. Since its inception, IRDAI has been continuously engaged in various insurance awareness campaigns with the aim of equipping the existing and the 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.

IRDAI's policyholder website [www.policyholder.gov.in](http://www.policyholder.gov.in), serves as a single point source of information to policyholders on the basic concepts of insurance. Halfway through FY 2018-19, the portal has registered a total of 1.5 crore visitors. The website is made more dynamic and relevant by updating information on a continuous basis.

Role as a Core Committee Member of NCFE: IRDAI continued to play an active role as a Member of the Core Committee of the National Centre for Financial Education (NCFE), an institution comprising representatives of all the financial sector regulators in India with an aim to implement the National Strategy for Financial Education

(NSFE). The NCFE was set up as a Section 8 Company in 2018 with Board of Directors comprising one member from each of the regulators. Accordingly, IRDAI has nominated its official as a member on the Governing Board of NCFE and has contributed Rs.30 crore, being 30% share, towards the authorized capital of NCFE. IRDAI is also actively involved in the drafting of National Strategy for Financial Education (NSFE) 2019-24, in co-ordination with other regulators.

**2. IRDAI Research Grant Scheme:** IRDAI sponsors proposals under the Research Grant Scheme, which provides opportunities for applied research in the field of Insurance. An amount of up to Rs.5 lakh per project is sanctioned under the scheme. **For the F.Y.2018-19**, four research projects on the following topics were sponsored :

- a) Insurance awareness among millennials
- b) Crop Insurance as a drought mitigation strategy
- c) Life Insurance and the factors responsible for its deficiency in the state of Uttar Pradesh and Kerala
- d) Determinants of Consumer Purchase decisions of Health Insurance in Gujarat

Earlier, IRDAI has sponsored research on topics such as Potential users of Health Insurance in India, Measurement of productive and economic efficiency of Indian insurers through analysis of quarterly data and Assessing the Protection gap of healthcare needs of rural areas through community participation and PPP.

### **3. Insurance Awareness Campaigns by way of Adoption of Districts:**

To further the cause of financial inclusion through insurance, IRDAI has advised insurance companies to adopt districts for spreading insurance literacy and for coverage of all families based on their insurance needs. The 117 aspirational districts as identified by the NITI Aayog are indicated as the target areas for the pilot project. The objective of the campaign is two-fold:

to make every household aware of the four common types of insurance, viz. life, health, motor and property insurance; and

to motivate every household to have at least two policies of relevance.

Based on the outcome of the pilot, IRDAI may like to roll out the campaign in other districts of the country.

## **1.4.2 MAINTENANCE OF SOLVENCY MARGINS OF INSURERS**

**1.4.2.1** Every insurer is required to maintain a Required Solvency Margin as per Section 64VA of the Insurance Act, 1938. Every insurer shall maintain an excess of the value of assets over the amount of liabilities of not less than an amount prescribed by the IRDA, which is referred to as a Required Solvency Margin. The IRDAI (Assets, Liabilities and Solvency Margin of Life Insurance Business) Regulations, 2016 and the IRDAI (Assets, Liabilities and Solvency Margin of General Insurance Business) Regulations, 2016 describe in detail the method of computation of the Required Solvency Margin.

### **Solvency Ratio of Life Insurers**

**1.4.2.2** In the case of life insurers, the minimum Required Solvency Margin is rupees fifty crore (rupees one hundred crore in the case of reinsurer) and arrived at in the manner specified by the Authority. The Insurance Laws (Amendment) Act, 2015 specifies a level of solvency margin known as control level of solvency, on the

breach of which, the Authority shall direct the insurer to submit a financial plan indicating a plan of action to correct the deficiency within a specified period not exceeding six months.

### **Solvency Ratio of Non-Life Insurers**

**I.4.2.3** As at 31<sup>st</sup> March, 2019, all 28 private sector non-life insurers (including the standalone health insurers) have complied with the stipulated Solvency Ratio of 1.50.

During the year 2018-19, the Authority had granted dispensation to National Insurance Co. Ltd, to consider 100% of Fair Value Change Account and to discount the net IBNR towards Motor TP by 2.50% for solvency purpose.

The Authority granted dispensation to United India Insurance Co. Ltd and Oriental Insurance Co. Ltd to consider 100% and 40%, respectively, of Fair Value Change Account for solvency purpose.

National, Oriental and United have reported solvency ratio of 1.04, 1.57 and 1.52 respectively, after considering the forbearances granted. New India has reported solvency ratio of 2.13 as on 31<sup>st</sup> March 2019.

**I.4.2.4** As at 31<sup>st</sup> March, 2019, the specialized insurers, i.e. AIC and ECGC reported a solvency ratio of 2.14 and 10.40 respectively.

### **Solvency Ratio of Reinsurer**

**I.4.2.5** The national re-insurer, General Insurance Corporation of India, reported a solvency ratio of 2.06 as on 31<sup>st</sup> March, 2019.

**I.4.2.6** All foreign reinsurance branches have reported solvency margin above 1.50 as on 31<sup>st</sup> March 2019.

### **Cross Border Reinsurers**

**I.4.2.7** The Authority, under provisions of Section 14 of the IRDA Act, 1999 had issued guidelines on “Cross Border Reinsurer”. These guidelines were effective from April 1<sup>st</sup>, 2016, The guidelines are applicable to those “Cross Border Reinsurers” (CBR) who do not have any physical presence in India but carry on reinsurance business with Indian Insurance Companies.

**I.4.2.8** The cross border reinsurer should have a credit rating of at least BBB with S&P or equivalent international rating agency for a period of past three continuous years and should have a satisfactory past claims performance. The reinsurer should be a legal entity in its home country and is regulated by its home country supervisor. The solvency of the reinsurer should not be lower than standards prescribed by the home country regulator/supervisor, which monitors financial strength, quality of the management and adequacy of technical reserving methodologies.

The CBRs are provided a Unique Identification Number (UIN), valid for one financial year by The Authority enabling the foreign reinsurer to transact reinsurance business with Indian Insurers/Reinsurers. It is also required that the country of the reinsurer should have signed Double Taxation Avoidance Agreement with Govt. of India. In FY 2018-19 there were 371 CBRs participated in Indian Reinsurance Business as against 367 CBRs in the FY 2017-18.

### **I.4.2.9 Statutory provision about Obligatory Cessions to Indian Reinsurer/s**

- a) Section 101 A of the Insurance Act 1938 stipulates that every insurer shall reinsure with the Indian reinsurer/s such percentage of the sum insured on each general insurance policy as may be specified by the Authority (which is called as 'obligatory cessions' or 'statutory cessions'), with the previous approval of the Central Government, after consultation with the Reinsurance Advisory Committee constituted under section 101B of the Act.
- b) The Insurance Act also provides that Authority may by notification specify the percentages of the sum insured on each policy to be reinsured with the Indian reinsurer and different percentages may be specified for different classes of insurance provided that no percentage so specified shall exceed 30 per cent of the sum insured on such policy.
- c) Section 101A (4) provides that a notification under sub-section (2) of Section 101A of the Insurance Act, 1938 may also specify the terms and conditions in respect of any business of re-insurance required to be transacted under this section and such terms and conditions shall be binding on Indian re-insurers and other insurers.

#### **I.4.2.10 Obligatory Cession to Indian Reinsurer/s for 2018-19**

- a) The percentage of the sum insured on each General Insurance policy to be reinsured with the Indian Reinsurer as notified is 5% in respect of insurances attaching during the year 1st April 2018 to 31st March 2019.
- b) The rate of obligatory cession is maintained at 5% since 2013-14.

#### **I.4.2.11 Indian Reinsurers**

As at 31<sup>st</sup> March 2019, there are two Indian Reinsurers registered with the Authority, namely General Insurance Corporation of India (GIC Re) and ITI Reinsurance Limited. (ITI Re).

GIC Re has been providing re-insurance support to Direct Insurance Companies in India and foreign insurers/re-insurers. The Corporation's reinsurance program has been designed to meet the objectives of optimizing retention within the country, ensuring coverage for exposure and developing adequate capacities within the domestic market. It is also managing the Nuclear Pool and Terrorism Pool. GIC Re receives statutory cessions on each and every policy issued by domestic general insurers subject to certain limits and leads most of the treaty programs and facultative programs of these companies.

GIC Re is ranked 10th by Standard & Poor's in the Top 40 Global Reinsurance Groups. A M Best has also ranked GIC Re as 11th in the Top 50 World's Largest Reinsurance Groups. Global rating agency A M Best reaffirmed the Financial Strength Rating of "A- (Excellent)" and issuer credit rating of "a-" of the Corporation in March 2019. The outlook of these credit ratings is Stable. ITI Re was granted Certificate of Registration (CoR) to transact reinsurance business in the month of December, 2016. It did not commence business operations and have surrendered their COR for cancellation.

#### **I.4.2.12 Insurance Pools – Terrorism Pool**

The Indian Market Terrorism Risk Insurance Pool was formed with the initiative of all non-life insurance companies in India in April 2002, after terrorism cover was withdrawn by international reinsurers post 9/11 incident. The Pool has thus completed 17 years of successful operation. All Indian non-life insurance companies, State Government of Gujarat and GIC Re are members of the Pool. The Pool is administered by GIC Re. The Pool is applicable to insurance of terrorism risk covered under property insurance policies, including cover to dwellings and fixed assets in multiple locations.

The limit of indemnity per location has been maintained at ₹2000 crore like previous year.

The Pool's premium income for 2018-19 is ₹531.21 crore as against to ₹533.93 crore in 2017-18. The claims paid by the Pool during 2018-19 are ₹24.84 crore. No major losses are reported to the Pool during 2018-19

**TABLE**  
**MEMBERS SHARE IN INDIAN MARKET TERRORISM RISK INSURANCE POOL**

Sl. No.	Member Company	2017-18		2018-19	
		Per risk Capacity	Share (in %)	Per risk Capacity	Share (in %)
1	General Insurance Corporation of India	336.056	16.8028%	333.692	16.6846%
2	The New India Assurance Co. Ltd.	336.056	16.8028%	333.692	16.6846%
3	United India Insurance Co. Ltd.	251.82	12.5910%	250.048	12.5024%
4	The Oriental Insurance Co. Ltd.	240	12.0000%	238.312	11.9156%
5	ICICI Lombard General Insurance Co. Ltd.	166.912	8.3456%	165.738	8.2869%
6	Bajaj Allianz General Insurance Co. Ltd.	107.038	5.3519%	106.284	5.3142%
7	IFFCO-Tokio General Insurance Co. Ltd.	79.2	3.9600%	78.642	3.9321%
8	Reliance General Insurance Co. Ltd.	40	2.0000%	39.718	1.9859%
9	Cholamandalam General Insurance Co. Ltd.	39.34	1.9670%	39.064	1.9532%
10	Tata-AIG General Insurance Co. Ltd.	31.68	1.5840%	31.456	1.5728%
11	Future Generali General Insurance Co. Ltd.	28.364	1.4182%	28.164	1.4082%
12	Royal Sundaram Alliance Insurance Co. Ltd.	27.918	1.3959%	27.722	1.3861%
13	Liberty Videocon General Insurance Co. Ltd.	20.956	1.0478%	20.808	1.0404%
14	National Insurance Co. Ltd.	177.62	8.8810%	167.62	8.3810%
15	Govt. Insurance Fund, Gujarat	20	1.0000%	20	1.0000%
16	Shriram General Insurance Co. Ltd.	20	1.0000%	20	1.0000%
17	SBI General Insurance Co. Ltd.	15.616	0.7808%	15.616	0.7808%
18	Bharti AXA General Insurance Co. Ltd.	15.106	0.7553%	15.106	0.7553%
19	HDFC Ergo General Insurance Co. Ltd.	15	0.7500%	15	0.7500%
20	Magma HDI General Insurance Co. LTd.	10.318	0.5159%	10.318	0.5159%
21	Kotak Mahindra General Insurance Co. Ltd.	10	0.5000%	10	0.5000%
22	Universal Sompo General Insurance Co. Ltd.	10	0.5000%	10	0.5000%
23	Raheja QBE General Insurance Co. Ltd.	1	0.0500%	1	0.0500%
24	Go Digit General Insurance Co.	-	-	10	0.5000%
25	DHFL General Insurance Co. Ltd.	-	-	2	0.1000%
26	Edelwiess General Insurance Co. Ltd	-	-	10	0.5000%
	<b>Total</b>	<b>2000</b>	<b>100.0000%</b>	<b>2000</b>	<b>100.0000%</b>

### I.4.2.13 Insurance Pools - Nuclear Pool

The enactment of Civil Liability for Nuclear Damage Act, 2010 mandates protection of unknown and potentially catastrophic risk arising out of nuclear event. Generally, nuclear perils are excluded from conventional insurance covers as it requires a large insurance capacity. Therefore, to protect the liability arising out of nuclear perils, Indian Nuclear Insurance Pool (INIP) was formed in 2015.

This pool is also managed by GIC Re with an indemnity limit of ₹1500 crore, per location. The pool will provide coverage to nuclear operators in the country and also to nuclear suppliers.

The pools premium income for 2018-19 is ₹100.16 crore, whereas the pools premium income for 2017-18 was ₹100 core.No claim has been paid by the pool during the year 2018-19.

**TABLE**

#### **Members Share in Indian Nuclear Insurance Pool**

(₹ Crores)

Sl. No.	Member Company	2017-18		2018-19	
		Per risk Capacity	Share (in %)	Per risk Capacity	Share (in %)
1	General Insurance Corporation of India	600	40%	600	40%
2	New India Assurance Company Ltd	300	20%	300	20%
3	United India Insurance Company	200	13%	200	13%
4	Oriental Insurance Company Ltd	100	7%	100	7%
5	National Insurance Company India	100	7%	100	7%
6	ICICI Lombard General Insurance Company	100	7%	100	7%
7	Reliance General Insurance Company Ltd	20	1%	20	1%
8	Tata AIG General Insurance Company Ltd	20	1%	20	1%
9	IFFCO Tokio General Insurance Company Ltd	20	1%	20	1%
10	Cholamandalam General Insurance Company Ltd	15	1%	15	1%
11	SBI General Insurance Company Ltd	15	1%	15	1%
12	Universal Sompo General Insurance Company	10	1%	10	1%
	<b>Total</b>	<b>1500</b>	<b>100%</b>	<b>1500</b>	<b>100%</b>

The New India Assurance Co. Ltd. has filed two products named Nuclear Supplier's Insurance Policy and Nuclear Operators Liability (Act only) Insurance Policy, which are approved by the Authority.



#### I.4.2.14 India as a Reinsurance Hub

With the view to make India, a Reinsurance hub, the Insurance Law (Amendment) Act, 2015 has allowed Foreign Reinsurers and the Society of Lloyd's to open their Branches in India to transact reinsurance business in India.

During 2018-19 the following foreign reinsurers were granted Certificate of Registration (CoR) to transact reinsurance business through their reinsurance branch offices in India

#### LIST OF FOREIGN REINSURERS' BRANCHES /SYNDICATE, SERVICE COMPANIES OF LLOYDS' INDIARegistered during 2018-19

Sl. No.	Name of Foreign Reinsurer	Date of issue of Certificate of Registration (CoR)
1	Allianz Global Corporate & Specialty SE, India Branch	06-08-2018
2	Markel Services India Private Limited	01-06-2018

Thus, the Authority has allowed nine foreign reinsurance branches to operate in India and Lloyds India is operating with two Syndicates. In addition, Authority has also allowed Insurers/Reinsurers to open their offices in International Financial Services Centre, Gujarat-SEZ for transacting reinsurance business.

Following table (Table no.....) gives a glimpse of the business figures of the reinsurers operating in India for the FY 2018-19

TABLE  
GROSS PREMIUM OF REINSURERS

(₹ crore)

Reinsurer	Gross RI Premium Income (Indian Business)	Gross RI Premium Income (Foreign Business)	Total RI Premium Income (Indian & Foreign businesses)
GIC Re	30972.21	13,265.79	44,238.00
FRB/Lloyd's	9667.51	47.65	9,715.16
<b>TOTAL</b>	<b>40,639.72</b>	<b>13,313.44</b>	<b>53,953.16</b>

TABLE  
BUSINESS FIGURE OF RE-INSURANCE ENTITIES: 2018-19

(₹ crore)

Reinsurer	Gross RI Premium Income (Indian Business)	Gross RI Premium Income (Foreign Business)	Total RI Premium Income (Indian & Foreign Businesses)

GIC Re	30972.21	13,265.79	44238.00
Swiss Re	2272.92	2.49	2275.41
Munich Re	2248.23	36.85	2285.08
SCOR	1571.77	0.00	1571.77
Hannover	622.42	0.18	622.60
Axa Vie	2173.54	0.00	2173.54
XL Cat	316.53	7.97	324.50
Gen Re	194.06	0.00	194.06
RGA	266.85	0.16	267.01
Lloyd's	1.19	0.00	1.19
ITI Re	0.00	0.00	0.00
<b>Grand Total</b>	<b>40639.72</b>	<b>13313.44</b>	<b>53953.16</b>

**TABLE**  
**NET RETENTION OF NON-LIFE INSURERS, INDIAN REINSURERS AND FOREIGN REINSURERS' BRANCHES**  
**(INCLUDING LLOYD'S) IN INDIA AS A PERCENT OF GROSS PREMIUM**

(In per cent)

<b>Class</b>	<b>2018-19</b>	<b>2017-18</b>
Fire	47.80	57.14
Marine Cargo	65.20	82.15
Marine Hull	34.77	37.23
Motor	91.01	98.99
Engineering	56.81	74.72
Aviation	20.97	38.97
Other Misc.	47.82	88.57
<b>Total</b>	<b>59.78</b>	<b>90.37</b>

**Note:** The basis of the calculation of Net retained premium has been changed to Gross Premium from Gross Earned Premium

**TABLE**  
**QUANTUM OF REINSURANCE BUSINESS PLACED (BY NON-LIFE DIRECT INSURERS) WITHIN & OUTSIDE**  
**INDIA AND AS A PERCENT OF GROSS PREMIUM**

(₹ crore)

<b>Class</b>	<b>2018-19</b>	<b>2017-18</b>
--------------	----------------	----------------

	Amount of Reinsurance Premium placed within India	Percentage of Reinsurance Premium placed within India	Amount of Reinsurance Premium placed Outside India	Percentage of Reinsurance Premium placed Outside India	Amount of Reinsurance Premium placed within India	Percentage of Reinsurance Premium placed within India	Amount of Reinsurance Premium placed Outside India	Percentage of Reinsurance Premium placed Outside India
Fire	5842.55	46.03	2435.11	19.19	5104.32	50.42	2308.14	22.80
Marine Cargo	502.39	20.29	320.06	12.93	411.82	18.70	285.07	12.95
Marine Hull	434.86	38.13	328.21	28.78	229.97	46.45	196.88	39.77
Motor	7165.00	11.11	689.70	1.07	6418.93	11.43	326.83	0.58
Aviation	262.58	37.90	335.19	48.38	266.39	67.74	112.32	28.56
Engineering	885.58	33.73	547.90	20.87	715.23	33.75	497.91	23.49
Other Misc.	26747.62	30.44	8165.38	9.29	22539.74	33.18	5272.84	7.76
<b>Total</b>	<b>41840.59</b>	<b>24.33</b>	<b>12821.56</b>	<b>7.45</b>	<b>35686.40</b>	<b>25.59</b>	<b>8999.98</b>	<b>6.45</b>

**Note:** The basis of the calculation of Net retained premium has been changed to Gross Premium from Gross Earned Premium

**TABLE**  
**NET RETAINED PREMIUM OF NON-LIFE DIRECT INSURERS AS A PERCENT OF GROSS PREMIUM**

(In per cent)

Class	2018-19			2017-18		
	Public Sector	Private Sector	Total	Public Sector	Private Sector	Total
Fire	47.49	24.47	34.78	45.59	6.72	26.77
Marine Cargo	77.00	60.58	66.78	83.06	57.32	68.35
Marine Hull	38.71	2.93	33.09	18.12	-0.37	13.78
Motor	90.05	86.29	87.82	87.71	88.24	87.99
Engineering	62.95	23.98	45.41	62.57	16.65	42.76
Aviation	14.96	13.02	14.57	1.96	8.41	3.70
Other Misc.	64.77	56.09	60.26	62.66	53.82	59.06
<b>Total</b>	<b>71.21</b>	<b>65.53</b>	<b>68.11</b>	<b>70.09</b>	<b>65.49</b>	<b>67.95</b>

**Note:** The basis of the calculation of Net retained premium has been changed to Gross Premium from Gross Earned Premium

#### 1.4.4 MONITORING OF INVESTMENTS BY THE INSURERS

1.4.1.1 Insurers have been mandated to follow the Pattern of Investment, as required under IRDAI (Investment) Regulations. Details of investments as on 31.03.2019 along with previous year figures of life, General, Health and Re-Insurance Companies are as under:

#### TOTAL INVESTMENTS OF THE INSURANCE SECTOR:

**1.4.4.2** As on 31<sup>st</sup> March 2019, the investments made by the Insurance Industry stood at ₹3847474 crore as against of ₹3457989 crore as on 31<sup>st</sup> March, 2018, registering an increase of 11.26 per cent. The share of Life insurers stands at 91.83 per cent and the share of PSUs stands at 76.40 per cent, the details of investments are provided in **Table**

**TABLE**  
**TOTAL INVESTMENTS OF THE INSURANCE SECTOR**  
**(As on 31<sup>st</sup> MARCH)**

(₹ Crore)

SECTOR	LIFE		GENERAL, HEALTH & RE-INSURANCE		TOTAL	
	2018	2019	2018	2019	2018	2019
Public	2526923 (11.06)	2760658 (9.25)	162503 (16.94)	178977 (10.14)	2689426 (11.40)	2939635 (9.30)
Private	662137 (14.37)	772485 (16.67)	106426 (27.64)	135354 (27.18)	768563 (16.04)	907839 (18.12)
<b>Total</b>	<b>3189060</b> <b>(11.74)</b>	<b>3533143</b> <b>(10.79)</b>	<b>268929</b> <b>(20.95)</b>	<b>314331</b> <b>(16.88)</b>	<b>3457989</b> <b>(12.41)</b>	<b>3847474</b> <b>(11.26)</b>

**Note:** Figures in brackets represent growth in percentage over the previous year

## INVESTMENTS OF LIFE INSURERS

**1.4.4.3** Funds of Life Insurers are split based on Investments made out of traditional products and ULIP products. The funds of life insurers as on 31<sup>st</sup> March 2019 was ₹3533143 crore, of which ₹3121717 crore (88.36 per cent to total funds) is from traditional products and balance of ₹411425 crore (11.64 per cent to total funds) from ULIP products.

**1.4.4.4** The Investments made Category-wise by life insurers as at 31<sup>st</sup> March 2019 and the corresponding figures as at 31<sup>st</sup> March 2018 are shown in **Table** :

**TABLE**  
**TOTAL INVESTMENTS OF LIFE INSURERS : CATEGORY-WISE**  
**(As on 31<sup>st</sup> MARCH)**

(₹ Crore)

Pattern of Investments	2018		2019	
	Amount	Percentage	Amount	Percentage

<b>Traditional Products</b>				
1 Central Govt. Securities	1069623	38.05	1215622	38.94
2 State govt. and other approved securities	792475	28.19	867521	27.79
3 Housing & Infrastructure	233327	8.30	253187	8.11
4 Approved Investments	642726	22.86	661247	21.18
5 Other Investments	72969	2.60	124141	3.98
<b>A. Total (1+2+3+4+5)</b>	<b>2811119</b>	<b>100.00</b>	<b>3121717</b>	<b>100.00</b>
<b>ULIP Funds</b>				
6 Approved Investments	356608	94.36	378781	92.07
7 Other Investments	21333	5.64	32645	7.93
<b>B. Total (6+7)</b>	<b>377941</b>	<b>100.00</b>	<b>411425</b>	<b>100.00</b>
<b>GRAND TOTAL (A+B)</b>	<b>3189060</b>		<b>3533143</b>	

**TABLE**  
**INVESTMENTS OF LIFE INSURERS : FUND-WISE**  
**(As on 31<sup>st</sup> March)**

(₹ Crore)

Insurer	Life Fund		Pension and General Annuity & Group Fund		Unit Linked Fund		Total of all Funds	
	2018	2019	2018	2019	2018	2019	2018	2019
LIC	1883018	2042651	600374	683735	43530	34272	2526923	2760658
Private	254462	304804	73265	90527	334411	377153	662137	772485
<b>Total</b>	<b>2137480</b>	<b>2347455</b>	<b>673639</b>	<b>774262</b>	<b>377941</b>	<b>411425</b>	<b>3189060</b>	<b>3533143</b>
	(67.02)	(66.44)	(21.12)	(21.91)	(11.86)	(11.65)	(100.00)	(100.00)

**Note:** Figures in brackets is percentage of respective funds to the total funds.

**1.4.4.5** Based on the method of classification of funds, Life fund contributed ₹2347455 crore (66.44 per cent to total funds), Pension and General Annuity & Group fund ₹774262 crore (21.91 per cent to total funds) and ULIP fund ₹411425 crore (11.65 per cent to total funds) to total investments. During the financial year 2018-19, the share of Pension/Annuity fund and Life fund to total investments have gone up from 21.12 per cent to 21.91 per cent. The volume of Life, Pension/Annuity and ULIP funds have increased by ₹209975 crore, ₹100624 crore and ₹33484 crore respectively in FY 2018-19.

**TABLE**  
**GROWTH OF INVESTMENTS: FUND-WISE**

(As on 31<sup>st</sup> March)

(₹ Crore)

Fund	2018		2019	
	Total	Growth in %	Total	Growth in %
Life	2137480	12.03	2347455	9.82
Pension & General Annuity & Group Fund	673639	18.93	774262	14.94
Traditional (A)	2811119	13.61	3121717	11.05
Unit Linked Funds (B)	377941	-0.50	411425	8.86
<b>Total (A+B)</b>	<b>3189060</b>	<b>11.73</b>	<b>3533143</b>	<b>10.79</b>

#### INVESTMENTS OF GENERAL INSURERS (Including Health and Reinsurers)

**1.4.4.6** General Insurance Industry Investments share stands at 8.17 per cent in total investments made by the insurance sector. The total amount of investments made by the General Insurance Industry was ₹314331 crore as on 31<sup>st</sup> March 2019 as against ₹268929 crore of the corresponding period of the previous year, registering an increase of 16.88 per cent.

**1.4.4.7** As on 31<sup>st</sup> March 2019, General insurers have invested ₹130703 crore (41.58 per cent) and ₹90162 crore (28.68 per cent) in Central, State & Other Approved Securities and Approved Investments respectively. The Investments made Category wise by General Insurers as at 31<sup>st</sup> March 2019 and the corresponding figures as at 31<sup>st</sup> March 2018 are shown in **Table :**

TABLE

#### TOTAL INVESTMENTS OF GENERAL, HEALTH & Re-INSURERS : CATEGORY-WISE (As on 31st MARCH)

(₹ Crore)

Pattern of Investments	2018		2019	
	Total	% to Total	Total	% to Total
Central Govt. Securities	69315	25.77	81755	26.01
State govt. and other approved securities	36549	13.59	48948	15.57
Housing and Loans to State Govt. for Housing & FFE	27554	10.25	31770	10.11
Infrastructure Investments	42322	15.74	50070	15.93
Approved Investments	85388	31.75	90162	28.68
Other Investments	7801	2.90	11626	3.70
<b>Total</b>	<b>268929</b>	<b>100.00</b>	<b>314331</b>	<b>100.00</b>

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*Note : 1.Included Specialized Insurers and Indian Reinsurance Branches*

*2. FFE : Fire Fighting Equipment*

### **I.4.5 HEALTH INSURANCE (HI) BUSINESS**

#### **Registered Health Insurers in India**

As on 31<sup>st</sup> March, 2019, there were seven standalone Health Insurers exclusively underwriting health insurance business.

**Table REGISTERED INSURERS IN INDIA**  
**(as on 31<sup>st</sup> March, 2019)**

Type of Insurers	Public Sector	Private Sector	Total
Stand-alone Health Insurers	0	7	7

### **I.4.6. Health Insurance Business**

#### **Trend in Health Insurance Premium (excluding Personal Accident and Travel Insurance Business)**

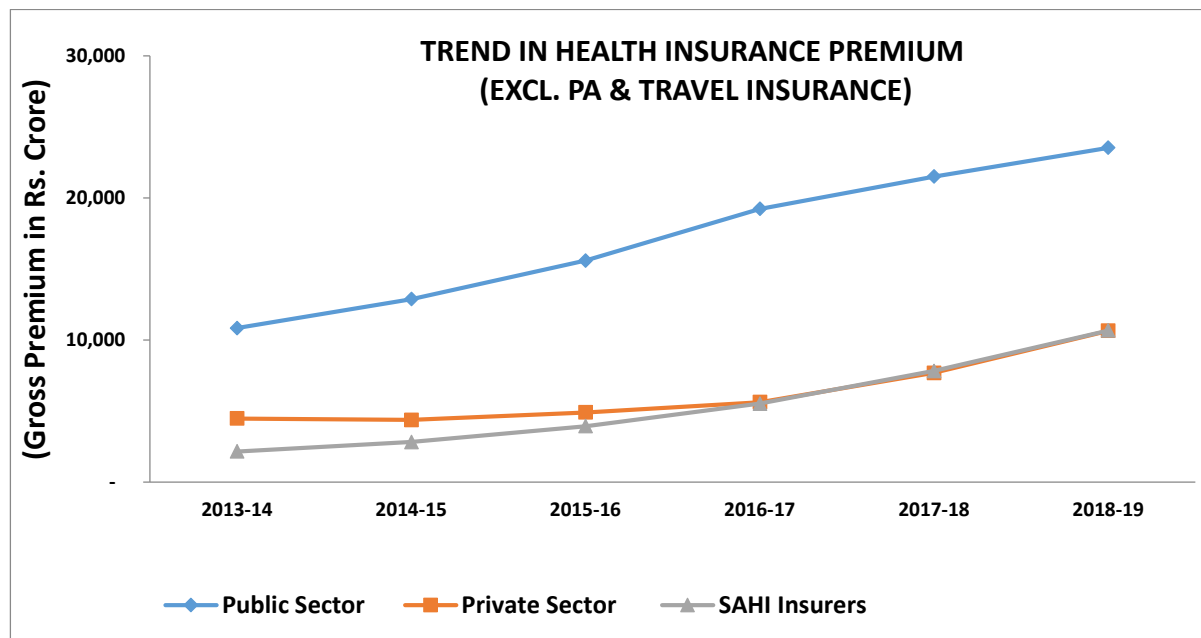
During the FY 2018-19, General & Health Insurance Companies collected Rs. 44,873 crore as Health Insurance Premium registering a growth of 21.2% over the previous FY 2017-18. Health insurance premium continues to grow over 20% year on year during the past four financial years. The four public sector general insurers continue to hold a larger market share at 52% during the FY2018-19. However, there is a marginal dip in the market share of public sector insurers from 58% in FY 2017-18. On the other hand, the share of private sector general insurers has increased marginally from 21% in FY2017-18 to 24% in FY2018-19 and the share of stand-alone health insurers in health insurance premium has gone up from from 21% in FY2017-18 to 24% in FY2018-19.

## TREND IN HEALTH INSURANCE PREMIUM OVER THE PAST FIVE YEARS

(Rs. Crore)

Sectors	2014-15	2015-16	2016-17	2017-18	2018-19
Public Sector	12882	15591	19227	21,509	23,536
General Insurers	(64%)	(64%)	(63%)	(58%)	(52%)
Private Sector	4386	4911	5632	7,689	10,655
General insurers	(22%)	(20%)	(19%)	(21%)	(24%)
Stand-alone Health Insurers	2828	3946	5532	7,831	10,681
Insurers	(14%)	(16%)	(18%)	(21%)	(24%)
<b>Industry Total</b>	<b>20,096</b>	<b>24,448</b>	<b>30,392</b>	<b>37,029</b>	<b>44,873</b>
<b>Annual Growth Rate (In %)</b>	<b>14.9%</b>	<b>21.7%</b>	<b>24.3%</b>	<b>21.8%</b>	<b>21.2%</b>

**Note:** Figures in the bracket indicate the market-share in total HI Premium. The data does not include the detail of health insurance business carried-out in foreign countries.



## Classification of Health Insurance Business:

Health insurance business is classified into Government Sponsored Health Insurance, Group Health Insurance (Other than Government Sponsored) and Individual Health Insurance. In terms of amount of premium collected, the share of Group Business was the highest (48%), followed by individual business (39%) and Government Business (13%). Both individual and group businesses (other than government schemes) have doubled during the last five year period.

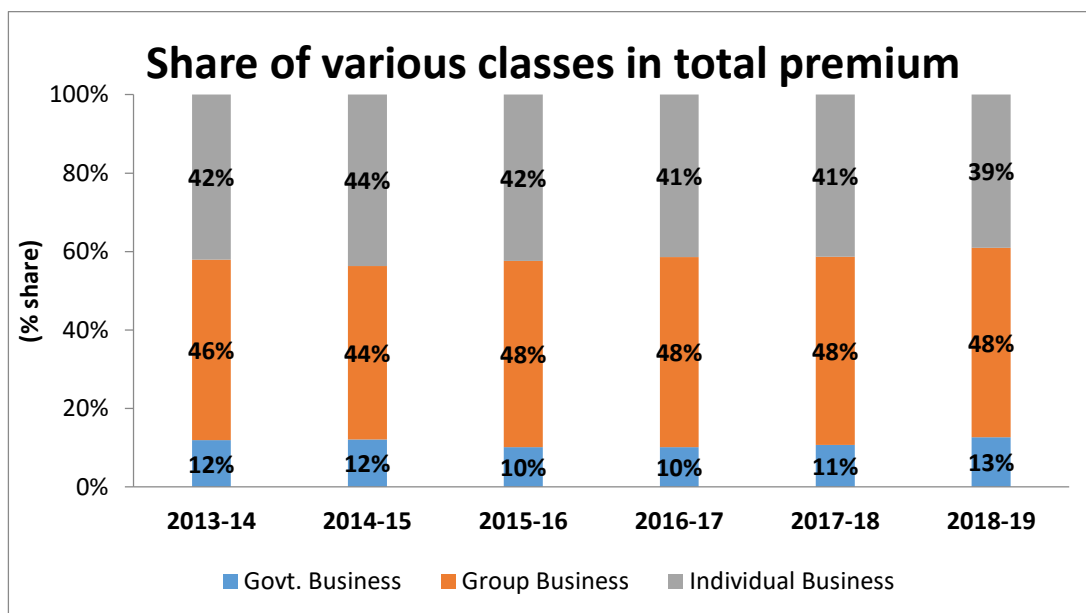
## Classification of Health Insurance Premium (Rs. Crore)

Class of Business	2014-15	2015-16	2016-17	2017-18	2018-19
Government Business	2,425	2,474	3,090	3,981	5,672



	(12%)	(10%)	(10%)	(11%)	(13%)
Group Business (Excl. Government Business)	8,898	11,621	14,718	17,757	21,676
	(44%)	(48%)	(48%)	(48%)	(48%)
Individual Business	8,772	10,353	12,584	15,291	17,525
	(44%)	(42%)	(41%)	(41%)	(39%)
<b>Grand Total</b>	<b>20,096</b>	<b>24,448</b>	<b>30,392</b>	<b>37,029</b>	<b>44,873</b>

**Note:** Figures in bracket indicate the share of each class of business in total health insurance premium. The data does not include the details of health insurance business carried-out in foreign countries.



### **Number of policies issued & Number of lives covered under Health insurance business (excluding Personal Accident and Travel Insurance Business):**

During 2018-19, the General and Health Insurance companies have issued around 2.07 crore health insurance policies (excl. policies issued under PA & Travel Insurance) covering a total of 47.20 crore lives. In terms of number of lives covered, three-fourth of the lives were covered under government sponsored health insurance schemes and the balance one-fourth were covered by group and individual policies issued by general and health insurers.

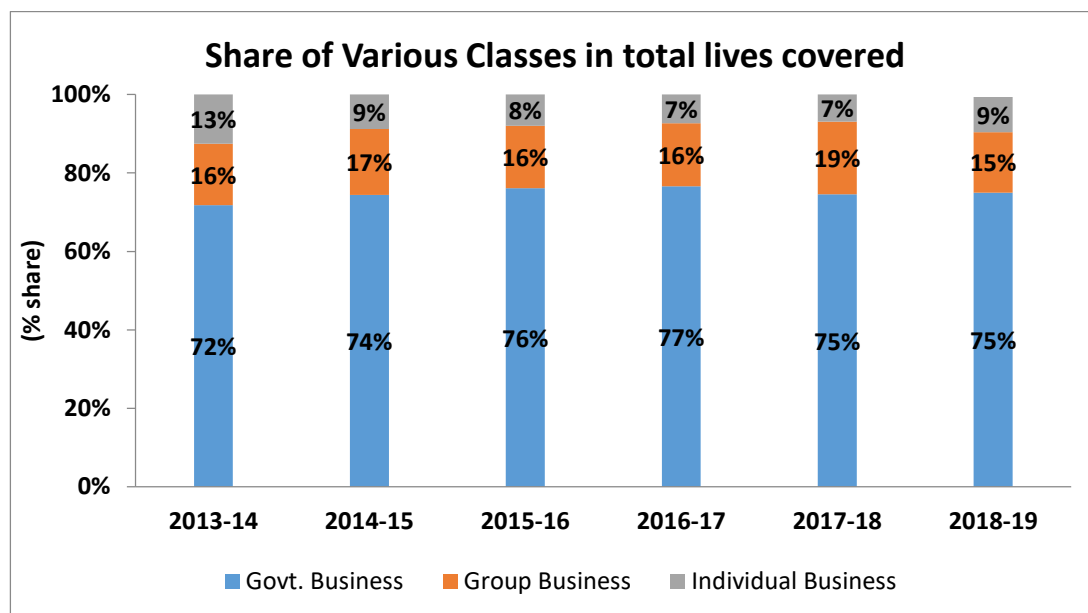
### **Number of lives covered under Health insurance in Lakhs:**

Class of Business	2014-15	2015-16	2016-17	2017-18	2018-19
Government Business	2143	2733	3350	3593	3571
	(74%)	(76%)	(77%)	(74%)	75.0%
	483	570	705	894	729

Group Business (Excl. Government Business)	17%)	(16%)	(16%)	(19%)	15.4%
	254	287	320	333	421
Individual Business	9%)	(8%)	(7%)	(7%)	8.9%
<b>Grand Total</b>	<b>2880</b>	<b>3590</b>	<b>4375</b>	<b>4820</b>	<b>4720</b>

**Note:** Figures in bracket indicate the share of each class of business in total number of livescovered. The data does not include the detail of health insurance business carried-out in foreign countries.

### Number of lives covered – share of different classes of Business in total lives covered



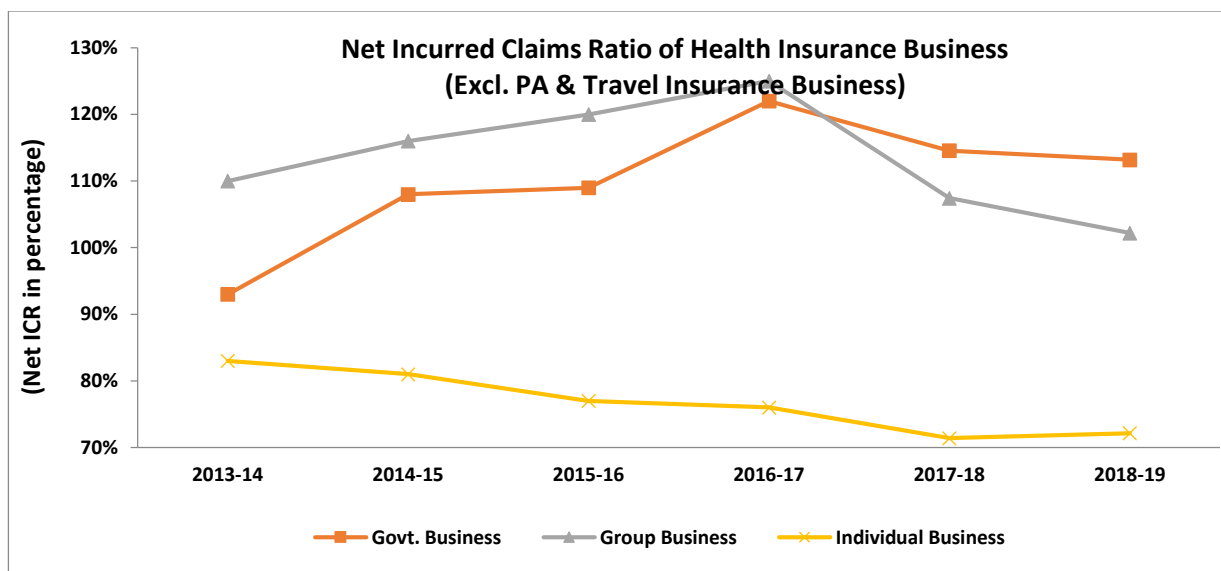
### **Trend in Net Incurred Claims Ratio under Health business (excluding Personal Accident and Travel Insurance Business):**

There is an improvement in Net Incurred Claims Ratio (ICR) of health business during FY 2018-19 when compared to previous FY 2017-18. It is observed there is marginal decrease in ICR of Government and Group businesses. The Net ICR of Group Business (Excl. Government Business) improved from 107% in 2017-18 to 102% in 2018-19.

Table I.53: CLASS OF BUSINESS WISE NET INCURRED CLAIMS RATIO

(% age)

Class of Business	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Govt. Business	87%	93%	108%	109%	122%	115%	113%
Group Business	104%	110%	116%	120%	125%	107%	102%
Individual Business	83%	83%	81%	77%	76%	71%	72%
<b>Grand Total</b>	<b>94%</b>	<b>97%</b>	<b>101%</b>	<b>102%</b>	<b>106%</b>	<b>94%</b>	<b>91%</b>



SECTOR WISE NET INCURRED CLAIMS RATIO OF HEALTH INSURANCE BUSINESS

Sectors	2014-15	2015-16	2016-17	2017-18	2018-19
Public Sector General Insurers	112%	117%	122%	108%	105%
Private Sector General Insurers	84%	81%	84%	80%	84%
Stand-alone Health Insurers	63%	58%	58%	62%	63%
<b>Industry Average</b>	<b>101%</b>	<b>102%</b>	<b>106%</b>	<b>94%</b>	<b>91%</b>

In terms of sector wise Net ICR, improvement also observed in net ICR reported under Public Sector Insurers. It is improved from 108% in 2017-18 to 105% in 2018-19.

### Personal Accident Business:

During 2018-19, the insurance industry has covered a total of 120.75 crore number of lives under Personal Accident Insurance. It includes 94.71 crore number of lives covered under Government Sponsored Schemes namely Pradhan Mantri Suraksha Bima Yojana (PMSBY), Pradhan Mantri Jan Dhan Yojana (PMJDY) and IRCTC Travel Insurance for e-ticket passengers.

**Sector-wise Number of lives covered under Personal Accident Insurance Business  
(In Lakh)**

Sectors	2014-15	2015-16	2016-17	2017-18	2018-19
Public Sector General Insurers	764	3609	6423	6983	6990
Private Sector General insurers	2437	826	2242	4619	4944
Stand-alone Health Insurers	30	38	55	83	141
<b>Total Industry</b>	<b>3231</b>	<b>4473</b>	<b>8720</b>	<b>11685</b>	<b>12075</b>

Note: the data is inclusive of number of lives covered under IRCTC, PMSBY & PMJDY businesses. The data does not include the details of PA business carried-out in foreign countries.

Note: It is to be noted that under IRCTC Scheme, PA cover is offered to railway passengers only for a specified journey undertaken by the passenger and one person may undertake multiple journeys during the reported period. In respect of lives covered in any of PA policy/schemes, one person may have been covered multiple times.

#### Number of Lives Covered & Gross Direct Premium under some of the major Government Sponsored Schemes during 2017-18

Name of the Scheme	No. of lives Covered in Lakh	Gross Direct Premium Rs. Lakh
<b>IRCTC</b>	3099	1566
<b>PMJDY</b>	5030	1505
<b>PMSBY</b>	1342	16103
<b>Industry Total</b>	<b>9471</b>	<b>19174</b>

## It is to be noted that under IRCTC Scheme, PA cover is offered to railway passengers only for a specified journey undertaken by the passenger and one person may undertake multiple journeys during the reported period.

During 2018-19, the gross premium income from Personal Accident insurance business was Rs. 5209 crore, with a growth rate of 13.63 per cent over the previous year. While private sector general insurers have contributed 57 per cent of total premium, public sector general insurers contributed 32 per cent of premium and the rest 11 per cent was contributed by the stand-alone health insurers. The ICR for this line of business was 72 per cent for FY 2018-19

#### Sector -wise Personal Accident Insurance Premium (Rs. Crore)

Sector	2014-15	2015-16	2016-17	2017-18	2018-19
Public Sector General Insurers	708 (33%)	879 (34%)	1508 (41%)	1765 (38%)	1688 (32%)
Private Sector General insurers	1351 (63%)	1561 (60%)	1918 (52%)	2424 (53%)	2960 (57%)
Stand-alone Health Insurers	94 (4%)	170 (6%)	267 (7%)	395 (9%)	561 (11%)
<b>Grand Total</b>	<b>2,153</b>	<b>2,610</b>	<b>3,693</b>	<b>4,584</b>	<b>5,209</b>

Note: Figures in bracket indicate the market share of different sectors in the total premium. The data does not include the details of PA business carried-out in foreign countries.

#### Overseas Travel Insurance:

During 2018-19, the insurance sector has issued 25.85 lakh overseas travel insurance policies covering 50.54 lakh lives. The gross premium income from Overseas Travel Insurance business for FY 2018-19 was Rs. 757 crore. The Incurred Claims Ratio (ICR) for this line of business was 54 per cent for the FY 2018-19.

In this line of business, private general insurers are the major players with a market share of 81 per cent in gross premium. Public sector general insurers and stand alone health insurers had a share of 4% and 15% respectively. The top three insurers namely Tata AIG (22 per cent), ICICI Lombard (18 per cent) and Bajaj Allianz (17 per cent) contributed 57% of total premium.

**Table I.56: Sector –wise Overseas Travel Insurance Premium (Rs. Crore)**

Sector	2014-15	2015-16	2016-17	2017-18	2018-19
Public Sector General Insurers	41 (9%)	32 (6%)	35 (6%)	31 (5%)	31 (4%)
Private Sector General insurers	403 (86%)	467 (87%)	486 (84%)	523 (81%)	615 (81%)
Stand-alone Health Insurers	21 (5%)	37 (7%)	59 (10%)	89 (14%)	111 (15%)
<b>Grand Total</b>	<b>465</b>	<b>536</b>	<b>580</b>	<b>643</b>	<b>757</b>

**Note:** Figures in the bracket indicate the market-share in total HI Premium. The data does not include the details of overseas travel insurance business carried-out in foreign countries.

## Domestic Travel Insurance:

The gross premium income from domestic travel insurance business was Rs. 116.24 crore during 2018-19, registering a growth of 88 per cent over the previous year's gross premium of Rs. 62 crore. During 2018-19, the industry has issued 1.14 Crore insurance policies insuring 25.87 crore number of lives. The ICR for this line of business was 14 per cent for FY 2017-18.

**Sector wise Domestic Travel Insurance Gross Premium (Rs. Crore).**

Sector	2014-15	2015-16	2016-17	2017-18	2018-19
Public Sector General Insurers	0.01	0.002	0.0005	0	0
Private Sector General Insurers	16.05	21.80	24.59	61.46	116
Stand-alone Health Insurers	0.0	0.00	0.01	0.21	0.05
<b>Grand Total</b>	<b>16.06</b>	<b>21.80</b>	<b>24.6</b>	<b>61.67</b>	<b>116</b>

## Health Insurance Business carried out in foreign countries

Only 3 public sector general insurers namely New India, National Insurance and Oriental Insurance did health insurance business in foreign countries. During FY2018-19, these three insurers have procured a total of Rs. 205.80 crore as gross premium from health insurance business (incl. PA and Travel Insurance Businesses) and have covered a total number of 40.45 lakh lives. Amongst these

3 insurers, New India Assurance alone contributed 81% of total health insurance premium from foreign countries and covering 97% of total number of lives covered in foreign countries. The ICR of this line of business carried out outside India is 102% during 2018-19.

**Health Insurance Business\* carried out in foreign countries during FY 2017-18**  
**(No of policies in actual)(No. of lives in '000)(Incurred Claims ratio in % age)( Amount in Rs. Lakh)**

Insurers	No. of policies Issued	No. of lives Covered	Gross Premium	Net Earned Premium	Claims Incurred (Net)	Incurred Claims Ratio (Net)
National	64	19	272.6	252	238	94%
New India	13015	3909	16663	17558	17934	102%
Oriental	3701	116	3644	3309	3470	105%
Public Total	16780	4045	20580	21119	21641	102%

Note: \* the data is inclusive of businesses from Health, PA & Travel Insurance businesses.

## State-wise distribution of Health Insurance Business (Excluding Personal Accident and Travel Insurance Business)

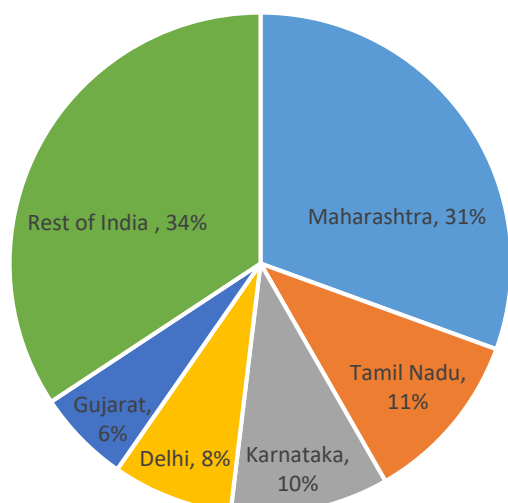
While five states namely Maharashtra, Tamil Nadu, Karnataka, Delhi UT and Gujarat contributed 66 per cent of total health insurance premium, the rest 31 States/UTs have contributed 34 per cent of the total Health insurance premium. The state of Maharashtra alone contributed Rs. 13,708.44 crore (31 per cent) of total health insurance premium.

STATE /UT	Total HI Business (Excl. PA & Travel Insurance)	
	Amount in Rs. Lakhs	% age share in All-India Premium
Maharashtra	1370844	31%
Tamil Nadu	500900	11%
Karnataka	457607	10%
Delhi	348698	8%
Gujarat	270755	6%
Rest of India	1538473	34%
<b>All India Total</b>	<b>4487276</b>	<b>100%</b>

Note : Ranking of states is done on the basis of Total Health Insurance premium

Note: The state level classification of business is reported based on business emanated from a particular state

### Share of top 5 states in Total Health Insurance Premium 2018-19



### Channel wise distribution of Health insurance premium (excluding Personal Accident & Travel Insurance Business)

Amongst various channels for distribution of health insurance policies, “Individual Agents” continue to contribute a major share in total health insurance premium at 31 per cent. Their share in Individual Health Insurance premium was still higher at 73 per cent.

“Direct sales –other than online” is the second major channel for distribution of health insurance business. This channel contributed 34 per cent in total health insurance premium. The share of this channel was high at 38 per cent in Group Health Insurance premium, after 100 per cent share in Gross Premium from Government Business.

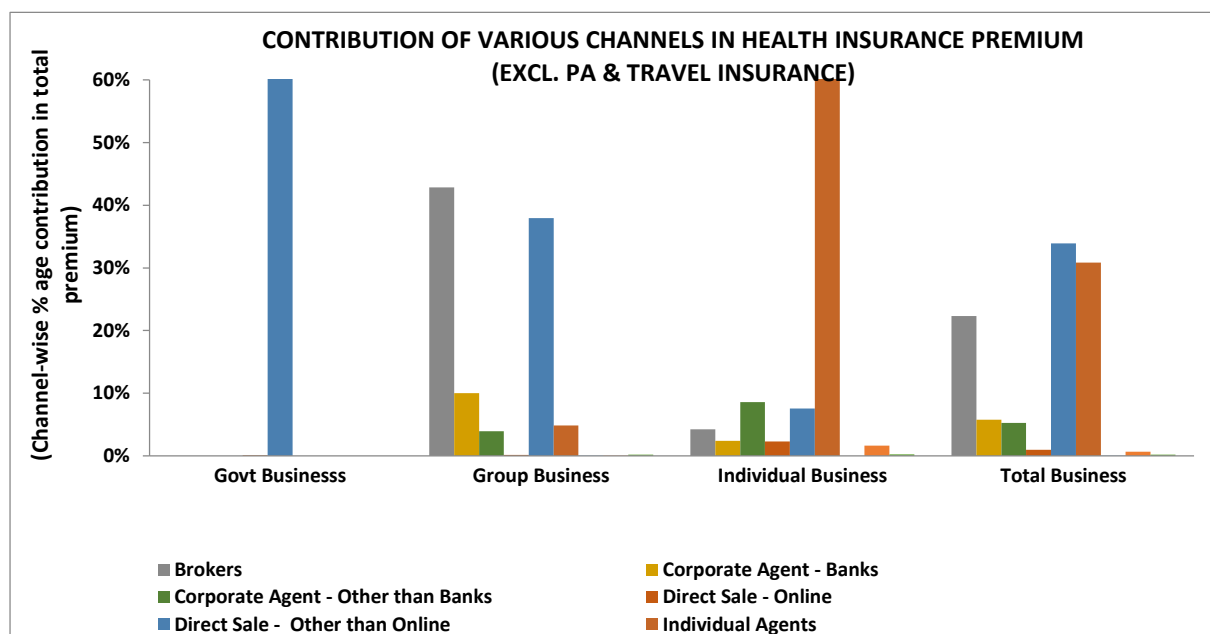
Third important channel for distribution of health insurance business is Brokers, who contributed 22 per cent of total health insurance premium. The share of Brokers was high at 43 per cent in group health insurance premium.

“Bancassurance” channel contributed 6 per cent of total health insurance premium and “Online Sale” channel contributed 1 per cent of total health insurance premium.

### Share of various channels of distribution in number of policies issued and amount of premium collected during FY 2017-18

Name of the Channel	Govt Business		Group Business excl. Govt Business		Individual Business		Total (Individual + Group)	
	No. of policies Issued	Gross Premium	No. of policies Issued	Gross Premium	No. of policies Issued	Gross Premium	No. of policies Issued	Gross Premium
Brokers	0%	0%	5%	43%	3%	4%	3%	22%
Corporate Agent - Banks	0%	0%	34%	10%	4%	2%	6%	6%

<b>Corporate Agent - Other than Banks</b>	0%	0%	24%	4%	12%	9%	12%	5%
<b>Direct Sale - Online</b>	2%	0%	1%	0%	2%	2%	2%	1%
<b>Direct Sale - Other than Online</b>	98%	100%	26%	38%	24%	8%	24%	34%
<b>Individual Agents</b>	0%	0%	5%	5%	54%	73%	51%	31%
<b>Micro-insurance Agents</b>	0.000%	0.000%	0.577%	0.069%	0.000%	0.000%	0.031%	0.033%
<b>Web-aggregators</b>	0.000%	0.000%	0.039%	0.029%	1.356%	1.630%	1.287%	0.651%
<b>Insurance Marketing Firms</b>	0.000%	0.000%	0.001%	0.004%	0.021%	0.033%	0.020%	0.015%
<b>Point of Sales</b>	0.000%	0.000%	0.009%	0.006%	0.136%	0.133%	0.129%	0.055%
<b>Common Service Centres</b>	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
<b>Others</b>	0%	0%	4%	0%	0%	0%	0%	0%
<b>Total of all channels</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>



### **Health Insurance - details of Claims Development during 2018-19** **(Excl. PA & Travel Insurance Business)**

*Table I.69, I.70 and I.71 : Health Insurance Claims Development during 2018-19 (Excl. PA & Travel Insurance Business)*

(Numbers in Actual)(Amount in Rs. Lakh)

#### **A. Claims Handled through TPAs**



Particulars	Only Cashless(1)		Only Reimbursement(2)		Both Cashless and Reimbursement (3)		Benefit Based		Total	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
Claims outstanding at the beginning of the period	548666	95116	324655	59806	68989	41172	24	10	942334	196105
	58%	49%	34%	30%	7%	21%	0%	0%	100%	100%
New claims registered during the period	4856456	1398877	4701713	904407	767439	296775	1149	396	10326756	2600455
	47%	54%	46%	35%	7%	11%	0%	0%	100%	100%
Claims paid during the period	4572750	1187807	4356596	847917	696294	265149	714	220	9626354	2301093
	48%	52%	45%	37%	7%	12%	0%	0%	100%	100%
Claims repudiated during the period	313695	212210	468156	107845	75057	47403	435	166	857343	367624
	37%	58%	55%	29%	9%	13%	0%	0%	100%	100%
Claims outstanding at the end of the year	518677	113580	201616	63103	65077	25396	24	20	785393	202099
	66%	56%	26%	31%	8%	13%	0%	0%	100%	100%

## B. Claims handled directly by the insurers

Particulars	Only Cashless(1)		Only Reimbursement(2)		Both Cashless and Reimbursement (3)		Benefit Based		Total	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
Claims outstanding at the beginning of the period	293602	44221	83134	62458	220	298	4593	11157	381549	118135
	77%	37%	22%	53%	0%	0%	1%	9%	100%	100%
New claims registered during the period	2599573	792908	2516482	713727	17159	26230	36911	28114	5170125	1560979
	50%	51%	49%	46%	0%	2%	1%	2%	100%	100%
Claims paid during the period	2174014	559609	2291164	477941	15413	22731	28771	16859	4509362	1077140
	48%	52%	51%	44%	0%	2%	1%	2%	100%	100%
Claims repudiated during the period	342503	112485	187128	82391	1611	805	6446	9960	537688	205642
	64%	55%	35%	40%	0%	0%	1%	5%	100%	100%
Claims outstanding at the end of the year	376656	165034	121324	67341	355	2992	6287	12452	504622	247819
	75%	67%	24%	27%	0%	1%	1%	5%	100%	100%

## C. Claims handled both through TPAs and In-House

Particulars	Only Cashless(1)		Only Reimbursement(2)		Both Cashless and Reimbursement (3)		Benefit Based		Total	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
Claims outstanding at the beginning of the period	842268	139337	407789	122265	69209	41471	4617	11168	1323883	314240
	64%	44%	31%	39%	5%	13%	0%	4%	100%	100%
New claims registered during the period	7456029	2191785	7218195	1618134	784598	323005	38060	28510	15496881	4161434
	48%	53%	47%	39%	5%	8%	0.25%	0.69%	100%	100%
	6746764	1747416	6647760	1325857	711707	287880	29485	17079	14135716	3378232

Claims paid during the period	48%	52%	47%	39%	5%	9%	0%	1%	100%	100%
Claims repudiated during the period	656198	324695	655284	190237	76668	48208	6881	10126	1395031	573265
	47%	57%	47%	33%	5%	8%	0%	2%	100%	100%
Claims outstanding at the end of the year	895333	278613	322940	130444	65432	28388	6311	12473	1290015	449918
	69%	62%	25%	29%	5%	6%	0%	3%	100%	100%

**Note:** 1. Claims are settled only through Cashless Mode. No part of the claim is settled through reimbursement. 2. Claims are settled only through Reimbursement mode. No part of the claim is settled through Cashless mode. 3. Claims which are paid through both cashless and reimbursement modes.

#### The following are the observations of the above tables:

- During 2018-19, General & Health Insurers have settled 1.41 crore health insurance claims and paid Rs.33782 crores towards settlement of health insurance claims. The average amount paid per claim was Rs. 23,899.
- In terms of number of claims settled, 68 per cent of the claims were settled through TPAs and the balance 32 per cent of the claims were settled through in-house mechanism.
- In terms of mode of settlement of claims, 48 per cent of total number of claims paid were settled through Cashless mode and another 47 per cent of the claims were settled through Reimbursement mode. Insurers have settled 5 per cent of their claims amount through “both Cashless & Reimbursement mode”.
- During 2018-19, insurers have settled 84 per cent of total number of claims registered in their books and have repudiated 8 per cent of total number of claims registered. The balance 8 per cent of the claims registered were pending for settlement as on 31<sup>st</sup> March 2019.

### **Health Insurance - details of claims aging during 2018-19** (Excl. PA & Travel Insurance Business)

Table I.72,73,74: Health Insurance- Aging of settled claims during 2018-19 (Excl. PA & Travel Insurance Business)

(Number in Actual)/(Amount in Rs. Lakh)

#### A. Aging of Claims Paid by insurers through TPAs

Claims paid within	Only Cashless(1)		Only Reimbursement(2)		Both Cashless and Reimbursement (3)		Benefit Based		Total	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
< 1 Month	3348350	714443	2723079	476194	590756	223985	689	211	6662874	1414832
	73.2%	60.1%	62.5%	56.2%	84.8%	84.5%	96.5%	95.7%	69.2%	61.5%
1 to 3 months	878141	335016	1259805	271220	71563	28570	25	10	2209534	634816
	19.2%	28.2%	28.9%	32.0%	10.3%	10.8%	3.5%	4.3%	23.0%	27.6%
3 to 6 months	281827	106171	327945	87247	25307	9345	0	0	635079	202763
	6.2%	8.9%	7.5%	10.3%	3.6%	3.5%	0.0%	0.0%	6.6%	8.8%
6 to 12 months	53732	34648	36093	11771	5858	2244	0	0	95683	48663
	1.2%	2.9%	0.8%	1.4%	0.8%	0.8%	0.0%	0.0%	1.0%	2.1%
1 to 2 years	8341	-2585	7661	1165	2808	1002	0	0	18810	-418

	<b>0.2%</b>	<b>-0.2%</b>	<b>0.2%</b>	<b>0.1%</b>	<b>0.4%</b>	<b>0.4%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.2%</b>	<b>0.0%</b>
More than 2 years	2359	115	2013	319	2	3	0	0	4374	438
	<b>0.1%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
Total	4572750	1187807	4356596	847917	696294	265149	714	220	9626354	2301093
	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

#### B. Aging of Claims Paid by insurers through In-house settlement

Claims paid within	Only Cashless(1)		Only Reimbursement(2)		Both Cashless and Reimbursement (3)		Benefit Based		Total	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
< 1 Month	2132592	517559	2034411	336404	14457	22226	25975	13986	4207435	890176
	<b>98.1%</b>	<b>92.5%</b>	<b>88.8%</b>	<b>70.4%</b>	<b>93.8%</b>	<b>97.8%</b>	<b>90.3%</b>	<b>83.0%</b>	<b>93.3%</b>	<b>82.6%</b>
1 to 3 months	31883	34650	164334	91538	904	484	2395	2080	199516	128751
	<b>1.5%</b>	<b>6.2%</b>	<b>7.2%</b>	<b>19.2%</b>	<b>5.9%</b>	<b>2.1%</b>	<b>8.3%</b>	<b>12.3%</b>	<b>4.4%</b>	<b>12.0%</b>
3 to 6 months	8112	4018	79016	18547	46	17	265	548	87439	23130
	<b>0.4%</b>	<b>0.7%</b>	<b>3.4%</b>	<b>3.9%</b>	<b>0.3%</b>	<b>0.1%</b>	<b>0.9%</b>	<b>3.3%</b>	<b>1.9%</b>	<b>2.1%</b>
6 to 12 months	1106	920	12401	30108	5	4	96	164	13608	31196
	<b>0.1%</b>	<b>0.2%</b>	<b>0.5%</b>	<b>6.3%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.3%</b>	<b>1.0%</b>	<b>0.3%</b>	<b>2.9%</b>
1 to 2 years	183	857	766	689	0	0	20	67	969	1613
	<b>0.0%</b>	<b>0.2%</b>	<b>0.0%</b>	<b>0.1%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.1%</b>	<b>0.4%</b>	<b>0.0%</b>	<b>0.1%</b>
More than 2 years	138	1606	236	654	1	0	20	13	395	2273
	<b>0.0%</b>	<b>0.3%</b>	<b>0.0%</b>	<b>0.1%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.1%</b>	<b>0.1%</b>	<b>0.0%</b>	<b>0.2%</b>
Total	2174014	559609	2291164	477941	15413	22731	28771	16859	4509362	1077139
	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

#### C. Aging of Claims Paid by insurers through both TPAs and In-house

Claims paid within	Only Cashless(1)		Only Reimbursement(2)		Both Cashless and Reimbursement (3)		Benefit Based		Total	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
< 1 Month	5480942	1232002	4757490	812598	605213	246211	26664	14197	10870309	2305007
	<b>81.2%</b>	<b>70.5%</b>	<b>71.6%</b>	<b>61.3%</b>	<b>85.0%</b>	<b>85.5%</b>	<b>90.4%</b>	<b>83.1%</b>	<b>76.9%</b>	<b>68.2%</b>
1 to 3 months	910024	369666	1424139	362758	72467	29054	2420	2090	2409050	763567
	<b>13.5%</b>	<b>21.2%</b>	<b>21.4%</b>	<b>27.4%</b>	<b>10.2%</b>	<b>10.1%</b>	<b>8.2%</b>	<b>12.2%</b>	<b>17.0%</b>	<b>22.6%</b>
3 to 6 months	289939	110189	406961	105794	25353	9362	265	548	722518	225893
	<b>4.3%</b>	<b>6.3%</b>	<b>6.1%</b>	<b>8.0%</b>	<b>3.6%</b>	<b>3.3%</b>	<b>0.9%</b>	<b>3.2%</b>	<b>5.1%</b>	<b>6.7%</b>
6 to 12 months	54838	35568	48494	41879	5863	2248	96	164	109291	79859
	<b>0.8%</b>	<b>2.0%</b>	<b>0.7%</b>	<b>3.2%</b>	<b>0.8%</b>	<b>0.8%</b>	<b>0.3%</b>	<b>1.0%</b>	<b>0.8%</b>	<b>2.4%</b>
1 to 2 years	8524	-1729	8427	1855	2808	1002	20	67	19779	1195
	<b>0.1%</b>	<b>-0.1%</b>	<b>0.1%</b>	<b>0.1%</b>	<b>0.4%</b>	<b>0.3%</b>	<b>0.1%</b>	<b>0.4%</b>	<b>0.1%</b>	<b>0.0%</b>

More than 2 years	2497	1721	2249	973	3	3	20	13	4769	2711
	0.0%	0.1%	0.0%	0.1%	0.0%	0.0%	0.1%	0.1%	0.0%	0.1%
Total	6746764	1747416	6647760	1325857	711707	287880	29485	17079	14135716	3378232
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

**Note:** 1. Claims are settled only through Cashless Mode. No part of the claim is settled through reimbursement. 2. Claims are settled only through Reimbursement mode. No part of the claim is settled through Cashless mode. 3. Claims which are paid through both cashless and reimbursement modes.

Note2: The values given in percentage indicate the ratio of claims paid within a particular time limit to the total claims paid under respective mode of settlement

#### I.4.5.12 OFFICES OF STAND-ALONE HEALTH INSURERS (SAHI)

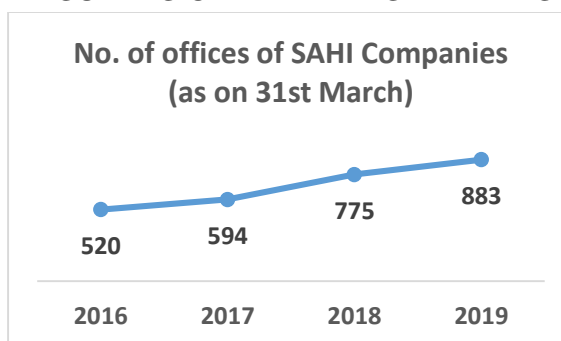
##### Number and Distribution of Offices of SAHI Companies (as on 31<sup>st</sup> March)

As on 31<sup>st</sup> March, 2019, the number of offices of SAHI Insurers stood at 883 while the same was 775 as at 31<sup>st</sup> March 2018. As such, during 2018-19, 108 new offices were opened by these SAHI insurers. As per the geographical distribution of offices of these insurers, it is observed that, 50% of offices of these insurers are located in Metro areas, while 40% are located in Urban and 10% in Semi-urban areas. There are no offices of these insurers located in Rural Areas. On Tier-wise classification of offices of these insurers, it is observed that 90 % of offices are located only in Tier-I cities, while Tier-II, Tier-III and Tier-IV cities were having 4%, 5% and 1% offices respectively. There are no offices in Tier-V and Tier-VI cities.

**TABLE**  
**NUMBER OF OFFICES OF SAHI INSURERS**  
(as on 31<sup>st</sup> March)

Insurers	2016	2017	2018	2019
Aditya Birla	NA	10	60	61
Apollo Munich	101	110	158	186
Cigna TTK	16	19	19	23
Max Bupa	27	28	30	40
Reliance Health	NA	NA	NA	02
Religare	56	61	74	111
Star Health	320	367	434	460
<b>Total</b>	<b>520</b>	<b>594</b>	<b>775</b>	<b>883</b>

**CHART**  
**NUMBER OF OFFICES OF SAHI INSURERS OVER THE LAST 4 YEARS**



**TABLE**  
**TIER-WISE DISTRIBUTION OF OFFICES OF SAHI COMPANIES**

(as on 31<sup>st</sup> March 2019)

Insurer	Tier-wise Classification	Geo-Classification
---------	--------------------------	--------------------

	Tier I	Tier II	Tier III	Tier IV	Tier V	Tier VI	Total	Metro	Urban	Semi-Urban	Rural	Total
Aditya Birla	61	0	0	0	0	0	61	55	6	0	0	61
Apollo Munich	181	3	2	0	0	0	186	91	90	5	0	186
Cigna TTK	23	0	0	0	0	0	23	18	5	0	0	23
Max Bupa	40	0	0	0	0	0	40	34	6	0	0	40
Reliance Health	2	0	0	0	0	0	2	2	0	0	0	2
Religare	110	1	0	0	0	0	111	72	38	1	0	111
Star Health	376	35	43	6	0	0	460	167	209	84	0	460
<b>SAHI Total</b>	<b>793</b>	<b>39</b>	<b>45</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>883</b>	<b>439</b>	<b>354</b>	<b>90</b>	<b>0</b>	<b>883</b>

Tier I - Population 1,00,000 & Above.

Tier II - Population of 50,000 to 99,999.

Tier III - Population of 20,000 to 49,999.

Tier IV - Population of 10,000 to 19,999.

Tier V - Population of 5,000 to 9,999.

Tier VI - Population less than 5,000.

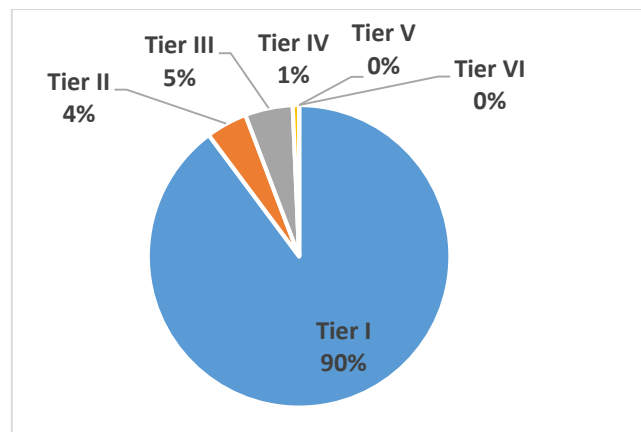
Metro: 10,00,000 and above;

Urban: From 1,00,000 to 9,99,999;

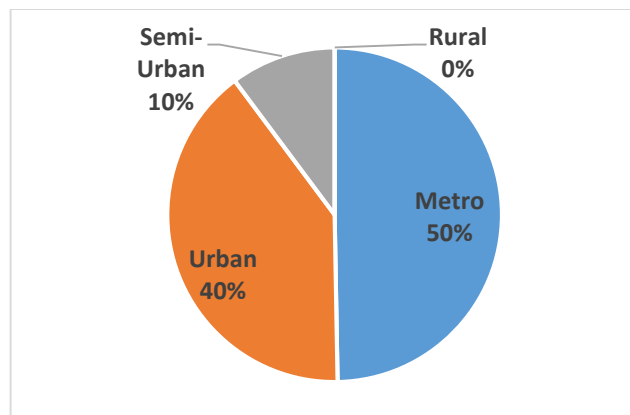
Semi-Urban: From 10,000 to 99,999;

Rural: Population upto 9999

**Fig 2: Tier wise distribution of Offices**



**Fig 3: Geo-Classification wise distribution of Offices**



### State and UT wise distribution of offices of SAHI Insurers

Five States have 50% of the total offices (440 in number) of SAHI Insurers. 91% of total offices of these SAHI insurers are located in 15 States/Union Territories (UTs). Further, there were 7 States and UTs in which there are no offices of these SAHI Insurers.

**TABLE**

**STATE-WISE NUMBER OF OFFICES OF SAHI INSURERS ARRANGED IN DESCENDING ORDER OF  
NUMBER OF OFFICES**

(as on 31<sup>st</sup> March, 2019)

Sl. No.	State Name	No. of offices	Sl. No.	State Name	No. of offices
1	Maharashtra	133	20	Chandigarh	9
2	Tamilnadu	107	21	Assam	8
3	Kerala	73	22	Goa	4
4	Karnataka	65	23	Jammu & Kashmir	4
5	Uttar Pradesh	62	24	Puducherry (Pondicherry) (Ut)	4
6	West Bengal	51	25	Himachal Pradesh	2
7	Gujarat	47	26	Tripura	2
8	Telangana	41	27	Manipur	1
9	Delhi (Nct)	40	28	Meghlaya	1
10	Haryana	38	29	Nagaland	1
11	Madhya Pradesh	36	30	Arunachal Pradesh	0
12	Rajasthan	35	31	Mizoram	0
13	Andhra Pradesh	31	32	Sikkim	0
14	Punjab	27	33	Andaman & Nicobar Island	0
15	Odisha	16	34	Dadra & Nagar Haveli	0
16	Jharkhand	13	35	Daman And Diu	0
17	Chattisgarh	12	36	Lakshadweep (Ut)	0
18	Bihar	11		<b>Total</b>	<b>883</b>
19	Uttarakhand	9			

**State wise number of districts with/without offices of SAHI Insurers:**

District-level analysis of data reveals that, SAHI insurers have offices at 245 districts out of 718 districts in the country. As such, offices of SAHI insurers are located in 34% of districts in the country. In case of some of the States and UTs there is a large proportion of districts having offices of SAHI insurers. They are Kerala (13 out of 14), Andhra Pradesh (11 out of 13) and Delhi NCT (9 out of 11). On the other hand, 473 districts from 7 States and UTs namely Arunachal Pradesh, Mizoram, Sikkim, Andaman & Nicobar, Dadra & Nagar Haveli, Daman & Diu and Lakshadweep did not have any office of SAHI Insurers.

**TABLE  
STATE WISE NUMBER OF DISTRICTS WITH/WITHOUT OFFICES OF SAHI INSURERS**

(as on 31<sup>st</sup> March 2019)

Sl. No.	State Name	No. of Districts	No. of Districts with offices	No. of Districts without offices
1	ANDHRA PRADESH	13	11	2
2	ARUNACHAL PRADESH	20	0	20
3	ASSAM	33	5	28
4	BIHAR	38	5	33
5	CHATTISGARH	27	4	23
6	DELHI (NCT)	11	9	2
7	GOA	2	1	1

8	GUJARAT	33	15	18
9	HARYANA	22	14	8
10	HIMACHAL PRADESH	12	2	10
11	JAMMU & KASHMIR	22	1	21
12	JHARKHAND	24	5	19
13	KARNATAKA	30	17	13
14	KERALA	14	13	1
15	MADHYA PRADESH	51	11	40
16	MAHARASHTRA	36	21	15
17	MANIPUR	16	1	15
18	MEGHALAYA	11	1	10
19	MIZORAM	8	0	8
20	NAGALAND	11	1	10
21	ODISHA	30	7	23
22	PUNJAB	22	9	13
23	RAJASTHAN	33	11	22
24	SIKKIM	4	0	4
25	TAMILNADU	32	26	6
26	TELANGANA	31	12	19
27	TRIPURA	8	1	7
28	UTTAR PRADESH	75	22	53
29	UTTARAKHAND	13	4	9
30	WEST BENGAL	23	14	9
31	ANDAMAN & NICOBAR	3	0	3
32	CHANDIGARH	1	1	0
33	DADRA & NAGAR HAVELI	1	0	1
34	DAMAN and DIU	2	0	2
35	LAKSHADWEEP (UT)	1	0	1
36	PUDUCHERRY	4	1	3
37	<b>Total</b>	<b>718</b>	<b>245</b>	<b>473</b>

#### I.4.5.13 Functioning of TPAs

As at 01<sup>st</sup> April, 2018, there were 27 TPAs registered by IRDAI while as at 31<sup>st</sup> March, 2019 there were 25 TPAs. During the year 2018-19, Certificate of Registration was granted to Vision E-Medi Solutions Insurance TPA Private Limited.

- Further during the Financial year 2018-19, the Certificate of Registration of E-Meditek Insurance TPA Limited was cancelled on 11<sup>th</sup> January 2019.
- Pursuant to the slump sale of TPA business of Medicare Insurance TPA Services(India) Pvt Ltd to Medi Assist Insurance TPA Pvt. Ltd., the Certificate of Registration of Medicare Insurance TPA Services(India) Pvt Ltd was cancelled on 19<sup>th</sup> February 2019.
- The Certificate of Registration of Dedicated Healthcare Services TPA (India) Pvt Ltd stands expired on 25<sup>th</sup> April 2018. The entity stands merged with Medi Assist Insurance TPA Pvt. Ltd.

The list of TPAs registered with the Authority as at 31<sup>st</sup> March 2019 is given in Table, the list of TPA registrations renewed by the Authority during 2018-19 are given in Table, the TPAs expanded the network of the hospitals by adding new hospitals to their networks as specified at Table.

**TABLE**  
**LIST OF TPAs (as on 31<sup>st</sup> March 2019)**

Sl. No.	Name of the TPA	Registration Number	Certificate of Registration - Valid up to
1	United Health Care Parekh Insurance TPA Private Limited	2	20.03.2020
2	Medi Assist Insurance TPA Private Limited	3	20.03.2020
3	MDIndia Health Insurance TPA Private Limited	5	20.03.2020
4	Paramount Health Services & Insurance TPA Private Limited	6	20.03.2020
5	Heritage Health Insurance TPA Private Limited	8	20.03.2020
6	Focus Health Insurance (TPA) Private Limited**	10	20.03.2020
7	Family Health Plan Insurance TPA Limited	13	20.03.2020
8	Raksha Health Insurance TPA Private Limited	15	31.03.2020
9	Vidal Health Insurance TPA Private Limited	16	15.05.2020
10	AnyutaInsurance TPA In Health Care Private Limited	17	15.05.2020
11	East West Assist Insurance TPA Private Limited	18	15.05.2020
12	Medsave Health Insurance TPA Limited	19	14.05.2020
13	Genins India Insurance TPA Limited	20	10.06.2020
14	Alankit Insurance TPA Limited	21	17.11.2020
15	Health India Insurance TPA Services Private Limited	22	17.11.2020
16	Good Health Insurance TPA Limited	23	26.01.2021
17	VipulMedcorp Insurance TPA Private Limited	24	28.02.2022
18	Park Mediclaim Insurance TPA Private Limited	25	27.09.2022
19	Safeway Insurance TPA Private Limited	26	19.07.2020
20	Anmol Medicare Insurance TPA Limited	27	26.10.2020
21	Grand Insurance TPA Private Limited	29	15.05.2021
22	Rothshield Insurance TPA Limited	30	15.07.2022
23	Ericson Insurance TPA Private Limited	35	17.12.2021
24	Health Insurance TPA of India Limited	36	05.06.2020
25	Vision E-Medi Solutions Insurance TPA Private Limited	37	24.06.2021

**\*\*Note:** Certificate of Registration of Focus Health Insurance (TPA) Private Limited is cancelled vide Order Ref: IRDAI/HLT/MISC/ORD/115/07/2019 dated 12 July 2019.



**TABLE**  
**LIST OF TPAS WHOSE CERTIFICATE OF REGISTRATION WAS RENEWED DURING 2018-19**

<b>Sl. No.</b>	<b>Name of TPAs</b>	<b>Registration number</b>
1	VipulMedcorp Insurance TPA Private Limited	24
2	Grand Insurance TPA Private Limited	29
3	Ericson Insurance TPA Private Limited	35

**TABLE**  
**INFORMATION ON NETWORK HOSPITALS ENROLLED BY TPAS 2018-19**

<b>Sl. No.</b>	<b>Name of the TPA</b>	<b>Number of hospitals in the Network at the beginning of the year</b>	<b>Number of hospitals added to the Network during the year</b>	<b>Number of hospitals withdrawn/ removed from Network during the year</b>	<b>*Total Number of hospitals in the Network at the end of the year</b>
1	United Health Care Parekh Insurance TPA Private Limited	4806	517	23	5300
2	Medi Assist Insurance TPA Private Limited	7590	1129	1847	6872
3	MDIndia Health Insurance TPA Private Limited	10691	1423	1325	10789
4	Paramount Health Services & Insurance TPA Private Limited	15401	1876	1880	15397
5	Heritage Health Insurance TPA Private Limited	6373	1521	737	7157
6	Focus Health Insurance (TPA) Private Limited**	Data not submitted by the TPA company			
7	Family Health Plan Insurance TPA Limited	7270	5579	389	12460
8	Raksha Health Insurance TPA Private Limited	2475	654	90	3039
9	Vidal Health Insurance TPA Private Limited	6478	2432	1209	7701
10	Anyuta Insurance TPA In Health Care Private Limited	931	0	146	1077
11	East West Assist Insurance TPA Private Limited	5022	172	6	5188

12	Medsave Health Insurance TPA Limited	6497	2378	20	8855
13	Genins India Insurance TPA Limited	4504	341	47	4798
14	Alankit Insurance TPA Limited	4759	310	2	5067
15	Health India Insurance TPA Services Private Limited	5535	1046	341	6240
16	Good Health Insurance TPA Limited	5442	754	341	5855
17	VipulMedcorp Insurance TPA Private Limited	9180	0	185	9479
18	Park Mediclaim Insurance TPA Private Limited	5722	3813	0	9535
19	Safeway Insurance TPA Private Limited	5170	1044	838	5376
20	Anmol Medicare Insurance TPA Limited	472	37	0	509
21	Grand Insurance TPA Private Limited	1954	2131	0	4085
22	Rothshield Insurance TPA Limited	3486	205	0	3691
23	Ericson Insurance TPA Private Limited	4251	1340	0	5591
24	Health Insurance TPA of India Limited	2040	289	12	2317
25	Vision E-Medi Solutions Insurance TPA Private Limited	0	3982	0	3982
<b>Total</b>		<b>125118</b>	<b>32973</b>	<b>9292</b>	<b>149283</b>

**Note:** \* Hospitals may have tied up with more than one TPA

## HEALTH INSURANCE BUSINESS CARRIED OUT BY LIFE INSURERS:

### POLICIES AND PREMIUM

#### In respect of Health Insurance products marketed by Life Insurers

**I.4.5.14** During the FY 2018-19, Life Insurers have procured a total premium of Rs.827crore from various health insurance products. While Renewal premium contributed 66% (₹544 Crore) of total premium, New Business contributed the remaining 34% (₹283 crore).

During the FY 2018-19, Life Insurers have issued 4.95 lakh new policies covering 15.58 lakh number of lives, while they renewed 6.79 lakh number of policies covering 10.80 lakh number of lives.

**TABLE**  
**HEALTH BUSINESS OF LIFE INSURERS FROM NEW BUSINESS (FIRST YEAR PREMIUM FROM REGULAR & SINGLE PREMIUM POLICIES)**  
( Number of policies and lives are in actual and Premium in ₹Crore)

Type of Business	No. of new policies issued	No. of new lives covered	Gross premium from new business
------------------	----------------------------	--------------------------	---------------------------------

Government sponsored schemes	0	0	0
Group Business other than Government Sponsored Schemes	256	10,15,953	52.69
Individual Business	4,95,270	5,42,426	230.05
<b>Total</b>	<b>4,95,526</b>	<b>15,58,379</b>	<b>282.73</b>

**TABLE**  
**HEALTH BUSINESS OF LIFE INSURERS FROM RENEWAL BUSINESS (RENEWAL PREMIUM FROM REGULAR PREMIUM POLICIES)**

(Number of policies and lives are in actual and Premium in ₹Crore)

<b>Type of Business</b>	<b>No of policies renewed</b>	<b>No of lives covered under policies renewed</b>	<b>Gross Premium from renewal business</b>
Government sponsored schemes	0	0	0
Group Business other than Government Sponsored Schemes	3	335	0.09
Individual Business	679053	1079795	544.22
<b>Total</b>	<b>679056</b>	<b>1080130</b>	<b>544.31</b>

#### **I.4.5.15 In respect of Health Insurance Riders attached to Life Insurance Products**

Riders which are attached to the base products are offered as a value addition to policyholders. Premium of ₹232 crore was procured through health insurance riders attached to life insurance policies. Out of the total premium from these riders, Renewals accounted for 46% (₹106 crore) while the rest 54% (₹125 crore) was contributed by New Business.

During the FY 2018-19, 4.72 lakh health insurance riders were issued along with new life insurance products covering 14.09 lakh lives. During the same period, 9.86 lakh riders attached to life insurance products were renewed which covered 16.63 lakh number of lives.

**TABLE**  
**NEW BUSINESS IN RESPECT OF HEALTH RIDERS ATTACHED TO THE LIFE INSURANCE PRODUCTS**

(Number of riders and lives in actual) (Amount in ₹Crore)

<b>Type of Business</b>	<b>No. of new riders issued</b>	<b>No. of new lives covered under health insurance riders</b>	<b>Gross premium from new business</b>

Government sponsored schemes	0	0	0
Group Business other than Government Sponsored Schemes	256	936,438	83
Individual Business	472,346	473,074	42
<b>Total</b>	<b>472,602</b>	<b>1,409,512</b>	<b>125</b>

**TABLE**  
**RENEWAL BUSINESS IN RESPECT OF HEALTH RIDERS ATTACHED TO THE LIFE INSURANCE PRODUCTS**

(Number of riders and lives in actual)(Amount in ₹Crore)

<b>Type of Business</b>	<b>No of riders renewed as part of life insurance products</b>	<b>No of lives covered under such riders</b>	<b>Gross premium from riders renewed</b>
Government sponsored schemes	0	0	0
Group Business other than Government Sponsored Schemes	421	693,456	19
Individual Business	986,035	969,965	87
<b>Total</b>	<b>986,456</b>	<b>1,663,421</b>	<b>106</b>

**DETAILS OF CLAIMS PERTAINING TO HEALTH INSURANCE PRODUCTS OFFERED BY LIFE INSURERS:**

**I.4.5.16 Claims pertaining to Health Insurance Products offered by Life Insurers**

During the FY 2018-19, life insurers have paid ₹182 crore as claims towards settlement of 39,939 number of claims. Out of the total number of claims registered by life insurers with respect of health insurance products, insurers have paid 77 percent of claims while 22 percent of number of claims were repudiated or rejected.

**TABLE**  
**DETAILS OF CLAIMS HANDLED BY LIFE INSURERS WITH RESPECT TO HEALTH INSURANCE PRODUCTS**

(Number of claims in actual and amount in ₹Crores)

<b>Particulars</b>	<b>Unit</b>	<b>Government sponsored schemes</b>	<b>Group Business other than Government Sponsored schemes</b>	<b>Individual Business</b>	<b>Total</b>
Details of Claims Outstanding as on 1st April 2018	Number	0	0	1037	1037
	Amount	0	0	22.6	22.6
	Number	0	78	51069	51147

Details of Claims Reported during the financial year	Amount	0	325	246.0	249.2
Details of Claims Paid during the financial year	Number	0	25	39914	39939
	Amount	0	108	180.8	181.9
Details of Claims Repudiated/Rejected during the financial year	Number	0	0	52	11665
	Amount	0	0	214	77.2
Details of Claims Outstanding as on 31st March 2019	Number	0	1	527	528
	Amount	0	3	10.6	10.7

#### I.4.5.17 Claims pertaining to Health Insurance Riders attached to the Life Insurance Products

In respect of rider claims, 83 percent of the claims registered were paid while 16 percent were repudiated or rejected. During FY 2018-19, claim amount of ₹28.21 crore was paid by the life insurers towards settlement of 1719 number of claims, in respect of riders.

**TABLE**  
**DETAILS OF CLAIMS HANDLED BY LIFE INSURERS WITH RESPECT TO HEALTH INSURANCE RIDERS**

(Number of claims in actual and Amount in ₹Crore)

Particulars	Unit	Government sponsored schemes	Group Business other than Government Sponsored Schemes	Individual Business	Total
Details of Claims Outstanding as on 1st April 2018	Number	0	0	57	57
	Amount	0	0	0.9	0.9
Details of Claims Reported during the financial year	Number	0	292	1710	2002
	Amount	0	13.2	25	38.2
Details of Claims paid during the financial year	Number	0	149	1570	1719
	Amount	0	8.8	19.4	28.2
Details of Claims Repudiated/Rejected during the financial year	Number	0	143	190	333
	Amount	0	4.4	6.1	10.5
Details of Claims Outstanding as on 31st March 2019	Number	0	0	7	7
	Amount	0	0	0.4	0.4

#### I.4.6 BUSINESS IN THE SOCIAL AND RURAL SECTORS

#### **I.4.6.1 Gist of existing Regulations:**

The IRDAI (Obligations of Insurers to Rural and Social Sectors) Regulations, 2015 stipulated targets to be fulfilled by insurers on an annual basis. In terms of these regulations, Insurers are required to cover year wise prescribed targets (i) Under social sector in terms of percentage of lives out of total business; and (ii) Under rural sector for life insurers in terms of percentage of number of policies to be underwritten from rural areas whereas for general and standalone health insurers a percentage of total gross premium income written. The regulations require insurers to underwrite business in these segments based on the year of commencement of their operations and the applicable targets are linked to the year of operations of each insurer. For meeting these obligations, the regulations further provide that, if an insurance company commences operations in the second half of the financial year and is in operations for less than six months as at 31<sup>st</sup> March of the relevant financial year (i) no rural or social sector obligations shall be applicable for the said period; and (ii) the annual obligations as indicated in the Regulations shall be reckoned from the next financial year which shall be considered as the first year of operations for the purpose of compliance. In cases where an insurance company commences operations in the first half of the financial year, the applicable obligations for the first year shall be 50 per cent of the obligations for rural areas and 2500 lives for social sector.

#### **Fulfilment of Obligations of life insurers during 2018-19**

##### **Rural Sector Obligations**

**I.4.6.2** During 2018-19, Twenty-two\* private sector life insurance companies have fulfilled their rural sector obligations. The number of policies underwritten by them in the rural sector as a percentage of the total policies underwritten in the year 2018-19 was as per the obligations applicable to them.

The lone public sector insurer, Life Insurance Corporation of India was also compliant with its obligations in the rural sector for 2018-19.

**I.4.6.3** The life insurers underwrote 66.37 lakh policies in the rural sector, viz., 23.2 percent of the new individual policies (286.48 lakh total policies) underwritten by them in 2018-19.

**I.4.6.4** LIC underwrote 22.3 per cent of the new policies and private insurers underwrote 25.8 per cent of their new individual policies in the rural sector.

##### **Social Sector Obligations**

**I.4.6.5** Twenty-two\* private life insurers and public sector LIC of India have fulfilled their social sector obligations during 2018-19. The number of lives covered by them under the Social Sector were above the stipulations prescribed in the IRDAI (Obligations of Insurers to Rural or Social Sectors) Regulations 2015.

**I.4.6.6** \*M/s Sahara India Life Insurance Co. Ltd. was directed not to underwrite any kind of new business from 24<sup>th</sup> June, 2017 vide the IRDAI Order reference IRDAI/F&A/OR/FA/148/06/2017 under section 52 B (2) of the Insurance Act, 1938. Hence, Sahara India Life is not considered for Rural and Social Sector Obligations.

##### **Obligations of General Insurers**

**I.4.6.7** All the Public and Private sector insurers (other than standalone health Insurers) complied with Rural and Social Sector obligations for the year 2018-19.

## Obligations of Stand-alone Health Insurers

**I.4.6.8** During the FY 2018-19, all stand-alone Health Insurers have fulfilled their Rural & Social Sector obligations as it is stipulated under IRDAI (Obligations of Insurers to Rural & Social Sectors) Regulations, 2015. The details of targets and achievements of these six insurers are provided below.

### Rural Sector Obligations:

**TABLE**  
**COMPLIANCE OF STAND-ALONE HEALTH INSURERS WITH RESPECT TO**  
**RURAL SECTOR OBLIGATIONS 2018-19**

Si. No.	Insurer	Age of the Insurer(as at the end of FY 2018-19)	Target (as % of gross premium written)	Gross premium for the FY (In Rs. lakh)	Amount of premium procured in the Rural sector (In ₹ Lakh)	Achievement (percentage)
1	Aditya Birla Health Insurance Co. Ltd	2	1.50%	49680	1657	3.33%
2	Apollo Munich Health Insurance Co. Ltd	11	3.50%	219444	8468	3.86%
3	Cigna TTK Health Insurance Co. Ltd	5	2.50%	48482	8763	18.08%
4	Max Bupa Health Insurance Co. Ltd	9	3.50%	94701	5178	5.47%
5	Reliance Health Insurance Co. Ltd ^^	NA	NA	NA	NA	NA
6	Religare Health Insurance Co. Ltd	7	2.50%	182557	14823	8.10%
7	Star Health Insurance Co. Ltd	13	3.50%	540129	81409	15.07%

**Note:**^^ the insurer was issued the Certificate of Registration on 3rd October, 2018. As it falls in the 2nd half of the FY, the, Rural & Social sector Obligations are not applicable to the insurer for the FY 2018-19.

### Social Sector Obligations:

**TABLE**  
**COMPLIANCE OF STAND-ALONE HEALTH INSURERS WITH RESPECT TO SOCIAL SECTOR**  
**OBLIGATIONS 2018-19**

Sl. No.	Insurer	Age of the Insurer(as at the end of FY 2018-19)	Target (as % of lives covered)	Total business procured in the preceding financial year (Lives in lakhs)	Number of lives covered under social sector(Lives in Lakhs)	Achieved (percentage)
1	Aditya Birla Health Insurance Co. Ltd	0	1.00%	10.53	0.17	1.64%
2	Apollo Munich Health Insurance Co. Ltd	0	5.00%	56.67	7.00	12.36%
3	Cigna TTK Health Insurance Co. Ltd	0	2.50%	6.71	0.19	2.83%
4	Max Bupa Health Insurance Co. Ltd	0	4.50%	27.43	1.29	4.70%

5	Reliance Health Insurance Co. Ltd ^^	NA	NA	NA	NA	NA
6	Religare Health Insurance Co. Ltd	0	3.50%	37.15	21.46	57.80%
7	Star Health Insurance Co. Ltd	0	5.00%	106.56	15.75	14.78%

**Note:**^^ the insurer was issued the Certificate of Registration on 3rd October, 2018. As it falls in the 2nd half of the FY, the Rural & Social sector Obligations are not applicable to the insurer for the FY 2018-19.

## 1.4.7 FINANCIAL REPORTING AND ACTUARIAL STANDARDS

### Appointed Actuary System

**1.4.7.1** The Appointed Actuary system is in place for more than a decade in Indian Insurance Industry. Every Insurer is required to appoint an actuary known as Appointed Actuary.

The Appointed Actuary is responsible for rendering actuarial advice to the management of the insurer, in particular in the areas of product design and pricing. Insurance contract wording, investments and reinsurance; ensuring solvency of the company and complying with the Authority's directions from time to time.

The Appointed Actuary has access to all the information or documents in possession or under control of the insurer if such access is necessary for the proper and effective performance of the functions and duties of the Appointed Actuary.

## 1.4.8 ANTI MONEY LAUNDERING/COUNTERING THE FINANCING OF TERRORISM (AML/CFT) PROGRAMME

### AML/CFT GUIDELINES

**1.4.8.1** Empowered by the Prevention of Money Laundering Act (PMLA) and the rules framed there under, the AML/CFT guidelines (the guidelines) to the insurance sector were first issued in March 2006. Since then the insurance sector has been working towards an effective AML/CFT regime in India. The guidelines emphasize the importance of the customer due diligence processes, reporting obligations and record keeping requirements as required under the PMLA.

**1.4.8.2** Insurers have laid down systems and processes towards implementation of various requirements under the broad oversight of their board through the audit committee. There is a regular review of the effectiveness of the systems through the insurer's internal audit/inspection departments. Compliance with the guidelines is also monitored by IRDAI through both on-site and off-site processes.

### Cash Acceptance Threshold

**1.4.8.3** The insurance sector is very similar to the banking sector in that both are vehicles and instrumentalities for encouraging savings amongst the people in the country. The insurance laws in the country also mandate that a certain proportion of every company's business must emanate from the rural sector. Given the vast number of villages in India, compared to which the spread of banks is limited, to remove the hindrances posed by the restrictions on acceptance of cash, the IRDAI had aligned the stipulation with that prevalent in the banking sector. This was also aimed at encouraging insurance companies to tap rural business effectively, consequently improving on insurance penetration and density.

**1.4.8.4** The requirement was also in line with the CBDT notification S.O. 1214 (E) dated 26th May, 2011 amending Rule 114B of the Income-tax Rules, 1962, inserting clause (q) which requires every person to quote his permanent account number (PAN) in all documents pertaining to the transactions where there is a payment of an amount aggregating to fifty thousand rupees or more in a year as life insurance premium to an insurer as defined in clause (9) of section 2 of the Insurance Act, 1938 (4 of 1938).



**I.4.8.5** In order to have tighter controls as regards 'acceptance of premium in cash', the IRDAI has mandated stringent controls like the requirement of verification of the PAN number so obtained from the customer. Insurers are also required to lay down proper mechanisms to check any kind of attempts to avoid disclosure of PAN details. In case of possible attempts to circumvent the requirements, insurers are directed to report the same as suspicious activity to Financial Intelligence Unit-India (FIU-IND).

#### **AML/CFT guidelines applicable to General Insurance companies**

**I.4.8.6** Considering the fact that AML/CFT requirements applicable to general insurance companies differ from those applicable to life insurance companies, the guidelines have been modified to meet the nuances of typical characteristics of the general insurance business. Various related aspects were widely deliberated with all the general insurance companies through the General Insurance Council. A consolidated circular on various stipulations/requirements of AML/CFT framework, as applicable to general insurance companies, was issued in February 2013. Through this circular, insurers have been advised to apply the AML/CFT requirements based on their risk assessment of each of the product's profile. The earlier exemption given to standalone medical and health insurance policies now stands withdrawn.

#### **Revision of AML/CFT Guidelines for Life Insurers**

**I.4.8.7** Pursuant to amendment of PML (Maintenance of Records) Rules, 2005 in 2013 by Central Government, IRDAI master circular on AML/ CFT issued in 2010 for Life Insurers was revised in line with amendments. The revised draft master circular was circulated to Life Insurance Council, and FIU-IND for comments. Based on the comments received the draft master circular was finalized. The Master Circular was issued on 28th September, 2015.

#### **International Cooperation/Information sharing**

**I.4.8.8** Post India's membership into the Financial Action Task Force (FATF) in June 2010, India has been working on the Action Plan committed to FATF Secretariat. IRDAI has accomplished various action points committed. Effective May 2013, IRDAI is a signatory to the Multilateral Memorandum of Understanding (MMOU) of International Association of Insurance Supervisors (IAIS) which provides an international platform for cooperation and sharing of information. Further, the IRDAI (Sharing of Confidential Information Concerning Domestic or Foreign Entity) Regulations, 2013 are in place which provides for the manner in which confidential information can be shared with other regulatory bodies.

#### **Coordination with various agencies/ departments**

**I.4.8.9** IRDAI is in active coordination with various agencies/departments in ensuring effective implementation of AML/CFT regime in India and is part of the Working Group for National Risk Assessment (NRA) on AML/CFT constituted by the Department of Revenue. IRDAI is also part of the Core Working Group (CWG) constituted by the Department of Economic Affairs (FATF Cell) for implementation of revised recommendations of FATF.

**I.4.8.10** In addition, IRDAI is also actively associated with the Eurasian Group on Combating Money Laundering and Financing of Terrorism (EAG), a FATF style regional body.

**I.4.8.11** IRDAI has initiated regular interaction with the Financial Intelligence Unit-India (FIU-IND) and actively took part in the working group constituted with industry representatives on finalization of report on the 'Red Flag Indicators for Insurance Sector'. IRDAI is also part of the Department of Financial Services initiative of building Central KYC Registry.

**I.4.8.12** IRDAI and FIU-IND signed a Memorandum of Understanding (MoU) on Mutual Cooperation on 29th January 2014 as part of continued coordinated efforts in effective implementation of requirements of the Prevention of Money Laundering Act and the rules framed there under.

According to the MoU, IRDAI and FIU-IND will cooperate with each other in areas of mutual interest including the following:

- a) Sharing of intelligence and information available in their respective databases.
- b) Laying down procedure and manner in which the reporting entities report to FIU-IND under the PML (Maintenance of Records) Rules.
- c) Conducting outreach and training for reporting entities.
- d) Upgradation of AML/CFT skills reporting entities regulated by IRDAI.
- e) Assessment of Anti-Money laundering/ Countering the Financing of Terrorism (AML/ CFT) risks and vulnerabilities in the Insurance Sector.
- f) Identification of red flag indicators for Suspicious Transaction Reports (STRs) in the insurance sector.
- g) Supervising and monitoring the compliance of reporting entities with their obligations under PMLA.
- h) Compliance with each other's obligations under the relevant international standards.

### **Operationalization of Central KYC Records Registry**

**I.4.8.13** In order to facilitate Banks/Financial Institutions with KYC related information of customers so as to avoid multiplicity of undertaking KYC by Banks/Financial Institutions each time a customer avails any financial product/service, Hon'ble Finance Minister announced in the Union Budget 2012-13 that a Central Know Your Customer (KYC) depository will be developed to avoid multiplicity of registration of KYC data.

**I.4.8.14** As per the 2015 amendment to PML (Maintenance of Records) Rules, 2005, every reporting entity shall within three days of the establishment of client based relationship file the electronic copy of the client's KYC records with the Central KYC Records Registry ("CKYCR").

**I.4.8.15** IRDAI vide circular dated 12th July, 2016 advised insurers to upload the KYC records of individual policyholders to Central KYC Registry.

### **Guidelines for e-KYC**

**I.4.8.16** UIDAI issued Aadhaar (Authentication) Regulations, 2016 inter alia prescribing the procedure for e-KYC authentication of Aadhaar Number. Accordingly, IRDAI vide circular dated 31st August 2017, advised insurers to perform the verification of the client through "e-KYC authentication facility" provided by UIDAI.

**I.4.8.17** Hon'ble Supreme Court of India in Writ Petition (Civil) No.494/2012 vide order dated 26.09.2018 has upheld the constitutional validity of the Aadhaar Act and attendant authentication of Aadhaar. However, the amendment to Rule 9 (making Aadhaar and PAN/form 60 mandatory for availing financial services including insurance) of the PML (Maintenance of Records) Rule 2005, by PML Amendment Rules' 2017 has been held unconstitutional.

Thereafter, UIDAI vide circular F.No 13012/171/2018/ Legal/UIDAI/114 dated 23<sup>rd</sup> October, 2018 based on the opinion of the Learned Attorney General of India has clarified that physical copy of the Aadhaar card as well as e-Aadhaar, masked Aadhaar and offline electronic xml provided by UIDAI (if offered voluntarily by the client) can be accepted as an Officially Valid Documents for KYC purpose

Accordingly, IRDAI has issued a circular on 29 January 2019 advising insurers not to mandatorily seek Aadhaar and Form/60 from the proposer/ policyholder as part of KYC. However, insurers may accept Aadhaar card as one of the documents for establishing identity and/or address of the proposer/policyholder for KYC purpose subject to the following conditions:

- The proposer/policyholder voluntarily offers Aadhaar card as one of the documents for KYC purpose. This includes physical copy of e-Aadhaar, masked Aadhaar and Offline Aadhaar XML. However, the insurers will under no circumstance do the authentication either using e-KYC facility or Yes/No authentication facility of UIDAI.
- Insurers should ensure that the first 8 digits of the Aadhaar number are properly/appropriately masked.
- At no point in time more than last 4 digits of the Aadhaar number of any individual should be stored by the insurers in physical or digital form.

In this connection, Department of Revenue/ Ministry of Finance dated 13<sup>th</sup> February, 2019, has notified "Prevention of Money-Laundering (Maintenance of Records) Amendment Rules, 2019" which specifies that every reporting entity shall, where its client submits his Aadhaar number, ensure such client to redact or blackout his Aadhaar number through appropriate means where the authentication of Aadhaar number is not required.

Thereafter, Ministry of Law and Justice has notified "Aadhaar and the other laws (Amendment) Ordinance, 2019" on 2<sup>nd</sup> March 2019 allowing online authentication of Aadhaar only by Banking companies & Telecom industries and offline verification for Insurers under the Aadhaar (Targeted Delivery of Financials and other Subsidies, Benefits and Services) Act, 2016.

#### **1.4.9 Pradhan MantriFasal Bima Yojana (PMFBY)**

##### **Key Provisions under Revised Operational Guidelines for Pradhan Mantri Fasal Bima Yojana (PMFBY)**

#### **1. Awareness and publicity**

- Provision to strengthen initiatives under awareness creation and social mobilization
- Earmarked 0.5% of the gross premium per company per season for publicity and awareness. In case of non-utilization/underutilization, amount will be transferred back to Technology fund of Govt. of India.

#### **2. Coverage and Enrolment of farmers**

- District wise Crop Wise Calendar (for major Crop) to decide cut-off date for enrolment
- Mandatory Aadhar enrolment for farmers to avoid duplication
- Coverage target to insurance companies, especially of non loanee farmers (10% incremental)
- Use of infrastructure of common service center (CSCs) and network of post offices for increasing coverage of non-loanee farmers
- Focus on North-eastern States and UTs to adopt/implement the scheme
- Availability of adequate manpower in allotted districts by insurance companies implementing the scheme.

#### **3. Risk Coverage**

- Inclusion of perennial crop (on pilot basis) under the ambit of PMFBY
- Definition of major crops, unseasonal rainfall and inundation incorporated for clarity and proper coverage
- Addition of cloudburst and natural fire in localized claims. Hailstorm added as a peril in post-Harvest losses.
- Time-limit for changing the crop by farmers reduced up to two working days before enrolment cut-off date.

- Pilot for coverage of risk of crop damage by wild animals and for coverage of perennial crops under PMFBY.

#### **4. Release of Subsidy**

- Better compliance of release of subsidy by State Government and Central Government.
- Rationalization of premium release process incorporated - 50% of 80% of corresponding subsidy from previous season release upfront, subsequent two installments based on approved business statistics and final reconciliation of entire coverage data.

#### **5. Crop Loss assessment**

- More time to farmers to intimate individual claims-72 hours (Instead of 48 hours) through stakeholders and directly on portal.
- Assessment of average yields- best five out of seven.
- Detailed SOP for claims assessment with respect to Mid-season adversity, prevented /failed sowing, post-harvest loss and localized claims
- Detailed SOP for dispute regarding yield data/crop Loss

#### **6. Claim Settlement**

- Provision of auto approval of farmer application and auto calculation of claims after prescribed cut-off dates.
- Better reconciliation of data from banks and Insurance Companies
- Auto calculation of claims on National Portal of PMFBY.
- Provision of penalties/Incentives for States, ICs and bank. I.e. 12% interest rates to be paid by the insurance Company to farmers for delay in settlement of claims beyond two-months of prescribed cut-off date.
- State govt. have to pay 12% interest for delay in release of State share of subsidy beyond three months of prescribed cut-off date/ submission of requisition by Insurance companies.
- Settlement of claims (prevented sowing/On account for mid-season adversity/ localized claims) without waiting for final subsidy.
- Timely disbursement of claims to farmers in their bank account through DBT/electronic transfer.

#### **7. Technical support and capacities building**

- Creation of Technical Support Unit in Center and States and provisioning for administrative expenses.
- Earmarked of 2% of State budget to be used for administrative expenses, publicity, technology adoption, setting up State TSUs.
- Hands on training of different stakeholders engaged in PMFBY implementation

#### **8. Use of Technology**

- Real time data capturing and integration of all stakeholders on National Portal of PMFBY.
- Creation of Technology Fund for supporting technology interventions in implementation
- Use of technology- Remote Sensing Technology interventions and satellite data use for addressing area discrepancy, yield data analysis, yield estimation, rationalization of CCE, classification of risks etc.
- Push for 100% CCEs through Agri- App-Central Govt will reimburse 50% cost of technology device like smartphone; ensure participation of insurance companies.

#### **9. Monitoring of Scheme**

- Telescoping of various activities in the seasonality discipline
- Distribution of receipt and acknowledgement to farmers.
- Detailed SOP for performance evaluation of Insurance Companies and their de-empanelment
- Ranking of Insurance Companies and state on various performance parameters.
- Provision of CAG audit for Private Insurers.

#### **10. Grievance Redressal**

- Help line number on National Portal.
- Creation of State grievance redressal Committee and district Grievance Redressal committee (DGRC)
- Appointment of District level grievance redressal officer.

### **1.4.10 MICRO INSURANCE**

**I.4.10.1** In order to facilitate penetration of insurance to the lower income segments of population, IRDAI had notified the micro insurance regulations in 2005. They provided a platform to distribute insurance products, which are affordable to the rural and urban poor and to enable micro insurance to play its role in financial inclusion.

**I.4.10.2** The main thrust of micro insurance regulations is protection of low income people with affordable insurance products to help cope with and recover from common risks with standardized popular insurance products adhering to certain levels of cover, premium and benefit standards. These regulations allow Non-Government Organizations (NGOs) and Self Help Groups (SHGs) to act as agents to insurance companies in marketing the micro insurance products and also allow both life and non-life insurers to promote combi-micro insurance products (combination of different lines of business).

**I.4.10.3** The Authority undertook the review of the Micro Insurance Regulations, 2005 comprehensively. In this connection, the Authority has notified the Amended Regulations on 13<sup>th</sup> March 2015 wherein it has permitted several more entities like District Co-operative Banks, Regional Rural Banks including Business Correspondents of Scheduled Commercial Banks to be appointed as Micro Insurance agents facilitating better penetration of Micro Insurance business and included additional policyholder protection measures.

#### **Life Insurance Sector**

**I.4.10.4** While the individual new business under the micro insurance segment for the year 2018-19 stood at 8.65 lakh new policies with a premium of ₹32.10 crore, the lives covered under group business were 12.13 crore with a premium of ₹3205.74 crore. LIC contributed to the business procured in this portfolio by garnering 6.18 lakh individual policies with a premium of ₹20.91 crore and in group insurance LIC does not have any business.

**I.4.10.5** The private sector contributed the remaining 2.47 lacs policies and 11.18 crore premium in individual business and 12.13 crore lives with ₹3205.73 crore Premium under group micro business.

**I.4.10.6** The number of micro insurance agents as at 31<sup>st</sup> March 2019 stood at 72857; of which 19926 agents pertained to LIC and the remaining 52931 pertained to private sector life insurers. Out of the total 72,857 MI agents of Life insurance industry, NGOs form 9%, Self Help Groups (SHGs) form 0.5%, Micro Finance Institutions (MFIs) form 0.4%, Business Correspondents (BCs) form 0.2% and other MI Agents form 90%.

**I.4.10.7** 44 micro insurance products of 16 life insurers were available in the market for sale as at 31.3.2019. Of these 44 products, 24 are Individual products and the remaining 20 are Group products.

**TABLE  
NEW BUSINESS UNDER MICRO-INSURANCE PORTFOLIO FOR 2018-19**

(Premium in ₹ lakh)

Insurer	Individual		Group		
	Policies	Premium	Schemes	Premium	Lives covered
Private Total	247444	1118.44	931	320573.78	121307855
LIC	617653	2091.43195	0	0.00	0
<b>Industry Total</b>	<b>865097</b>	<b>3209.87</b>	<b>931</b>	<b>320573.78</b>	<b>121307855</b>

**Note:** New business premium includes first year premium and single premium.

**TABLE  
DETAILS OF MICRO-INSURANCE AGENTS OF LIFE INSURERS -- 2018-19**

Insurer	As on 1st April, 2018	Additions	Deletions	As on 31st March, 2019
Private Total	33724	19633	426	52,931
LIC	19183	1649	906	19,926
<b>Industry Total</b>	<b>52907</b>	<b>21282</b>	<b>1332</b>	<b>72,857</b>

**TABLE  
DETAILS OF MICRO-INSURANCE AGENTS OF LIFE INSURERS -- 2018-19**

Agents	Private Total	LIC	Industry Total
<b>Micro Insurance Agents Total</b>	<b>52931</b>	<b>19926</b>	<b>72857</b>
NGO's	125	6416	<b>6541</b>
SHG's	19	337	<b>356</b>
MFI's	27	285	<b>312</b>
Business Correspondents (BCs)	25	99	<b>124</b>
Other MI Agents	52735	12789	<b>65524</b>

**TABLE  
INDIVIDUAL DEATH CLAIMS UNDER MICRO- INSURANCE PORTFOLIO-- 2018-19**

(Benefit Amount in ₹ Lakhs)

Life Insurer	Total Claims		Claims paid		Claims repudiated		Claims rejected		Claims Unclaimed		Claims pending at end of year	
	No of Policies	Benefit Amount	No of Policies	Benefit Amount	No of Policies	Benefit Amount	No of Policies	Benefit Amount	No of Policies	Benefit Amount	No of Policies	Benefit Amount
Private Total	2709 100%	304.34 100%	2688 99.22%	295.16 96.98%	20 0.74%	9.08 2.98%	0	0.00	0	0.00	1 0.04%	0.10 0.03%
LIC	6741 100%	1193.29 100%	6707 99.50%	1181.40 99.00%	10 0.15%	1.61 0.13%	0	0.00	15 0.22%	2.80 0.23%	9 0.13%	7.47 0.63%
Industry Total	9450 100%	1497.63 100%	9395 99.42%	1476.56 98.59%	30 0.32%	10.69 0.71%	0	0.00	15 0.16%	2.80 0.19%	10 0.11%	7.57 0.51%

**Note:** The percentages indicate the share of the respective claims to total claims.

**TABLE**  
**GROUP DEATH CLAIMS UNDER MICRO-INSURANCE PORTFOLIO -- 2018-19**  
 Benefit Amount in  
 ₹ lakh)

Life Insurer	Total Claims		Claims paid		Claims repudiated		Claims rejected		Claims Unclaimed		Claims pending at end of year	
	No of Lives	Benefit Amount	No of Lives	Benefit Amount	No of Lives	Benefit Amount	No of Lives	Benefit Amount	No of Lives	Benefit Amount	No of Lives	Benefit Amount
Private Total	301976 100%	88389.46 100%	299451 99.16%	87501.62 99.00%	837 0.28%	460.56 0.52%	49 0.02%	20.94 0.02%	0 -	0.00 -	1639 0.54%	406.34 0.46%
LIC	0 0%	0.00 0%	0 -	0.00 -	0 -	0.00 -	0 -	0.00 -	0 -	0.00 -	0 -	0.00 -
Industry Total	301976 100%	88389.46 100%	299451 99.16%	87501.62 99.00%	837 0.28%	460.56 0.52%	49 0.02%	20.94 0.02%	0 -	0.00 -	1639 0.54%	406.34 0.46%

**Note:** The percentages indicate the share of the respective total claims.

**TABLE**  
**DETAILS OF DEATH CLAIMS PAID IN MICRO-INSURANCE INDIVIDUAL CATEGORY -- 2018-19**  
(No. of Policies)

Life Insurer	Duration					
	1 to 30 Days	31 to 90 Days	91 to 180 Days	181 Days to 1 Year	More than 1 Year	Total Claims Settled
<b>Private Total</b>	2613	73	2	0	0	2688
	97.21%	2.72%	0.07%	0.00%	0.00%	100.00%
LIC	6629	76	2	0	0	6707
	98.84%	1.13%	0.03%	0.00%	0.00%	100.00%
<b>Industry Total</b>	<b>9242</b>	<b>149</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>9395</b>
	98.37%	1.59%	0.04%	0.00%	0.00%	100.00%

**Note:** The percentages indicate the share of the respective claims to the total claims settled.

**TABLE**  
**DURATION WISE DETAILS OF DEATH CLAIMS PAID IN MICRO-INSURANCE GROUP CATEGORY -- 2018-19**  
(No. of Lives)

Life Insurer	Duration					
	1 to 30 Days	31 to 90 Days	91 to 180 Days	181 Days to 1 Year	More than 1 Year	Total Claims Settled
<b>Private Total</b>	281318	12591	3859	1676	7	299451
	93.94%	4.20%	1.29%	0.56%	0.00%	100.00%
LIC	0	0	0	0	0	0
	NA	NA	NA	NA	NA	NA
<b>Industry Total</b>	<b>281318</b>	<b>12591</b>	<b>3859</b>	<b>1676</b>	<b>7</b>	<b>299451</b>
	93.94%	4.20%	1.29%	0.56%	0.00%	100.00%

**Note:** The percentages indicate the those of the respective total claims settled.

#### Micro Insurance – General Insurance Sector

**I.4.10.8** The Authority reviewed the Micro Insurance Regulations, 2005 comprehensively and notified IRDAI (Micro Insurance) Regulations, 2015. Micro Insurance refers to insurance provided through Micro Insurance



products. General Micro Insurance Products cover health insurance, cover for belongings, such as, hut, livestock or tools or instruments, personal accident, either on individual or group basis with a maximum amount of cover of Rupees one lakh and for a period of one year

**I.4.10.9**The Authority, in order to propagate micro insurance in various segments, has expanded the categories of entities or individuals who may be appointed as Micro Insurance Agents which include Non-Government Organizations (NGO), Self-Help Groups (SHG), Micro-Finance Institutions (MFI), RBI regulated NBFC-MFIs, District Cooperative Banks, Regional Rural Banks, Urban Co-operative Banks, Business Correspondents (BCs), Primary Agricultural Cooperative Societies (PACs) and other Cooperative Societies.

**I.4.10.10**Types of Micro Insurance Product offered by the registered general insurance companies are Cattle Micro Insurance Policy, Kisan Agriculture Pumpset Micro Insurance Policy, Janata Personal Accident SukshmaBima Policy, Silkworm SukshmaBima Policy, Sheep & Goat Micro Insurance Policy, SampoornaGriha Suraksha Policy etc.). These products are targeted at the low income segment of the population The Authority has permitted Prime Minister Fasal Bima Yojana (PMFBY) covering non-loanee farmers, to be solicited and marketed by Micro Insurance Agents under IRDAI (Micro Insurance) Regulations, 2015.

**I.4.10.11**Further, general insurance policies issued to Micro, Small and Medium Enterprises as classified in MSMED Act, 2006 under various lines of general insurance business will also qualify as general Micro Insurance business up to ₹10,000 premium per annum per MSM enterprise.

**I.4.10.12**Micro insurance being a low price-high volume business, its success and sustainability depends mainly on keeping the transaction costs down. Section 32B and 32C of the Insurance Act, 1938 and IRDAI (Obligations of insurers of Rural and Social sectors) 2015, stipulate obligations to insurers in respect of rural and social sector, which have also contributed substantially to the development and promotion of micro insurance products in India.

**I.4.10.13**Total number of general insurance policies issued by Micro Insurance Agents in the year 2018-19 are as follows:

Channel	Private	Public	Total*
Micro-Insurance Agents	6,168	7,956	14124

\* Does not include Micro Insurance policies issued by Standalone health insurers

## Micro Insurance – Standalone health Insurance Sector

### Micro Insurance Agents of SAHI Insurers

The number of micro insurance agents as at 31st March 2019 was 8, all of which pertains to Religare Health.

**TABLE**  
**DETAILS OF MICRO-INSURANCE AGENTS OF SAHI INSURERS 2018-19**

INSURER	As on 1st April 2018	Additions	Deletions	As on 31st March 2019
Aditya Birla	0	0	0	0
Apollo Munich	0	0	0	0
Cigna TTK	0	0	0	0
Reliance Health	0	0	0	0
Religare	11	0	3	8
Max Bupa	0	0	0	0

Star Health	0	0	0	0
<b>Total of SAHI Insurers</b>	<b>11</b>	<b>0</b>	<b>3</b>	<b>8</b>

**TABLE**  
**DETAILS OF MICRO INSURANCE AGENTS OF SAHI INSURERS 2018-19**

<b>INSURER</b>	<b>Non-Government Organisations (NGOs)</b>	<b>Self Help Groups (SHGs)</b>	<b>Micro-Finance Institutions (MFI)</b>	<b>Business Correspondents (BCs)</b>	<b>Other MI agents ##</b>	<b>Total</b>
Aditya Birla	0	0	0	0	0	0
Apollo Munich	0	0	0	0	0	0
Cigna TTK	0	0	0	0	0	0
Reliance Health	0	0	0	0	0	0
Religare	5	0	2	0	1	8
Max Bupa	0	0	0	0	0	0
Star Health	0	0	0	0	0	0
<b>Total of SAHI Insurers</b>	<b>5</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>1</b>	<b>8</b>

**Note:** ## - RBI Regulated NBFC\_MFIs, District Co-op Banks, RRBs, Urban Co-op Banks, Primary Agri Co-operatives, etc.

#### **I.4.11 DIRECTIONS, ORDERS AND REGULATIONS ISSUED BY THE AUTHORITY**

**I.4.11.1** The Authority issued a number of circulars, directions and orders during 2018-19. The list of all such circulars, directions and orders which were issued from 1<sup>st</sup>April, 2018 to 31<sup>st</sup>March, 2019 are placed at **Annexure No. 8**. In addition, the details of all regulations notified by the Authority till 31<sup>st</sup>March, 2019 are placed at **Annexure No. 9**.

#### **I.4.12 RIGHT TO INFORMATION (RTI) ACT, 2005**

During the year 2018-19, the Authority designated the officers shown in Table below, as the Central Public Information Officers (CPIOs) in terms of Section 5(1) of the RTI Act, 2005.

During the same period, Mr. Deepak Khanna, DGM was designated as Central Assistant Public Information Officer for its Delhi Office and Shri VikasRane, Assistant Manager, designated as Central Assistant Public Information Officers for its Mumbai Office in terms of Section 5(2) of the RTI Act, 2005 to discharge the functions assigned in terms of the said section of the RTI Act 2005. Further, during the same period, Mr. Suresh Mathur, Executive Director were designated as First Appellate Authorities in terms of Section 19(1) of the RTI Act, 2005 to discharge the functions assigned in terms of the said Section of the RTI Act, 2005.

During the year a one-day Sensitization Programme was organised on 16.04.2018 for CPIOs and Appellate Authority on the provisions of RTI Act, 2005 for effective discharge of duties and responsibilities. The Institute of Secretariat Training and Management (ISTM), Department of Personnel and Training, New Delhi deputed a resource person for organising the same.

**TABLE****LIST OF CENTRAL PUBLIC INFORMATION OFFICERS**

<b>Si.No.</b>	<b>Name and Designation of the CPIO (Shri/Smt./Ms.)</b>	<b>Department</b>
1	M. Pulla Rao, ED (Gen.)	Accounts, Administration, Buildings, Internal Audit, Corporate Services, Human Resources & Official Language Implementation (Till 21.05.2018)
	Deepak Gaikward, DGM (Gen.)	Accounts, Administration, Buildings, Internal Audit, Corporate Services, Human Resources & Official Language Implementation (W.E.F 22.05.2018)
2	S.P. Chakraborty, GM	Actuarial
3	T.S. Naik, GM	Agency Distribution & Consumer Affairs
4	K.G.P.L. Rama Devi, GM	Communication Wing and IMF
5	P.K. Maiti, GM	Enforcement
6	A. Ramana Rao, GM	F & A (Life)
7	R.K. Sharma, GM	F & A (Non-Life)
8	D.V.S. Ramesh, GM	Health
9	S.N. Jayasimhan, GM	Investment
10	A.R. Nithiyantham, CGM	Information Technology
11	J. Meenakumari, CGM	Inspection
12	Randip Singh Jagpal, CGM	Intermediaries – Brokers
13	Nimisha Srivastava, DGM	Intermediaries – Surveyors
14	Marimuthu P, AM	Adjudication
15	H. Ananthakrishnan, CGM	Legal
16	V. Jayanth Kumar, CGM	Life
17	YegnaPriya Bharat, CGM	Non-Life
18	N.M. Behera, DGM	Re-insurance
19.	A. Venkateswara Rao, GM	Sectorial Development & Vigilance

## **PART – II**

### **REVIEW OF WORKING AND OPERATIONS**

#### **II.1 REGULATION OF INSURANCE AND REINSURANCE COMPANIES**

During the year under review, the Authority has brought out significant changes in the regulatory stipulations for the purpose of orderly growth of the insurance sector. The important regulatory changes include:

##### **II.1.1 Reinsurance Regulations**

The Reinsurance Regulations notified by the Authority in the year 2018 are applicable to the insurers as defined under Sec. 2 (9) of the Insurance Act, 1938, IFSC Insurance Office (IIO) and Exempted Insurers as defined under Sec. 118 (c) of the Act. The regulations require every insurer to have a comprehensive and efficient re-insurance program with the objectives of maximizing retention within the country, developing adequate technical capability, financial capacity and securing optimal reinsurance coverage to protect the interest of the policy holders, cedents and retro cedents at a reasonable cost. The Regulations stipulate that the Board Approved Reinsurance Program is filed with the Authority with complete evidence of the Reinsurance arrangements within specified time limits. The Regulations prescribe strict criteria to cedents/retro cedents for placement of business with reinsurers/retro cessionaires. Reinsurers credit rating, claims paying ability, technical knowhow are some of the important bench marks fixed by Regulations.

The solvency position of an insurance company is assessed on a “net of re-insurance” basis.

##### **II.1.2 IRDAI (Insurance Brokers) (First Amendment) Regulations, 2018**

During the year under review, the Authority has notified the IRDAI (Insurance Brokers) (First Amendment) Regulations, 2018. As per the amendment:

Schedule II – Form R (see Regulation 20(2)) – Manner of calculation of equity capital held by foreign investors – Insert the following proviso under “Explanation” in clause (1)(b)(ii)(ii).

Provided the Chairman, IRDAI may relax the condition of the Indian promoter not being a subsidiary company as defined in the above section of the Companies Act, 2013 subject to merits and conditions, considering the interest of the policyholders and overall growth and development of the insurance sector.

#### **II.2 INDIVIDUAL AGENTS ASSOCIATED WITH THE INSURANCE BUSINESS**

##### **LIFE INSURERS**

**II.2.1** The number of individual agents as at 31<sup>st</sup> March 2019 were 21.95 lakhs as against 20.83 lakhs as on 31<sup>st</sup> March, 2018. While the private life insurers recorded a growth of 8.04%, LIC recorded a growth of 2.58%. At the end of the year 2018-19, while the number of agents with LIC stood at 11.79 lakhs, the corresponding number for private sector insurers was 10.16 lakhs.

**II.2.2** During the year 2018-19, the total number of agents appointed in Life Industry were 6.46 lakhs and the number of agents terminated were 5.34 lakhs. While private insurers appointed 3.82 lakh agents and terminated 3.00 lakh agents, LIC appointed 2.64 lakh agents and terminated 2.33 lakh.

**II.2.3** Out of the total 21.95 lakh individual agents of Life insurance industry, male individual agents form 72.5% and female individual agents are 27.5%. For LIC, the proportion of Male and Female individual

agents is at 76% and 24%. In case of private total, the male-female proportion is at 69% and 31%.

**TABLE**  
**DETAILS OF INDIVIDUAL AGENTS OF LIFE INSURERS -- 2018-19**

Insurer	As on 1st April, 2018	Additions	Deletions	As on 31st March, 2019
Private Total	933856	381851	300189	1015518
LIC	1148811	263894	233476	1179229
<b>Industry Total</b>	<b>2082667</b>	<b>645745</b>	<b>533665</b>	<b>2194747</b>

**TABLE**  
**DETAILS OF INDIVIDUAL AGENTS OF LIFE INSURERS -- 2018-19**

Agents	Private Total	LIC	Industry Total
<b>Individual Agents</b>	<b>1015518</b>	<b>1179229</b>	<b>2194747</b>
Male	696777	894762	1591539
Female	318741	284467	603208

## STANDALONE HEALTH INSURERS

**II.2.4** The number of individual agents as at 31<sup>st</sup> March 2019 were 5.21 lakhs as against 4.06 lakhs as on 31<sup>st</sup> March, 2018. As on 31<sup>st</sup> March 2019, Star Health with 2.84 lakh individual agents contributed 55% of the total individual agents of SAHI insurers. During the year 2018-19, the total number of agents appointed by SAHI insurers were 1.30 lakhs and the number of agents terminated were 15.58 thousand. Out of the total individual agents of SAHI insurers, 73% were male and 27% were female.

**TABLE**  
**DETAILS OF INDIVIDUAL AGENTS OF SAHI INSURERS 2018-19**

INSURER	As on 31st March 2018	Additions	Deletions	As on 31st March 2019
Aditya Birla	15825	9186	6200	18811
Apollo Munich	49481	24242	976	72747
Cigna TTK	21490	6314	149	27655
Reliance Health	0	524	0	524
Religare	55520	30635	611	85544
Max Bupa	25368	6396	224	31540
Star Health	238240	53014	7425	283829
<b>Total of SAHI Insurers</b>	<b>405924</b>	<b>130311</b>	<b>15585</b>	<b>520650</b>

**TABLE**  
**DETAILS OF INDIVIDUAL AGENTS OF SAHI INSURERS 2018-19**

<b>INSURER</b>	<b>Male</b>	<b>Female</b>	<b>Total</b>
Aditya Birla	12824	5987	18811
Apollo Munich	54274	18473	72747
Cigna TTK	19110	8545	27655
Reliance Health	390	134	524
Religare	61275	24269	85544
Max Bupa	20168	11372	31540
Star Health	211621	72208	283829
<b>Total of SAHI Insurers</b>	<b>379662</b>	<b>140988</b>	<b>520650</b>

## **CORPORATE AGENTS**

**II.2.4** As on 31<sup>st</sup> March 2019, the Authority has issued Certificate of Registration to 606 Corporate Agents under IRDAI (Registration of Corporate Agents) Regulations, 2015. Out of 606 Corporate Agents, there are 254 Banks and 352 NBFCs/Co-operative Societies/Limited Liability Partnership Firms and other eligible firms.

**Table**  
**DETAILS OF CORPORATE AGENTS 2018-19**

<b>Details</b>	<b>Banks</b>	<b>NBFCs and others</b>	<b>Total</b>
No. of Corporate Agents	254	352	606
Category – LIFE	20	52	72
Category – GENERAL	17	45	62
Category – HEALTH	0	1	1
Category – COMPOSITE	217	254	471
Corporate Agents with Open Architecture	147	198	345

## **CHANNEL-WISE NEW BUSINESS PERFORMANCE**

### **II.2.5 Individual New Business-Life**

The contribution of individual agents to the individual NB premium has decreased to 62.26% during the year 2018-19 compared to 65.93% in 2017-18.

LIC procured 95.81% of its individual NB premium through individual agents while the share of individual agents was 25.58% for the private sector.

The share of corporate agents, which was at 26.50% during 2017-18, it has increased to 28.45% in the year 2018-19. The share of corporate agents in the new business premium procured by the private life insurers was significant at 56.75 per cent in 2017-18 (57.07 per cent in 2017-18). On the other hand, LIC had only 2.58 per cent.

Between bank and other corporate agency channels, the share of Banks in total new business had gone up from 25.19% in 2017-18 to 27.03% in 2018-19.

The share of Insurers' Direct Sales channel increased from 5.60% in 2017-18 to 6.42% in 2018-19. While private insurers procured 12.08% of their new business premium through direct selling, LIC procured 1.24%. Online Sales premium contributed at 1.13% in the year 2018-19 which is the double of the percentage contribution in 2017-18 at 0.54%. Private Insurers procured 2.07% of their new business premium through Online Sales while LIC procured 0.27% through the same.

The contribution of Brokers channel, Web Aggregators, IMF channel, Point of Sales, MI Agents channel and Common Service Centres (CSCs) are 1.42%, 0.17%, 0.06%, 0.06%, 0.02% and 0.002% respectively to the life insurance industry NB premium under individual business.

**TABLE**  
**INDIVIDUAL NEW BUSINESS PERFORMANCE OF LIFE INSURERS FOR 2018-19 --- CHANNEL WISE**

(Figures in percent of Premium)

Life Insurer	Individual Agents	Corporate Agents		Brokers	Direct Selling	MI Agents	Common Service Centres (CSCs)	Web Aggregators	IMF	Online	Point of Sales	Total Individual New Business	Referrals
		Banks	Others*										
<b>Private Total</b>	25.58	53.88	2.87	2.94	12.08	0.002	0.00	0.35	0.11	2.07	0.118	100.00	0.06
LIC#	95.81	2.49	0.09	0.04	1.24	0.04	0.00	0.00	0.02	0.27	0.00	100.00	0.00
<b>Industry Total</b>	62.26	27.03	1.42	1.42	6.42	0.02	0.002	0.17	0.06	1.13	0.056	100.00	0.03

\*Any entity other than banks but licensed as a corporate agent.

# Does not include its overseas new business premium.

**Note:** 1) New business premium includes first year premium and single premium.

2) The leads obtained through referral arrangements have been included in the respective channels.

## II.2.6 Group New Business

Direct selling continues to be the dominant channel of distribution for group business, with a share of 90.78% of premium during 2018-19. The corresponding share in the previous year was 94.38%. This channel contributed 66.13% and 97.76% of the group NB premium of the private and public sectors respectively.

Another important distribution channel for Group business of the private insurers was Banks. During the year 2018-19, Banks contributed 19.03% of the total group new business premium in case of the private insurers whereas it was 12.57% in the previous year.

LIC procured 2.18% of the group business premium through its traditional channel individual agency force while private insurers procured 0.87% through this channel.

The contribution of Brokers channel was 0.95% to the industry NB premium under group business.

**TABLE**  
**GROUP NEW BUSINESS PERFORMANCE OF LIFE INSURERS FOR 2018-19 --- CHANNEL WISE**

(Figures in percent of Premium)

Insurer	Individual Agents	Corporate Agents		Brokers	Direct Selling	MI Agents	Common Service Centres (CSCs)	Web Aggregators	IMF	Online	Point of Sales	Total Group New Business	Referrals
		Banks	Others*										
Private Total	0.87	19.03	9.24	4.25	66.13	0.48	0.00	0.00	0.00	0.00	0.00	100.00	0.00
LIC#	2.18	0.032	0.00	0.02	97.76	0.00	0.00	0.00	0.00	0.00	0.00	100.00	0.00
Industry Total	1.90	4.22	2.04	0.95	90.78	0.11	0.00	0.00	0.00	0.00	0.00	100.00	0.00

\*Any entity other than banks but licensed as a corporate agent.

# Does not include its overseas new business premium.

**Note:** 1) New business premium includes first year premium and single premium.

2) The leads obtained through referral arrangements have been included in the respective channels.

## II.2.7 Intermediaries associated with the Insurance Business

### INSURANCE MARKETING FIRM

Insurance Marketing Firm (IMF) is a distribution channel introduced by the Authority in 2015. IMFs are registered by the Authority under Insurance Regulatory and Development Authority of India (Registration of Insurance Marketing Firm) Regulations, 2015 (IMF Regulations), and the registration is district-wise. The IMFs follow the concept of open architecture, wherein they are allowed to solicit and procure insurance products of maximum of two life, two general and two health insurance companies at any point of time. IMFs are allowed to procure all types of life insurance products, whereas, only retail lines of insurance products are permitted in respect of general insurance. IMFs can also distribute other financial products as permitted by RBI, SEBI, PFRDA, Department of Posts, etc. after obtaining due approvals from such authorities. It is envisaged to be a one stop shop, offering financial products required at various stages of the life of an individual.

The Authority issues 'No Objection Certificates' (NOCs) for registration of the applicant with Registrar of Companies either as a Private Limited Company or as an LLP. Subsequent to this, IMF Department processes the applications submitted through online portal for grant of registration as IMFs. Applications for NOC/Registration are received through the online portal 'www.imf.irda.gov.in'.

The Authority conducted three workshops for the IMFs at Chandigarh, Ahmedabad and Hyderabad in May, 2018. The objective of the workshops was to generate awareness about IMFs and to sensitize the existing IMFs about compliance requirements. Operational feedback was obtained from the IMFs.

The Authority constituted a Committee for review of IMF Regulations on 15th June, 2018, in order to enable the channel to evolve and fulfil the objective of spreading insurance coverage to all stratum of the society. The mandate for the Committee included revisiting the IMF Regulations; coming up with recommendations for issuing guidelines on the areas on which the Regulations are silent; and coming up with recommendations on further strengthening the channel. The committee submitted its report to the Authority on 9<sup>th</sup> August 2018.

The key recommendations of the Committee dealt in matters pertaining to

- Restriction on Area of Operations & ISPs Domicile Criteria
- Revision of Net Worth requirement
- Product restriction



- d. Remunerations payable to IMFs by the Insurance Companies
- e. Eligibility criteria for principal Officer
- f. Procedure to be adopted for change of Principal Officer
- g. Appointment of Principal Officer in each District
- h. Procedure to deal with ISP resignation
- i. Interchangeability of ISPs
- j. Monthly remuneration to ISPs
- k. Matters pertaining to IMF shareholding pattern
- l. Change in tie-ups with Insurance Company
- m. Mandatory Account with SBI &
- n. Record maintenance and Book keeping

Based on the recommendations of the committee, Insurance Regulatory and Development Authority of India (Registration of Insurance Marketing Firm) (Amendment) Regulations, 2019 was notified on 24-07-2019.

The amended regulation has included the Aspirational Districts Programme of GoI, which is aimed at expeditiously improving the Socio-Economic Status of 117 Districts from across 28 states through Convergence (of Centre & State), Collaboration (of Citizens & Administration) and Competition (among Districts).

Further the amended regulation has permitted in addition to 2 General Insurers; IMFs have an option to engage with Agriculture Insurance Company of India Ltd. (AIC) and Export Credit Guarantee Corporation Ltd. (ECGC).

In addition to the above, now IMF can solicit or procure all kinds of products sold on individual and / or retail basis, including crop insurance for non-loanee farmers and combi products, property, group personal accident, group health, GSLI and term insurance policies for Micro, Small and Medium Enterprises (MSME). (The IMF shall not be allowed to solicit and procure commercial lines of business for any segment except for MSMEs.)

During the financial year 2018-19, the Authority has issued 60 IMF registrations, and the cumulative number of registrations as at 31st March, 2019 is 272. 386 NOCs were issued by the Authority during the financial year 2018-19, and the cumulative number of NOCs issued as at 31st March, 2019 is 1376.

The state-wise presence of IMFs as on 31.03.2018 and on 31.03.2019 is shown in Table below. The States of Maharashtra, Uttar Pradesh and Gujarat saw the maximum number of IMFs Registered during the financial year 2018-19.

## STATE-WISE PRESENCE OF INSURANCE MARKETING FIRMS

Sl. No	State/ Territory	Union	No. of IMFs (as on 31.03.2018)	No. of IMFs (as on 31.03.2019)
1	Andhra Pradesh		6	7
2	Bihar		5	6
3	Chandigarh		5	6
4	Delhi		31	36
5	Chhattisgarh		2	2
6	Gujarat		20	26
7	Haryana		8	10
8	Himachal Pradesh		2	2
9	Jammu & Kashmir		2	4
10	Jharkhand		1	1
11	Karnataka		5	5
12	Kerala		5	10
13	Madhya Pradesh		2	3
14	Maharashtra		38	48
15	Orissa		1	3
16	Punjab		12	13
17	Rajasthan		3	7
18	Tamil Nadu		5	7
19	Telangana		16	18
20	Uttar Pradesh		32	40
21	Uttarakhand		2	5
22	West Bengal		9	13
	<b>Total</b>		<b>212</b>	<b>272</b>

## SURVEYORS AND LOSS ASSESSORS

### II.2.8

Surveyors and Loss Assessors (SLA) play an important role in the process of evaluation and settlement of claims pertaining to general insurance policies. Section 64UM of the Insurance Act, 1938 provides that no person shall act as a surveyor or loss assessor in respect of general insurance business unless he holds a valid SLA license issued by IRDAI. No claim in respect of a loss which has occurred in India and requiring to be paid or settled in India equal to or exceeding an amount specified in the regulations by the Authority in value on any policy of insurance, arising or intimated to an insurer shall, be admitted for payment or settled by the insurer unless he has obtained a report, on the loss that has occurred, from a person who holds a licence to act as a surveyor or loss assessor. As per Section 64 UM of Insurance Act, 1938 amended vide The Insurance Laws (Amendment) Act, 2015, academic qualification as specified by the Authority and membership of Indian Institute of Insurance Surveyors and Loss Assessors(IIISLA) are statutory requirements for a person to act as a surveyor and loss assessor.

<b>Table</b>			
<b>Licenses issued to Surveyors and Loss Assessors</b>			
		<b>2017-18</b>	<b>2018-19</b>
Fresh Licenses			
Individual		285	512
Corporate		9	27
Sub total		<b>294</b>	<b>539</b>
Renewals			
Individual		1444	2423
Corporate		24	53
Sub total		<b>1468</b>	<b>2476</b>
Trainee Enrolments		<b>1291</b>	<b>1320</b>

### II.2.9. Grievances - Surveyors and Loss Assessors

Surveyor Licensing Department of the Authority receives grievances from surveyors regarding empanelment for survey jobs, nonpayment of survey fee by insurance companies, denial of membership by IIISLA to in house surveyors & lapsed license holders, denial of membership by IIISLA, etc. Such complaints are forwarded to respective insurance companies and IIISLA for resolution at their end. Policyholders also complain against surveyors/surveyors firms on non receipt of copy of survey report, delay in issuance of survey report, misconduct, violation of IRDA Surveyor Regulations etc, such complaints are taken up with surveyors for speedy disposal of the issues. Apart from above, various RTIs and references are also received by the department against surveyors and corporate surveyor firms.

During the year 2018-19, the authority received 131 complaints, 129 have been addressed and 4 were outstanding as on 31<sup>st</sup> March, 2019.

<b>Table II.8</b>				
<b>Grievances related to Surveyors and Loss Assessors</b>				
For the period	Outstanding at the beginning of the period	Received	Addressed	Outstanding at the end of the period
April 2017-March 2018	2	102	102	2
April 2018-March 2019	2	131	129	4

### INSURANCE BROKERS

**II.2.10** The Authority allowed Insurance Brokers to operate in the Indian market since 2003 and the first Broking license was issued on 30<sup>th</sup> January, 2003 pursuant to the provisions of the IRDA (Insurance Brokers) Regulations, 2002. These regulations were superseded by IRDA (Insurance Brokers) Regulations, 2013 in the year 2013-14. Further IRDA (Insurance Brokers) Regulations, 2013 were superseded by IRDAI (Insurance Brokers) Regulations, 2018 in the year 2017-18. The Regulations stipulated a capital requirement of ₹75 lakh for Direct insurance brokers, ₹400 lakh for reinsurance brokers and ₹500 lakh for composite insurance brokers. The Insurance Broking is steadily popularizing and the number of registrations increased to 562 since 2003 (as on 31<sup>st</sup> March, 2019).

**II.2.11** Out of the total number of registered brokers of 562, the valid brokers stand at 437 and 125 are not in force as on 31<sup>st</sup> March, 2019. The 437 valid brokers comprise of 371 direct brokers, 61 composite brokers and 5 reinsurance brokers. The Authority has issued 27 new licenses during the period from 1<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2019 and all 27 are under direct insurance broker.

**II.2.12** During the period, the Authority has renewed 138 insurance broker registrations. As per the regulations, an insurance broker may apply for renewal 90 days in advance prior to the expiry of their registration. The Authority has been taking steps to improve the quality of compliance levels of the insurance brokers. Some of them include conduct of workshops, regular interaction with Insurance Brokers Association of India, etc.

As a prelude for moving towards paperless environment, the Department implemented the Business Analytics Project (BAP) w.e.f. 1<sup>st</sup> January, 2016. The processing of new applications for insurance broker certificate of registration, renewal of insurance broker certificate of registration and corporate governance matters are being done through BAP module.

**TABLE**  
**REGISTERED OFFICES OF INSURANCE BROKERS STATE-WISE AS ON 31-03-2019**

State Name	No of Registered office	Category wise Registered Office		
		Direct Broker	Composite Broker	Reinsurance Broker
Andhra Pradesh	1	1	0	0
Bihar	1	1	0	0
Chandigarh	6	6	0	0
Gujarat	23	21	2	0
Haryana	11	10	1	0
Jharkhand	1	1	0	0
Karnataka	19	17	2	0
Kerala	13	12	1	0
Maharashtra	129	92	33	4
Madhya Pradesh	5	5	0	0
New Delhi	79	70	9	0
Odisha	2	2	0	0
Punjab	11	11	0	0
Rajasthan	7	7	0	0
Tamil Nadu	39	35	4	0
Telangana	38	34	4	0
Uttar Pradesh	23	19	3	1
West Bengal	29	27	2	0
<b>Total</b>	<b>437</b>	<b>371</b>	<b>61</b>	<b>5</b>

## WEB AGGREGATORS

**II.2.13** The Authority has promoted an insurance distribution channel called the Insurance Web Aggregator, for comparing and distribution of Insurance Policies online. The objective of an Insurance Web Aggregator is to maintain a website for providing interface to the insurance prospects for price comparison and information of products of different insurers and other related matters. This initiative was taken to increase the insurance penetration through e-commerce and contribute the Government of India's Digital India initiative.

IRDAI (Insurance Web Aggregators) Regulations, 2017 notified on 13<sup>th</sup> April, 2017 with an objective to supervise and monitor the Insurance Web Aggregators. At present, the number of certified Insurance Web Aggregator is 27

**Table**  
**INSURANCE WEB AAGREGATORS APPROVED BY THE AUTHORITY**  
**(AS on 31 MARCH, 2019)**

<b>Si. No</b>	<b>Name of the Insurance Web Aggregator</b>
1	Commet Insurance Web Aggregator Pvt. Ltd.
2	PolicyX.com Insurance Web Aggregator Pvt.LTd
3	OA Insurance Web Aggregators Pvt. Ltd.
4	Fingoogle Insurance Web Aggregator Pvt. Ltd.
5	Easy Policy Insurance Web Aggregator Pvt. Ltd.
6	Policy Bazaar Insurance Web aggregator Pvt. Ltd
7	MIC Insurance Web Aggregator Pvt. Ltd.
8	Great India Insurance Web Aggregator Pvt. Ltd.
9	Boon Insurance Web Aggregator Pvt. Ltd
10	Compare Policy Insurance Web Aggregator Pvt. Ltd
11	Deztination Insurance Web Aggregator Pvt. Ltd.
12	A&A Dukaan Insurance Web Aggregator Pvt. Ltd.
13	Zibika India Insurance Web Aggregator Pvt. Ltd.
14	Mangotree Insurance Web Aggregator Pvt. Ltd.
15	ETInsure Insurance Web Aggregator Pvt. Ltd.
16	Covernest Insurance Web Aggregator Pvt. Ltd
17	PolicyPlanner Insurance Web Aggregator Pvt. Ltd
18	CNB Insurance Web Aggregator Pvt. Ltd
19	Onestepolicy Insurance Web Aggregator Pvt. Ltd
20	Instabima Insurance Web Aggregator Pvt. Ltd
21	Arvi Insurance Web Aggregator Pvt. Ltd.
22	Riskovery Insurance Web Aggregator Pvt. Ltd.
23	Policy Master Insurance Web Aggregator Pvt. Ltd
24	Wishfin Insurance Web Aggregator Pvt. Ltd.
25	Brixton Insurance Web Aggregator Pvt. Ltd.

26	Insuremile Insurance Web Aggregator Pvt. Ltd.
27	KUPolicy Insurance Web Aggregator Pvt. Ltd.

Web Aggregator Statistics (FY 2018-19)

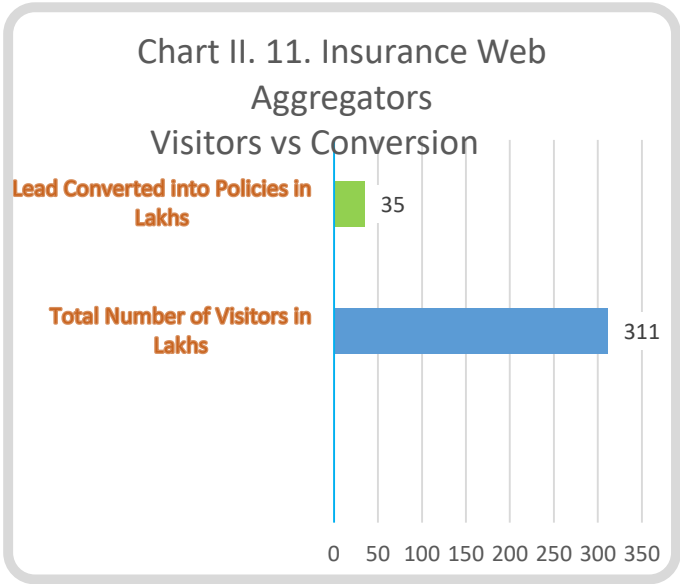


Chart II 12. Total Premium procured through insurance Web Aggregators (Amount in Crores) (2018-19)

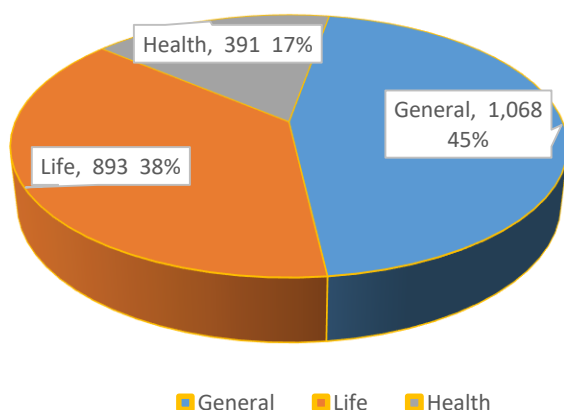
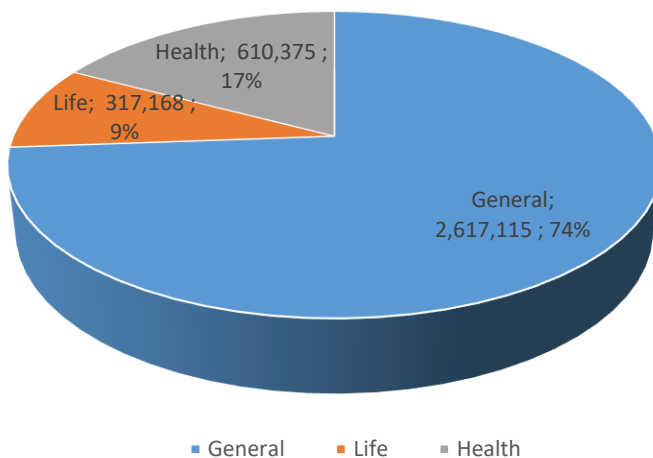


Chart II 13. Number of Policies procured through insurance Web Aggregators (2018-19)



## Common Public Service Centre-SPV

**II.2.14** The Common Service Centres (CSC) are established under Digital India programme of Government of India and implemented by M/s. CSC e- Governance Services India Limited. The Authority has notified the Insurance Regulatory and Development Authority of India (Insurance Services by Common Service Centres), Regulations 2015 on 5<sup>th</sup> October, 2015. The salient features of the CSC Regulations are as follows:

1. The Common Service Centre Special Purpose vehicle (CSC-SPV) shall market insurance products and also offer other insurance related services through the CSC network of those insurance companies who have entered into an agreement with the CSC-SPV.
2. CSC-SPV is the CSC e-Governance Services Limited, Special Purpose Vehicle incorporated to facilitate delivery of government, private and social sector services to citizens of India through



CSC network.

3. Rural Authorised Person (RAP) shall be an individual Village Level Entrepreneur (VLE) registered and authorized by the CSC-SPV to operate and manage a Common Service Centre to market Insurance Products and offer insurance related services. He should undergo 20-hour training and pass an examination conducted by NIELIT and have a minimum qualification of 10<sup>th</sup> pass or equivalent.
4. Minimum eligibility conditions; educational qualifications, and training requirement have been specified for
  - a. Principal officer of the CSC-SPV
  - b. RAP of the CSC-SPV in the regulations.
5. Fit and Proper criteria has been proposed to assess the suitability of the Principal Officer of the CSC-SPV.
6. The procedure of grant of registration, validity and renewal of registration of CSC-SPV has also been specified.
7. Within the CSC framework there are Service partner Agency which includes the State Designated Agency or the Service Centre Agency or any other agency under the CSC Scheme who will train, guide and mentor the Village Level Entrepreneurs.
8. The code of conduct and duties and obligations have been specified for the Principal Officer; RAP, CSC-SPV and Insurers in the regulations. Customer grievance handling procedure has been outlined in the regulations.
9. The remuneration between the CSC-SPV, Service Partner Agency and the RAP have been specified in the ratio of not more than 8%, not more 12% and not less than 80% respectively of the commission paid. However, the insurance related services that will be offered by the RAP has been left to be decided between the CSC-SPV and the insurer.
10. On-boarding charges of ₹20 lakhs per insurer, which are paid into an escrow account, have been allowed to be charged by CSC-SPV on the insurers to facilitate biometric and IRIS equipment infrastructure at RAP level which is released at the time of activation.
11. The CSC-SPV shall market exclusive products under this channel which will be pre-fixed with the words "CSC". The maximum sum assured/ insured allowed these policies is ` 2 lakhs excluding the sum insured under motor insurance. Currently non-participating non-linked variable insurance products with regular premium payment and pure term insurance products with regular premium payment of life insurers have been approved by the Authority under the file & use guidelines. Likewise motor insurance, personal accident insurance, cattle/ livestock insurance, farmer's package policy and fire & allied peril dwellings insurance of general insurance have been approved by the Authority.
12. The procedure for disciplinary proceedings against the CSC-SPV and the RAP has also been specified in the proposed regulations.
13. The regulations also specify reports to be submitted by the insurers and CSC-SPV to the Authority.
14. The statistics regarding the CSC-SPV channel for the period 1.4.2018 till 31.3.2019 is as under :

- a. No. of RAP who have undergone training & passed exam and have been issued certificates – 54,249 since inception.
- b. No. of RAP who have undergone training & passed exam and have been issued certificates in FY 2018-19 – 15,725
- c. Total new Insurance premium procured – Rs 107.35 Crores.
- d. Total new General Insurance premium procured – Rs. 104.66 Crores
- e. Total new Life Insurance premium procured – Rs. 2.69 Crores
- f. Total Renewal premium collected – Rs.675.59 Crores
- g. Total premium collected (New & renewal) – 782.94 Crores
- h. No of insurers with whom agreement signed: General – 18; Health – 3; Life – 19.
- i. No of policies sold – i) Motor Third Party – 4,83,698 ii) Motor Package – 1,29,032 iii) Personal Accident – 25,072 iv) Life Insurance (New) – 28,657 v) and others – 981

### **II.3 PROFESSIONAL INSTITUTES CONNECTED WITH INSURANCE EDUCATION**

**II.3.1** The Indian Insurance sector has seen a rise in demand for insurance education, training and research. As such, the Authority remains in touch with professional institutions connected with Insurance Education in India and abroad.

**II.3.2** The Authority, in association with the then Andhra Pradesh Government, established a professional institute viz., Institute of Insurance and Risk Management (IIRM) in the year 2002 at Hyderabad, for training and imparting professional courses in insurance and related subjects. The Authority continues to support the Institute in its endeavors.

**II.3.3** The Insurance Institute of India (III) is both the Training body and Examination body for Web Aggregators, Corporate Agents and Insurance Marketing Firms. It is also the training body for Brokers and the examination body for Agents pre-recruitment examinations. The Institute has also been preparing course content for various surveyor examinations and also conducts the surveyors' examinations. The Institute has also come up with a course for village level entrepreneurs under Common Service Centre guidelines.

**II.3.4** Indian Institute of Insurance Surveyors and Loss Assessors (IIISLA) is an institute promoted and established by the Authority and incorporated under Section 25 of the Companies Act, 1956. Membership of the institute is mandatory for grant of surveyor license. The Institute seeks to function as a self-regulatory body.

**II.3.5** The Authority also has statutory representation in the Council of the Institute of Actuaries of India (IAI), a statutory and professional body for regulation of profession of Actuaries in India. Its objective, among other things, includes regulation of the practice by the Members of the profession of Actuary. Another noteworthy integrated management school in relation to insurance education is the National Insurance Academy (NIA), Pune which promotes, develops and nurtures research and consultancy activities on institutional and individual basis.

### **II.4 LITIGATIONS, APPEALS AND COURT PRONOUNCEMENTS**

**II.4.1** The details of the litigation in terms of cases filed before the Supreme Court, various High Courts, Securities Appellate Tribunal (SAT), Civil Courts, Motor Accident Claims Tribunal (MACT), and Lok Adalat, as also cases disposed/dismissed during 2018-19 are provided in **tables**

**TABLE  
DETAILS OF THE CASES FILED (2018-19)**

<b>Sl. No.</b>	<b>Particulars of Cases filed</b>	<b>Life</b>	<b>Non-Life</b>	<b>Health</b>	<b>Intermediaries</b>	<b>HR</b>	<b>CAD</b>	<b>Total</b>
1.	Supreme Court	1	0	1	1	0	0	3
2.	Writ Petitions filed in various High Courts	5	11	11	13	1	17	58
3.	Securities Appellate Tribunal	0	0	0	0	0	0	0
4.	Writ Appeals ,LPAs filed in various High Courts	1	0	0	0	0	0	1
5.	Review/Restoration Petitions filed in various High Courts	0	0	0	0	0	0	0
6.	Contempt Petitions filed in High Courts	0	0	0	0	0	0	0
7.	Consumer Cases (DCF+SCDRC+NCDRC)	0	0	0	0	0	21	21
8.	Civil & Lok Adalat cases	0	0	0	1	0	1	2
9.	MACT cases	0	0	0	0	0	1	1
10.	PILs	1	1	1	0	1	0	4
11.	Criminal Petitions	0	0	0	0	0	0	0
	<b>Total</b>	<b>8</b>	<b>12</b>	<b>13</b>	<b>15</b>	<b>2</b>	<b>40</b>	<b>90</b>

**Table**  
**DETAILS OF CASES DISPOSED / DISMISSED DURING 2018-19**

**Note:** A- with direction to IRDAI    B- without direction to IRDAI

Sl. No.	Particulars of Cases filed	Life		Non Life		Health		Intermediaries		HR		CAD		Total	
		A	B	A	B	A	B	A	B	A	B	A	B	A	B
1.	Supreme Court	0	1	0	0	0	0	0	0	0	0	0	0	0	1
2.	Writ Petitions filed in various High Courts	0	1	0	4	0	3	4	7	0	0	0	4	4	19
3.	Securities Appellate Tribunal	0	0	0	0	1	1	0	1	0	0	0	0	1	2
4.	Writ Appeals ,LPAs filed in various High Courts	0	1	0	0	0	0	0	0	0	3	0	0	0	4
5.	Review/Restoration Petitions filed in various High Courts	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6.	Contempt Petitions filed in High Courts	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7.	Consumer Cases (DCF+SCDRC+NCDRC)	0	0	0	0	0	0	0	0	0	0	0	1	0	1
8.	Civil & Lok Adalat cases	0	0	0	0	0	0	0	0	0	0	0	2	0	2
9.	MACT cases	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10.	PILs	0	0	0	1	0	0	0	0	0	0	0	0	0	1
11.	Criminal Petitions	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total	0	3	0	5	1	4	4	8	0	3	0	7	5	30
	Total disposed in year	35													

## II.5 INTERNATIONAL COOPERATION IN INSURANCE

**II.5.1** IRDAI recognizes importance of adopting international best practices while introducing and implementing regulatory measures domestically. In this context, and in furtherance of its regulatory objectives, IRDAI engages with various international organization, forums and foreign regulators. IRDAI continued to actively engage and contribute to ongoing developments in the international arena in the financial year 2018-19 as well.

The major international engagement continues to be with International Association of Insurance Supervisors (IAIS), an international standard setting body responsible for developing principles, standards and other supporting material for the supervision of the insurance sector and assisting in their implementation. The IAIS provides a forum for Members to share their experiences and understanding of insurance supervision and

insurance markets. IRDAI's is participating in various IAIS committee meetings and contributed to the standard setting and implementation activities.

The IRDAI continued to provide views and inputs on the ongoing work in insurance sector related matters of the Financial Stability Board (FSB) to the Ministry of Finance. Financial Stability Board is the international body that has been mandated by the G20 to promote implementation of financial sector regulatory reforms in the world.

As part of its other varying commitments as insurance sector regulator, the IRDAI has provided inputs to the Government of India on international issues/ treaties and financial sector dialogues.

The IRDAI also participates in international conferences, seminars and workshops in order to strengthen the exchanges and cooperation in insurance field.

### **Association with IAIS:**

**II.5.2** Established in 1994, the International Association of Insurance Supervisors (IAIS) represents insurance supervisory authorities of some 200 jurisdictions representing nearly 140 countries.

The IAIS issues global insurance principles, standards and guidance papers provides training and support on issues related to insurance supervision, and organises meetings and seminars for insurance supervisors. The IAIS works closely with other financial sector standard setting bodies and international organisations working to promote financial stability. It holds an Annual Conference where supervisors, industry representatives and other professionals discuss developments in the insurance sector and topics affecting insurance regulation.

An Executive Committee, whose members represent different geographical regions, heads the IAIS. From Asian region, there are five Members representing in the Executive Committee. Chairman, IRDAI, is one of the Members representing from Asian region, others being the insurance regulators from China, Japan, Korea, UAE, Malaysia, Hong Kong and Singapore.

### **IAIS Committees/ Working Groups**

**II.5.3** The IRDAI have participation in the main committees of Policy Development Committee and Implementation and Assessment Committees. These committees oversee standard setting activities in the area of financial stability and implementation and assessment of IAIS supervisory material etc.

Under IAIS Committee System, each committee has established various working groups/task forces to help in carrying out their duties. The IRDAI has participation in the IAIS working groups looking into aspects of Financial Inclusion, Corporate Governance, Market Conduct, Macro Prudential Policy and Surveillance and Capital Development.

IRDAI contributes to IAIS's work by active participation in the meetings of the Committees/Working Group/ Task Forces held in-person and through tele conference. The deliberations and knowledge sharing translate into the formulation and adoption of global insurance standards. Participation in the meetings of IAIS committees/ Working Groups/Task forces have provided very useful inputs and have been useful in IRDAI's own domestic regulation making.

## **Cabinet's approval for MoU between FIO, USA and IRDAI**

**II.5.4** The Union Cabinet has approved the signing of a Memorandum of Understanding (MoU) between Insurance Regulatory and Development Authority of India (IRDAI) and the Federal Insurance Office, United States of America (USA) which is vested with the authority to monitor all aspects of the insurance sector and to represent the USA on prudential aspects of international insurance.

The MoU proposal provides a framework for cooperation and coordination, including for the exchange of information and research assistance with respect to each Authority's overview and other lawful responsibilities. Under the agreement, both the countries intend to share their experiences on various regulatory functions and to provide mutual assistance including training activities. India and USA have also agreed to continue to facilitate cooperation on international standard-setting activities, financial stability and the development and implementation of consumer protection through sound prudential regulation of the insurance sector.

## **Asian Forum of Insurance Regulators**

**II.5.5** Asian Forum of Insurance Regulators (AFIR), a forum of insurance supervisors from Asia and Oceania regions, was established based on Beijing Declaration on Regional Insurance Regulation Cooperation in 2005. The mission of the AFIR is to strengthen capacity building, facilitate insurance regulatory capability and promote regulatory cooperation in Asia and Oceania regions.

The AFIR consists of insurance regulatory and supervisory authorities who have come together with a view to achieving common goals at the level of the Asia - Oceanic Region and to exchange of ideas on topics relating to the insurance industry and regulation. AFIR currently has 21 members.

The AFIR Members have been meeting annually with each participating jurisdiction taking turns to be the host organizer. The first AFIR conference was held in Beijing in 2006 followed by Seoul (2007), Singapore (2008), Chinese-Taipei (2009), Japan (2010), Thailand (2011), Macau (2012), Hyderabad, India (2013), Beijing (2014), Colombo (2015), Taipei (2016), Singapore (2017) and Hong Kong (2018)

## **Other engagements:**

**II.5.6** G20 Financial Stability Board: The Financial Stability Board (FSB) is an international body established to address financial system vulnerabilities and to drive the development and implementation of strong regulatory, supervisory and other policies in the interest of financial stability. One of the main mandates of FSB is to implement G20 policy announcements on financial regulation. In FSB, India is represented by Ministry of Finance (MoF), Reserve Bank of India (RBI) and Securities Exchange Board of India (SEBI).

IRDAI contributes to FSB's work by way of providing its views and comments on insurance sector related issues discussed in the FSB meetings to the Ministry of Finance. IRDAI also provides responses to FSB surveys/questionnaires/reviews relevant to insurance.

## **Financial Sector Assessment Programme:**

**II.5.7** The Financial Sector Assessment Program (FSAP), a joint programme of the International Monetary Fund (IMF) and the World Bank (WB), is a comprehensive and in-depth assessment of a country's financial sector. In developing and emerging market countries, FSAP assessments are conducted jointly by IMF and the World Bank and include two components viz., financial stability assessment (main responsibility of the IMF) and financial development assessment (main responsibility of the World Bank). FSAPs are mandatory for every five years for the 29 systemically important jurisdictions. India is one of these 29 countries. The last FSAP for India was conducted in 2011-12 and the report published by IMF on August 29, 2013.

The FSAP mission was initiated by the joint IMF-WB team in December 2016 followed by two more mission visits – in March and June-July, 2017. The joint IMF-WB team engaged with officials of various related Ministries/ Departments/ Agencies and all financial regulators, viz., RBI, SEBI, IRDAI and PFRDA and selected insurance companies and other stakeholders viz., Institute of Actuaries of India and Insurance Ombudsman. Subsequently, IMF and WB have released the Financial System Stability Assessment (FSSA) and Financial Sector Assessment (FSA) reports respectively for India on December 21, 2017.

As part of the India 2017 FSAP, the IMF also published a technical note on “Insurance Sector Regulation and Supervision”. This technical note provides an assessment of the recent development of regulation and supervision of the Indian insurance sector. The note focuses on several key developments in the regulation and supervision of the insurance sector since the last FSAP (2011), and evaluates the extent to which the recommendations of the 2011 India FSAP have been addressed. In the report, the joint IMF-WB team also made recommendations for Indian Insurance market. The Report observes that most of the 2011 FSAP recommendations on insurance regulation have been addressed. The report mentions that the four ICPs rated in 2011 as only Partly Observed (PO), the related recommendations have all been addressed, through the legislative changes, strengthening of non-life reserving requirements and introduction of a set of requirements on insurance fraud.

## **MINISTRY REFERENCES: CONTRIBUTION TO VARIOUS INTERNATIONAL TREATIES AND DIALOGUES**

**II.5.8** During 2017-18, IRDAI continued to contribute towards an effective and useful engagement with the Government of India with regard to various international dialogues in areas related to insurance sector.

## **II.6 Public Complaints / GRIEVANCES**

### **Integrated Grievance Management System (IGMS) - CAD Department**

The IRDAI facilitates resolution of policyholder grievances by monitoring the insurers' policy of Grievance Redressal and takes several initiatives towards protecting the interests of the Insurance consumers. Grievance Redressal procedure is prescribed in protection of policyholders' interests Regulations, 2017 in terms of which the IRDAI mandated all insurers to have in place a grievance redressal policy, designate a Grievance Redressal Officer at the Head Office/Corporate Office/Principal Office and also a Grievance Redressal Officer at every other office. The Regulations also prescribe insurers to constitute a policyholder protection committee in accordance with the corporate governance guidelines for receiving and analyzing reports relating to grievances and their Redressal.

In order to provide alternative channels to receive complaints against insurers, IRDAI has set up IRDAI Grievance Call Centre (IGCC) which receives complaints through a toll free telephone number & by email and registers complaints apart from furnishing the status of the resolution. IRDAI has also put in place the Integrated Grievance Management System (IGMS) as an online system for grievance management that is not only a gateway for registering and tracking grievances online but also act as an industry-wide grievance repository for IRDAI to monitor disposal of grievances by insurance

companies. IGCC has an interface with IGMS; and through IGMS, IRDAI has an interface with grievance systems of all insurers.

## **II.7 INSURANCE ASSOCIATIONS AND INSURANCE COUNCILS**

### **II.7.1 LIFE INSURANCE COUNCIL**

#### **Brief outline of activities carried out by Life Insurance (LI) Council in 2018-19**

- **Expenses of Management of Life Insurers-**

As per Section 64K(1) of the Insurance Act, 1938 ("the Act") It shall be the duty of the Executive Committee of the Life Insurance Council to meet at least once before the 31<sup>st</sup> day of March every year to advise the Authority in fixing, under the proviso to sub-section (2) of section 40B of the Act, the limits by which the actual expenses incurred by an Insurer carrying on life insurance business in respect of such business in the preceding year may exceed the limits prescribed under that sub-section, and in fixing any such limits the Authority shall have due regard to the conditions obtaining in life insurance business generally during that year, and he may fix different limits for different groups of Insurers.

In this regard Life Insurance Council had constituted a Committee of Life Insurers on Expenses of Management (EoM) to make recommendations to IRDAI in fixing limits as per section 64K of Insurance Act 1938. Shri Kshitij Jain, MD & CEO, Exide Life Insurance Company is the Chairman of the Committee. The EoM committee met many times in the Council office, interacted among themselves on many occasions wherein the inputs of all the members (both public sector & private) were taken and considered, and consensus arrived at. All issues were deliberated in great detail by the Committee and the Committee finally prepared the report on EoM which was tabled in the EC meeting of LI Council held on 12<sup>th</sup> March, 2019. The Committee Report was discussed in the EC meeting and finally it was agreed that the Committee Report to be sent to IRDAI by LI Council.

- **Report on 'Common Minimum Standards for the Industry for reporting purposes to IRDAI**

The sub-committee formed by LI Council related to above submitted their report to the General Body meeting on June 08, 2018. Subsequent to presentation by Chairman of Sub-Committee, it was suggested that members would require further time to submit their comments to the Committee. Comments received from member companies were forwarded to the Committee for their due consideration. The committee members, since then had meetings and consultations to discuss the comments received and finalise the Committee report. The Committee report was tabled as a agenda item in the 8<sup>th</sup> GB meeting of Life Council wherein after discussion it was agreed as follows:

- The recommendations of the working group report to be adopted by all the Insurers to ensure consistency.
- The final report and recommendations to be submitted to the IRDAI.
- Working group to present the report to IRDAI.
- After presentation and receiving feedback from IRDAI, Insurers to adopt the recommendations for implementation beginning financial year 2019/20.



- **Fraud Monitoring Framework for Life Insurance Industry –**

In the EC and GB meeting of 08<sup>th</sup> June, 2018, IIB made a presentation to all members to take up the work of fraud repository project for Industry. EC recommended LI Council to form a sub-committee to take it forward. Accordingly, the committee was formed. Committee formed a Core Group to accelerate the work. The Core Group of the Working Committee met on four occasions and provided guidance to the Bureau. IIB had prepared various actionable points pertaining to Fraud Repository (QUEST) and was ready for formalisation of the Project through an Agreement. Also, much ground has been covered in regard to the other major item which is Data Standardisation. IIB also had a meeting of the Sub-committee to seek their views on the draft agreement. IRDAI made presentations to EC and GB members on March 12, 2019 and March 25, 2019 to appraise them on the developments of Fraud Repository project.

- **Meeting with CFOs & Appointed Actuaries of Life Insurance Companies on Ind AS – July 24, 2018 –**

LI Council organised a meeting of CFOs & Appointed Actuaries of Life Insurers on Ind AS on July 24, 2018 in Mumbai. The Working group constituted by IRDAI on Ind AS had a threadbare discussion with the Insurers on the draft Ind AS Compliant Regulations and their Report. Insurers gave their response on the draft Ind AS Regulations. LI Council had sent representation to IRDAI and Ministry of Corporate Affairs, Govt. of India to defer the implementation of Ind AS in lieu of the practical challenges being faced by the Life Insurers.

- **Meeting with Shri PravinKutumbe, Member (F&I), IRDAI (July 27, 2018)**

Secretary, LI Council took a delegation of tax heads of member companies to meet Shri PavinKutumbe Member(F&I), IRDAI, to discuss the issues pertaining to GST for life insurance industry. Members made a presentation to IRDAI and had a threadbare discussion on the GST issues and IRDAI officials agreed to consider the issues raised by the Insurers and take up the same with Government of India wherever necessary.

- **Legal and Compliance Sub-Committee –**

Legal and Compliance Sub-committee of Life Insurance Council met twice during the FY 2018-19. The committee members discussed on the challenges faced by them in implementing regulatory circulars, notifications, etc. Based on the discussions, Life Insurance Council has sent appropriate representations to IRDAI and other Government authorities. LI Council has sought Legal opinion on Stamp duty issues post detailed deliberation in Legal & Compliance Committee.

- **Committee formed to Review Resignation of ISPs of IMFs**

IMFs have been now operational for three years. Last year a three-member committee constituted by IRDAI, after detailed deliberations, had prepared a check list and processes to be adopted by IMFs before sending the resignation of ISP to Life Insurance Council.

Basis the above, in order to evaluate the performance of the channel and to understand issues, if any, IRDAI had conducted three workshops for IMFs where in LI Council & Life Insurance Companies had participated who had given Operational feedback to Authority.

Based on the feedback received, the Authority has constituted a Committee reviewing the said Regulations. On 3<sup>rd</sup> December, 2018 basis the recommendations of the Committee, IRDAI has issued an Exposure draft on IRDAI (Registration of Insurance Marketing Firm) Regulations, 2018 to review the existing framework governing Insurance Marketing Firms wherein one of the point covered was on “Simplification of process of resignation of Insurance Sales Person.”

- **Insurance Awareness Sub-Committee–**

The Insurance Awareness Committee of Life Insurance Council was revived with the objective of enhancing insurance awareness in the country and to remove the misconception about the life insurance sector and Life Insurance products in comparison with other financial products. The committee which initially had four members, now has LIC of India as a part of the committee making it a five-member committee out of which one Insurer is Chairman of the Committee.

The Committee entrusted the work of Insurance Awareness Campaign related activities to a sub-group consisting of 9 Marketing officials identified by Life Insurers. The Committee and the sub-group met on various dates and after detailed deliberation decided the theme for the Awareness Campaign, invited suitable vendors relating to Creative, Media and PR agencies to discuss as to what is required for Insurance Awareness Campaign of Life Insurers. The Insurance Awareness Committee is in the process of launching Insurance Awareness Campaign for the Life Insurance Industry.

The Chairman of Insurance Awareness Committee of Life Insurance Council made a presentation to all members and has updated on the latest developments with regard to Insurance Awareness Campaign for Life Insurance Industry and ideas around 360°campaign.

Subsequently, Life Insurance Council had sent a communication to all members requesting for necessary approval towards the corpus for Insurance Awareness Campaign. As on date Life Insurance Council is on receipt of approval from all its members.

- **Meeting of Tax Heads** – Tax Heads of Life Insurers meet at regular intervals at LI council office to discuss the issues related to Direct and Indirect tax aspects of the Industry. They discuss threadbare all the issues and wherever required, LI Council makes suitable representations to Ministry of Finance, Govt of India and follows them up regularly along with the Industry Tax Group and KPMG – a Consultant appointed by LI Council for GST representation.
- **Contribution from LI Council to Executive Council of Insurers (ECOI) –**

In the month of October 2018, LI Council received letter from ECOI stating that the budget contribution of ECOI needs to be shared by LI and General Insurance (GI) Council respectively. Members deliberated at length on the basis of the letters provided by the LI Council and it was unanimously agreed as under.

LI Council would prepare the contribution chart for all Life Insurers for first quarter as per the ECOI communication dated 22.02.2019. The basis of contribution per Member companies would be as per existing formula provided by ECOI. It was pointed out that since LI Council is a GST Registered Entity and ECOI is a GST exempt Entity, there would be leakage of revenue to Life Insurers to the extent of

18% GST in case they are required to pay contribution relating to the above to LI Council. Hence Insurers unanimously agreed that they would pay the designated amount of contribution as per the existing formula provided by ECOI, by cheque in favour of "Executive Council of Insurers", payable at Mumbai. The LI Council would collect the cheques from all Life Insurers and hand them over to ECOI. It was also decided that a Sub-committee would be formed by LI Council to consider issues related to re-working the formula of contribution to ECOI from all Life Insurers.

- **HIV AIDS (Prevention and Control) Act, 2017**

IRDAI has asked LI council and General Insurance(GI) council to jointly undertake actuarial studies on the above subject. As agreed in the 8<sup>th</sup> GB meeting of LI Council held on March 25, 2019, Secretary sent a letter to Institute of Actuaries seeking their views on undertaking the study on behalf of Life Insurance Council.

- **Committee Report on Deployment of Personnel at Corporate Agent locations –**

A Committee of Life Insurers was constituted after the CEO's meeting on 30<sup>th</sup> August, 2018 at Hyderabad on Deployment of Personnel at Corporate Agent locations. In the 8<sup>th</sup> GB meeting of LI Council held on March 25, 2019, Shri TarunChugh, CEO, Bajaj life gave brief overview of the Committee report on Deployment of Personnel at Corporate Agent locations. Basis the discussions, it was agreed that LI Council would submit the Committee report to IRDAI for further consideration.

- **Committee on Health Regulations –**

A Committee of Life Insurers was constituted after the CEO's meeting on 30<sup>th</sup> August, 2018 at Hyderabad on Health Regulations. In the 8<sup>th</sup> GB meeting of LI Council held on March 25, 2019, Shri SoumitraNarain, Sr VP, HDFC Life made a presentation on the Committee report and basis the discussions it was agreed that LI council would submit the report to IRDAI.

- **Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) –**

Council submits weekly data to DFS, Ministry of Finance highlighting the reconciled statement of claims in respect of PMJJBY. Council also regularly updates its members on any communication received by it from DFS, MoF and IRDAI with respect to the PMJJBY Scheme.

- **Insurance Awareness on Tripura –**

Member companies who have adopted the various districts of Tripura submit the monthly activity report to IRDAI and Life Insurance Council. Council uploads these reports on its website.

- **CSC update –**

M/s. CSC e-Governance Services India Ltd., a Special Purpose Vehicle (CSC-SPV) has been formed by Govt. of India to enable delivery of Insurance Services through CSC-SPV network.

As per the Circular No. IRDA/DIST.GDL/CIR/088/03/2014 dated 20<sup>th</sup> March 2014 from IRDAI, Life Insurance Council had opened an Escrow Account – “CSC-SPV On Boarding Corpus Fund” with State Bank of India, Andheri West, Mumbai to maintain the funds received from Insurance Companies which had entered into an agreement with CSC-SPV for distribution of its insurance products through the CSC-SPV centres.

Life Insurance Council being the custodian of the “On Boarding Corpus Fund” transfers @ ₹5,000 per Licensed RAP (Rural Authorized Person) to CSC e-Governance services India Ltd. through NEFT mode of Payment. The details of CSC-SPV activated centres along with the amount withdrawn from the Corpus Fund are displayed accordingly on the Life Insurance Council website as per the list of activated Rural Authorized Person (RAP) provided by CSC-SPV to Life Insurance Council. As on 31<sup>st</sup> March 2019, list of activated Rural Authorized Persons (RAP) provided by CSC-SPV to Life Insurance Council stands at 8860, unchanged from the last year 31<sup>st</sup> March 2018 as there were no fund transfer requests with respect to RAP from CSC e-Governance services India Ltd during FY 2018-19.

- The Council's website continues to publish statistical data, latest news and other information. The number of hits from different geographies – national and international increased significantly after upgrading its design and interlinking it with websites of IRDAI and all Life Insurers.

As per IRDA's directive, since November 2011 life council's website hosts daily NAVs of funds all its members.

- **Life council made a number of representations to IRDAI and Govt. of India and some of the key representations are as follows:**
  - Amendments to Insurance Rules, 1939
  - Clarifications sought on FATCA / CRS provisions by Life Insurance Council.
  - Committee on HNI Taxation
  - Deployment of Personnel at Corporate Agents locations and payouts
  - Health Regulations
  - New Direct Tax Law to Ministry of Finance
  - Discount in premium for policyholders who agree to donate organs in the event of his / her death in a hospital during treatment
  - PMJJBY scheme
  - Other Investments in Pension & Group Fund
  - IRDAI Circular on 'Exemption of Re-Insurance schemes, in respect of specified Insurance schemes, from the purview of GST"
  - Clarification on Income earned by Insurance companies on Insurance policies purchased by NRI
  - Representation on Issues related to Transaction in Securities under GST for Life Insurance Sector
  - Review of IMF Regulations
  - TAT for POS Product Issuance
  - Judgement of Hon'ble Supreme Court on mandatory counter signature in Laboratory Reports
  - Seeking 100% FDI for Insurance Intermediaries in India
  - Seeking Extension of deadline for deactivation of Aadhaar based Authentication services

- Pension products of Life Insurers to be treated at par with NPS
- Investments by Life Insurers in TATA Sons Ltd
- Council also sought extension of time for life companies to comply on various IRDAI Draft Exposure and Circulars on regular basis.
- Council has been actively involved in meetings with and conferences organised by CII, FICCI, ASSOCHAM, etc.

## **II.7.2 GENERAL INSURANCE COUNCIL**

**II.7.2.1** The General Insurance Council (GI Council) is a representative body of general insurers including Stand-Alone Health Insurers, Specialized Insurers, Reinsurers, Foreign Reinsurer Branches (FRBs) and Lloyd's India, registered with IRDAI. It has been constituted under section 64C of the Insurance Act, 1938 and since 2001 by the Insurance Regulatory and Development Authority of India (IRDAI). As on date there are 45 General Insurance, Standalone Health insurance, Reinsurance and Specialized insurance companies who are members of the GI Council.

The Executive Committee of the General Insurance Council consists of the following persons, namely: -

- four representatives of members of the General Insurance Council elected in their individual capacity by the members;
- an eminent person not connected with insurance business, nominated by the IRDAI; and
- four persons to represent insurance agents, third party administrators, surveyors and loss assessors and policyholders respectively as may be nominated by the IRDAI:

One of the elected representatives as mentioned in (a) is elected as the Chairperson of the Executive Committee of the General Insurance Council.

As per Section 64L (1) of the Insurance Act, 1938 the GI Council has the following functions:

- to aid and advise insurers, carrying on general insurance business, in the matter of setting up standards of conduct and sound practice and in the matter of rendering efficient service to holders of policies of general insurance;
- to render advise to IRDAI in the matter of controlling the expenses of such insurers carrying on business in India in the matter of commission and other expenses;
- to bring to the notice of IRDAI the case of any such insurer acting in a manner prejudicial to the interests of holders of general insurance policies;
- to act in any matter incidental or ancillary to any of the matters specified in clauses (a) to (c) as with the approval of IRDAI may be notified by the GI Council in the Gazette of India.

## **PART – III**

### **STATUTORY AND DEVELOPMENTAL FUNCTIONS OF THE AUTHORITY**

Section 14 of the IRDA Act, 1999 (IRDA Act) lays down the duties of the Authority to regulate, promote and ensure orderly growth of the insurance business and reinsurance business. Sub-section (2) of the said section lays down the powers and functions of the Authority. Part III of the Annual Report covers the activities of the Authority in 2018-19 while carrying out its functions and exercising the powers conferred on it.

#### **III.1 Issue to the applicant a certificate of registration, renew, modify, withdraw, suspend or cancel such registration**

During 2018-19 the following foreign reinsurers were granted Certificate of Registration (CoR) to transact re-insurance business through their reinsurance branch offices in India

**LIST OF FOREIGN REINSURERS' BRANCHES /  
SYNDICATE, SERVICE COMPANIES OF LLOYDS' INDIA  
Registered during 2018-19**

<b>Sr. No.</b>	<b>Name of Foreign Reinsurer</b>	<b>Date of issue of Certificate of Registration (CoR)</b>
1	Allianz Global Corporate & Specialty SE, India Branch	06-08-2018
2	Markel Services India Private Limited	01-06-2018

Thus, the Authority has allowed nine foreign reinsurance branches to operate in India and Lloyds India is operating with two Syndicates.

In addition, Authority has also allowed Insurers/Reinsurers to open their offices in International Financial Services Centre, Gujarat-SEZ for transacting reinsurance business.

#### **III.2 Protection of the interests of policyholders in matters concerning assigning of policy, nomination by policyholders, insurable interest, settlement of insurance claim, surrender value of policy and other terms and conditions of contracts of insurance.**

**Protection of policyholders' interests' regulation:** -The basic framework for protection of policyholder's interests is contained in the IRDA (Protection of policyholder's Interests) Regulations 2017. They contain frame work for insurers, intermediaries and agents on procedures to be followed at point of sale, proposal stage, policy issuance stage and at claims stage. The Regulations prescribe insurers to have in place a board approved policy for protection of policyholders interests which shall include their Insurance awareness programs , defining service parameters, turnaround times, procedure for expeditious resolution of complaints, steps to prevent mis-selling and un fair business practices and steps to ensure proper information flow to prospects. The regulations also prescribe insurers to pay interest on delayed settlement of insurance claims.

### **III.3 specifying requisite qualifications, code of conduct and practical training for intermediaries or insurance intermediaries and agents.**

**III.3.1** The licensing and code of conduct for all the intermediaries in the insurance business are specified clearly in the regulations framed under the IRDA Act, 1999 vide Insurance Surveyors and Loss Assessors (Licensing, professional requirements and code of conduct), Regulations, 2015, Insurance Regulatory and Development Authority (Insurance Brokers Regulations), 2018, Insurance Regulatory and Development Authority of India (Appointment of Insurance Agents) Regulations, 2016 and Insurance Regulatory and Development Authority of India (Registration of Corporate Agents) Regulations, 2015.

**III.3.2** The following regulatory frame work has been laid down by the Authority to further strengthen the regulatory supervision. Issued circular No. IRDA/INT/CIR/T&E/136/07/2016 on harmonization of training and examination requirements for various channels of distribution.

### **III.4 Specifying the code of conduct for surveyors and loss assessors**

The duties and responsibilities of a surveyor and loss assessor are specified in Chapter IV of the IRDAI(Insurance Surveyors and Loss Assessors) Regulations, 2015. The Regulation 13 inter alia states that:

It shall be the duty of every Licensed Surveyor and Loss Assessor to investigate, manage, quantify, validate and deal with losses(whether insured or not) arising from any contingency and report thereon to the insurer or insured.

All licensed surveyors and loss assessors shall carry out the said work with competence, objectivity and professional integrity strictly adhere to the code of conduct as stipulated in IRDAI Surveyors Regulations, 2015.

The code of conduct regarding the professional and ethical requirements for conduct of their professional work is specified in Chapter VI of the Regulations. The Regulation 16 elaborates on the code which, inter alia, stipulates that every surveyor and loss assessor shall:

- Behave ethically and with integrity in the professional pursuits;
- Strive for objectivity in professional and business judgment;
- Act impartially when acting on instructions from an insurer in relation to a policyholder's claim under a policy issued by that insurer; and
- Conduct himself with courtesy and consideration with all people he comes into contact during the course of his work;
- Not accept or perform survey work in areas for which he does not hold a license
- Carry out his professional work with due diligence, care skill and with proper regard to technical and professional standards expected of him
- Work only as surveyor and loss assessor in insurance business and not undertake any business advisory or consultancy service or work which could give rise to conflict of interest;

- Not perform any outsourced activity other than those permitted by the Authority's Outsourcing Guidelines
- Every surveyor and loss assessor who is an employee of an insurer shall only survey and assess the loss and not involve himself/herself in settlement of claims

Further, in order to protect the interest of policyholders, the Authority has notified the IRDAI (Protection of Policyholders' Interest) Regulations, 2017 which supersedes IRDA(Protection of Policyholders' Interest) Regulations, 2002. Adherence to code of conduct by surveyors and loss assessors has been further emphasized under Regulation 15 of the said Regulation, while dealing with settlement of claims in respect of general insurance policy.

**During the year 2018-19, Authority has issued following surveyors related circulars/Order:**

**III.4.1.** Vide Order No. IRDAI/SUR/Misc/118/08/2018 dated 3<sup>rd</sup> August, 2018, Authority has prescribed disclosure requirements under Fit & Proper norms under Regulation 13(1)(b) of IRDAI(Insurance Surveyors and Loss Assessors) Regulations, 2015 whereby all insurance surveyors and loss assessors are required to provide information/details whether he/she has been subjected to any investigations or disciplinary proceeding or have been issued warning or reprimand by any regulatory authority; and/or any investigation at the instance of Government department or agency; and/or found guilty of violation of rules /regulations / legislative requirements by customs / excise /income tax / foreign exchange / other revenue authorities.

**III.4.2.** Vide Order Ref. No. IRDAI/Surv/ORD/Misc/121/08/2018 dated 9<sup>th</sup> August, 2018, Authority has constituted a Working Group to revisit the existing IRDAI(Insurance Surveyors and Loss Assessors) Regulations, 2015 and subsequent IRDAI(Insurance Surveyors and Loss Assessors) (first amendment) Regulations, 2017 for improvement or amendment in order to ensure alignment and clarity of the regulatory framework in relevance with the dynamics of the profession of surveyor and loss assessment vis-à-vis the Indian insurance sector. The working group submitted its report to Chairman, IRDAI on 18.02.2019.

**III.4.3.** Vide circular ref. no. IRDAI/SUR/CIR/Misc/192/11/2018 dated 13<sup>th</sup> November, 2018, Authority issued clarification to all surveyors and loss assessors of the provisions under Regulation 6(3)(a)(v) of IRDAI(Insurance Surveyors and Loss Assessors) Regulations, 2015 as amended by IRDAI(Insurance Surveyors and Loss Assessors) (first amendment) Regulations, 2017 which recognizes categorization letter issued by the Authority stating the eligible departments in accordance with categorization made vide IRDA/Order/SLA/30/3/2002 dated 30<sup>th</sup> March, 2002 as proof of qualification to work in the categorized departments.

**III.5 Promoting efficiency in the conduct of insurance business Insurance Repositories**

**Insurance Repositories**

**III.5.1** The Insurance Repository System is an initiative of the Authority to de-materialize insurance policies. To achieve this objective, the Authority issued the guidelines on Insurance Repositories and electronic issuance of insurance policies in April, 2011.

**III.5.2** Subsequently in May, 2015, the Authority has issued the "Revised Guidelines on Insurance Repositories and electronic issuance of Insurance policies". At present, there are total 39.58 lakhs eIA created and a total of 36.04Lakhs policies converted into electronic mode (since, April-2011).



There are total 23.58 lakhs eIA created and a total of 35.65Lakhs policies converted into electronic mode (in year 2018-19).

**III. 5.3.** In order to discharge the services and obligations, an insurance repository may appoint any number of approved persons to represent it before policyholders, subject to prior permission of IRDAI. A request for opening of eIA can be made to the IR directly or through authorised Approved Persons or through Insurers. There are total 311 active Approved Person associated with Insurance Repositories.

**III. 5.4-** iTrex” is a central index server that offers deduplication services and acts as a messaging hub between entities creating eIAs, electronic policies and their servicing. iTrex shall act as a KYC repository, messaging and de-duplication hub. In order to improve the efficiencies of de-duplication, faster processing and sharing of data, the Authority may expand the scope of database in the iTrex by seeking further information from the Insurers/IRs.

The list of approved Insurance Repositories is given in Table III.1

**TABLE III.1**  
**INSURANCE REPOSITORIES APPROVED BY THE AUTHORITY (AS AT 31 MARCH, 2019)**

Si.no.	Name
1	National Insurance-policy Repository, (NSDL Database Management Limited)
2	CDSL Insurance Repository Limited
3	CAMS Repository Services Limited,
4	Karvi Insurance Repository Limited,

### **Data Standards**

The Authority embarked on the task of compiling the data standards to facilitate easy interfacing of IT systems of multiple entities in the insurance sector. The data standards bring about common definitions for the information exchange. This helps in easy interfacing of multiple systems both within and outside an organization.

In order to support the Insurance Repository System, standard Extensible Markup Language (XML) schema consisting of the field definitions, field properties and message content were earlier shared

for exchange of data between multiple players for the Life Segment. Similarly, schemas have been finalized to support the needs of 'Health', 'Motor', "Other lines of business", "Corporate" & Group". These schemas would support the 'individual& Group lines' of Life, Non-life & Health insurance transactions in the Insurance Repository System.

### **Insurance e-commerce**

In endeavor to increase the insurance penetration through the medium of e-commerce, the Authority has issued guidelines on Insurance e-commerce vide circular number no. IRDA/INT/GDL/ECM/055/03/2017 on 09<sup>th</sup> March 2017.

Insurance Self-Network Platform (ISNP) means an electronic platform set up by any applicant with the permission of the Authority.

An individual agent is not permitted to set up a separate insurance Self-Network platform instead can use respective insurers platform, if available.

Market Participants on Insurance Self-Network Platform shall include

- I. Insurers registered by the Authority
- II. Insurance Intermediaries registered by the Authority
- III. Any other person so recognized by the Authority

The Authority has launched ISNP online portal (isnp.irda.gov.in) on 11<sup>th</sup> April 2017 for filling online applications.

Through the ISNP online portal insurers and intermediaries can

- I. Create a login credential for registration.
- II. Submit the ISNP application form online.
- III. Generate a print version of the application form with all details prefilled.
- IV. Download the guidelines on e-commerce
- V. Know more about ISNP and read FAQs section
- VI. Track the status and read the important announcements from IRDAI

The status of the ISNP application received from insurers and intermediaries are given below.

<b>Description</b>	<b>Numbers</b>
Insurers	49
Brokers	91
Web Aggregators	22
Corporate Agents	26
Total	188

### **III.6 Promoting and regulating professional organizations connected with the insurance and reinsurance business**

**III.6.1** The Institute of Indian Insurance Surveyors and Loss Assessors (IIISLA) is promoted and established by IRDAI under Section 14 (2) (f) of the IRDA Act 1999 as a Section 25 Company, under the Companies Act, 1956 (now defined as section 8 company under The Companies Act, 2013). Membership of IIISLA is mandatory for a person to act as surveyor and loss assessor vide section 64 UM(1)(b) of the Insurance Act, 1938 as amended by the Insurance Laws Amendment Act, 2015. The Council of the Institute, comprising 12 elected members and 3 nominated members, controls the affairs of the Institute.

**III.6.2** The Life Insurance Council and the General Insurance Council which are statutory bodies under the Insurance Act, 1938, represent the life insurance companies and general insurance companies respectively. These councils contribute towards healthy growth of the industry by way of discussions, representations before various authorities, spreading insurance awareness, providing inputs on existing/ proposed regulatory stipulations. Development of these self-regulatory bodies augurs well for the industry to put across their view points on critical areas for the growth of the industry.

### **Insurance Information Bureau of India**

**III.6.3** Section 14(2)(f) empowers the Authority to promote and regulate professional organizations connected with the insurance and re-insurance business. Accordingly, Authority established the Insurance Information Bureau of India (IIB) to fulfil the need for a sector-level data repository and analytics which would empower stakeholders through provision of accurate, timely, reliable insurance data and analysis.

### **Institute of Insurance and Risk Management**

**III.6.4** The Institute of Insurance and Risk Management (IIRM) is a professional body jointly promoted by IRDAI and erstwhile Government of Andhra Pradesh as an international education and research organization for promotion of Insurance education. The institute was registered as a Section 25 company under Companies Act, 1956. The overall working of IIRM is overseen by Board of Directors headed by the Chairman of IRDAI.

### **Insurance Brokers Association of India (IBAI)**

**III.6.5** In similar lines, brokers registered by the Authority are necessarily required to be the members of the Insurance Brokers Association of India (IBAI).

## **III.7 Levying fees and other charges for carrying out the purposes of the Act**

**III.7.1** The existing fee structure for insurers and intermediaries is indicated in **Annexure 2**.

## **III.8 Calling information from, undertaking inspection of, conducting enquiries and investigations including audit of the insurers, intermediaries, insurance intermediaries and other organizations connected with the insurance business**

**III.8.1** The Authority, through the Inspection Department, pursues its on-site supervision of the regulated entities with regard to their observance of / compliance to provisions of relevant Acts, Regulations, Guidelines/ Circulars, Directions, Standards, etc.

**III.8.2** Section 33 of Insurance Act, 1938 and Sec.14(2)(h) of the IRDAI Act, 1999 lay down the statutory provisions for calling of information from and carrying out on-site inspection, including investigation, of insurance companies, intermediaries, insurance intermediaries and other organizations connected with the insurance business. Supervisory oversight, at the minimum involves a two-pronged approach, viz., off-site examination and on-site inspection. General, focused and thematic inspections are undertaken at the site of the regulated entities for assessment of their functioning by examination of relevant records, books of accounts and business activities on sample basis. The standard manuals on inspection are suitably customized to assess compliance to various regulatory provisions and other applicable laws relating to financial condition, market conduct, corporate governance, overall risk profile, etc. of the regulated entities.

**III.8.3** During the FY 2018-19, the Inspection Department has undertaken 128 onsite inspections. The details are as under:

**a) General Inspections – 69**

- 6 Life Insurance Companies
- 5 General Insurance Companies
- 3 Health Insurance Companies
- 19 Insurance Brokers
- 16 Corporate Agents
- 8 Foreign Reinsurance Branches (FRBs)
- 12 Third Party Administrator (TPA) companies

**b) Focused Inspections – 47**

- 1 Life Insurance Company
- 18 General Insurance Companies
- 1 Health Insurance Company
- 3 Corporate Agents
- 7 Insurance Brokers
- 14 Motor Insurance Service Providers (MISPs)
- 1 Insurance Marketing Firm (IMF)
- 1 Web Aggregator
- Others – 1 (Related party of Insurance company)

**c) Thematic Inspections – 12**

- 5 Life Insurance Companies
- 7 General Insurance Companies

**III.9 Specifying the form and manner in which books of accounts shall be maintained and statements of accounts shall be rendered by Insurers and other insurance intermediaries.**

**III.9.1** The financial statements of insurers are prepared in the form and manner prescribed under the IRDA (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations, 2002,

amended from time to time and also by various circulars and guidelines issued from time to time. Books of accounts are maintained in order to present various line items as required under these Regulations.

In case of intermediaries, books of accounts and financial statements are required to be maintained in the form and manner stipulated under the respective regulations/ circulars/ guidelines.

Wherever the Authority has not stipulated the form/and manner in which books of accounts are to be maintained, provisions of Companies Act/Rules and other applicable Acts/Rules apply.

### **III.10 Regulating investment of funds by Insurance Companies**

**III.10.1** IRDAI (Investment) Regulations, 2016 read along with Master Circular and guidelines amended from time to time regulate Insurers' Investments.

### **III.11 Regulating maintenance of margin of solvency**

**III.11.1** Every insurer is required to maintain a Required Solvency Margin as per Section 64VA of the Insurance Act, 1938. Every insurer shall maintain an excess of the value of assets over the amount of liabilities of not less than an amount stipulated by the IRDAI, which is referred to as a Required Solvency Margin. The IRDAI (Assets, Liabilities and Solvency Margin of General Insurance Business) Regulations, 2016 describe in detail the method of computation of the Required Solvency Margin for General insurers, Standalone Health Insurers, Reinsurers and Branches of Foreign Re-insurers.

Similarly, The IRDAI (Assets, Liabilities and solvency margin for Life Insurance Business) Regulations, 2016 addresses the matter in respect of Life Insurers.

**III.11.2** In the case of life insurers, the minimum Required Solvency Margin is rupees fifty crore (rupees one hundred crore in the case of reinsurer) and arrived at in the manner specified by the Authority. The Insurance Laws (Amendment) Act, 2015 specifies a level of solvency margin known as control level of solvency, on the breach of which, the Authority shall direct the insurer to submit a financial plan indicating a plan of action to correct the deficiency within a specified period not exceeding six months.

In the case of general insurers, Re-insurers and Branches of Foreign Re-insurers, the Required Solvency Margin shall be the maximum of the fifty percent of minimum capital/Assigned Capital requirement for the insurer or reinsurer or Branches of Foreign Re-insurers; or higher of RSM-1 and RSM-2 computed as under for each Line of Business separately:

- RSM-1 means the Required Solvency Margin based on net premiums, and shall be determined as twenty percent of the amount which is higher of the Gross Premiums multiplied by a Factor A and the Net Premiums. For the purpose of calculation of RSM1, 'Trailing 12 month's premium' will be taken into account.

- RSM-2 means the Required Solvency Margin based on net incurred claims, and shall be determined as thirty percent of the amount which is the higher of the Gross Incurred Claims multiplied by a factor B and the Net Incurred claims. For the purpose of calculation of RSM2, Claims will be taken into account as maximum of 'Trailing 12 months Claims' and 'Trailing 36 months Claims divided by 3'.

### **III.12 Adjudication of disputes between Insurers and Intermediaries or Insurance Intermediaries**

**III.12.1** As per Regulation 59(2) of IRDAI (Insurance Brokers) Regulations, 2018, any disputes arising between an insurance broker and an insurer or any other person either in the course of his engagement as an insurance broker or otherwise may be referred to the Authority by the person so affected; and on receipt of the complaint or representation, the Authority may examine the complaint and if found necessary proceed to conduct an enquiry or an inspection or an investigation in terms of these regulations.

### **III.13 Specifying the percentage of premium income of the insurer to finance schemes for promoting and regulating professional organizations referred to in III.6**

**III.13.1** The Authority has not prescribed any percentage of the premium income of the insurer to finance schemes for promoting and regulating professional organizations referred to in para (6).

### **III.14 Specifying the percentage of life insurance business and general insurance business to be undertaken by the insurers in the rural and social sector.**

**III.14.1** IRDAI (Obligations of Insurers to Rural and Social Sectors) Regulations, 2015 have been notified on 24<sup>th</sup> August, 2015 and shall supersede the IRDA (obligations of Insurers to Rural and Social Sectors) Regulations, 2002. The obligations stated in these regulations shall be applicable from F.Y 2016-17.

## PART – IV

### ORGANISATIONAL MATTERS

#### IV.1 ORGANIZATION

**IV.1.1** The Government of India appointed Dr. Subhash C. Khuntia, IAS (Retd.), as the Chairman of the Authority, for a period of three years under Section 4 of the Insurance Regulatory and Development Authority Act, 1999. Ms. PournimaGupte, Whole-time Member (Actuary), Shri PravinKutumbe, Whole-time Member (Finance and Investment) and Shri SujayBanarji, Whole-time Member (Distribution) continued in the Authority during the year.

Shri P.J. Joseph, Whole-time Member (Non Life) and Shri NileshBhaskarSathe, Whole-time Member (Life) held their offices till attaining the age of 62 years on 13<sup>th</sup> January, 2019 and 30<sup>th</sup> April, 2019, respectively.

Mrs. T.L. Alamelu, former Chairman, Agriculture Insurance Company, was appointed as Whole-time Member (Non-Life) with effect from 1<sup>st</sup> July, 2019. Mr. K Ganesh, former Executive Director, LIC of India, was appointed as Whole-time Member (Life) with effect from 31<sup>st</sup> July, 2019.

**IV.1.2** Shri Debasish Panda, Additional Secretary, Department of Financial Services, Ministry of Finance was appointed as Part-time Member of the Authority with effect from 06.04.2018. Ms. SushamaNath, former Finance Secretary, continued as Part-time Member of the Authority during the year. CA Prafulla P. Chhajed, President of the Institute of Chartered Accountants of India, became Part-time Member of the Authority with effect from 12<sup>th</sup> February, 2019, vice CA Naveen N D Gupta who continued as Part-time Member of the Authority up to 11<sup>th</sup> February, 2018.

#### IV.2 MEETINGS OF THE AUTHORITY

**IV.2.1** Four meetings of the Authority were held during the financial year 2018-19. Three meetings of the Insurance Advisory Committee were convened during the same period. The details are given hereunder:

##### Authority Meetings:

- i. 101<sup>st</sup> Meeting of the Authority was held on 29<sup>th</sup> June, 2018,
- ii. 102<sup>nd</sup> Meeting of the Authority was held on 28<sup>th</sup> September, 2018
- iii. 103<sup>rd</sup> Meeting of the Authority was held on 21<sup>st</sup> December, 2018
- iv. 104<sup>th</sup> Meeting of the Authority was held on 28<sup>th</sup> March, 2019

##### Insurance Advisory Committee Meetings:

- i. 36<sup>th</sup> Meeting of the IAC was held on 13<sup>th</sup> June, 2018
- ii. 37<sup>th</sup> Meeting of the IAC was held on 20<sup>th</sup> September, 2018
- iii. 38<sup>th</sup> Meeting of the IAC was held 19<sup>th</sup> March, 2019

#### IV.3 HUMAN RESOURCES

**IV.3.1** The staff strength and the need for additional manpower are reviewed from time to time. The staff strength was last revised in May, 2017. The position of sanctioned and actual staff strength as on 31-03-2019 is as under:

Sl. No.	Class	As on 31-03-2018		As on 31-03-2019	
		Sanctioned	Actual	Sanctioned	Actual
1	I	224	196	224	202

2	III & IV	22	17	22	16
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- During the year 2018-19, 1 employee in the grade of Assistant Manager, 3 employees in the grade of Manager, 1 employee in the grade of AGM and 2 employees in the grade of DGM and 1 employee in the grade of GM had joined.
- One employee each in the grades of Assistant and Assistant Manager had resigned.
- One employee in the grade of AGM had expired.

**Category-wise staff strength is as under**

Category	Category-wise Strength						Percent of Total Strength			
	Total Strength		SC		ST		SC		ST	
	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19
<b>Class - I</b>	196	202	23	22	7	7	11.73%	10.89%	3.57%	3.46%
<b>Class – III &amp; IV</b>	17	16	2	2	1	1	11.76%	12.5%	5.88%	6.25%
<b>Total</b>	213	218	25	24	8	8	11.74%	11%	3.75%	3.67%

- An employee each was nominated for NAIC International Fellows Programme, USA, for a seminar on International Insurance Regulation and Supervision organized by Office of Insurance Commission, Thailand and for a seminar organized by Asian Development Bank, Manila.
- 29 Assistant Managers were given refresher training for two weeks at the National Insurance Academy, Pune, during January- February, 2019.
- 10 employees in the grades of Manager to GM were given Induction training at the National Insurance Academy, Pune, in the month of February, 2019.

#### **IV. 4. INTERNAL COMMITTEE FOR WOMEN EMPLOYEES**

**IV. 4.1** In terms of provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Internal Complaints Committee (ICC) has been reconstituted vide office order ref: IRDA/HR/ORD/PER/200/08/2017 dated 28-08-2017 with a view to redressing the complaints in this regard as also to ensure compliance of various provisions laid down in the Act.

**IV.4.2A** report under Section 22 of the Act read with Rule 14 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules, 2013 is as under:



No. of complaints received in the year 2018-19	0
No. of complaints disposed of during 2018-19	0
No. of cases pending for more than 90 days	NA
No. of workshops/awareness programmes carried out	1
Nature of action taken by the employer	NA

#### **IV.5 PROMOTION OF OFFICAL LANGUAGE (OL)**

**OLI-?**

#### **IV.6 STATUS OF INFORMATION TECHNOLOGY**

Continuous upgradation of Technology is vital for effective and efficient operations of various departments of IRDAI. Hence, several upgradation activities have been carried out during the year.

##### **IV.6.1 Business Analytics Project (BAP)**

BAP was specially designed for off-site supervision of regulated entities. It enables the operational departments to analyze the data received from various insurers/ intermediaries and also enables the regulated entities to submit the data/ returns to IRDAI on a periodical basis. As BAP is a regulatory tool, it is essential to keep the tool up-to-date with the regulatory changes, in order to ensure that the off-line monitoring system is aligned to the current regulatory requirements of IRDAI. In this connection, a sum of 1.16 crores were spent during the year 2018-19 towards implementation of changes in various modules of BAP as per the change management methodology laid down in the agreement. In addition to this a sum of 1.70 crores was spent for the BAP - Annual maintenance, hosting and SAP Annual technical support. The validity of the contract was also extended till 30th Nov, 2019 and the project cost was revised to 32.57 Crore.

##### **Status of utilization of BAP module:**

The following modules of the portal are extensively used in BAP:

- a) Investment module (Online filing of returns)
- b) Life module (Online filing of returns)
- c) Advertisement (Life/General/Health)
- d) Brokers module (Registrations and On-life filing)
- e) Surveyors (Registrations and On-line filing)
- f) Product filing (Life & Non-Life)
- g) Office filing ((Life/General/Health)
- h) F&A (Life & Non-Life)
- i) TPA (Registrations and On-line filing)

The following modules are undergoing major revisions due to amendments in the regulations/ guidelines:

- a) Reinsurance module (Online filing of returns)
- b) Health (Registrations and On-line filing)
- c) F&A (Life and Non-Life)

- d) Insurer registration
- e) Merger of insurance companies in BAP.

#### **Other major activities in BAP**

- SMS integration in BAP for surveyor and Broker module is in progress.
- Paygov Multiple payment interface integration in BAP is in progress.
- Foreign re-insurance branches and new insurers have been made as a part of BAP.

#### **IV.6.2 Networking and Security**

- Primary Internet Leased line has been upgraded to 100Mbps and backup Internet leased to 60Mbps.
- MPLS connectivity between IRDAI Hyderabad HO and Mumbai and New Delhi ROs. upgraded to 20Mbps and addition of BAP data center as 4<sup>th</sup> Node of 20Mbps MPLS connectivity.

#### **IV.6.3 Hardware and Support**

- Physical verification of IT assets for 2018-19 completed.
- E-tender and purchase of 9 BIG MFP printers for all users in Hyderabad completed.
- AMC Contract for Hardware for Delhi Regional Office and IRDAI HO were renewed.

#### **IV.6.4 Internal Applications**

- Facility extended to Composite and Reinsurance Brokers to view UIN generated for Cross Border Reinsurers.
- Insurance Marketing Fund (IMF) web portal upgraded to handle renewal applications.
- Asset Management software for managing/tracking all IT related assets implemented.
- Development of internal utilities for better reporting and tracking of Inspection reports for Enforcement department.
- Development of Regulatory Action Repository System.

#### **IV.6.5 ERP**

- Upgrade of SAP version from EHP 4 to EHP 8 across landscape (Development, Quality and Production)
- Implementation of online Annual Confidential Report (ACR) Module for all positions of IRDAI employees.

#### **IV.6.6 Cyber Security**

- Insurance companies – Life, Non-Life, Health and Re-insurance were reviewed regarding compliance of IRDAI Guidelines on Information & Cyber Security.
- Observations from Intelligence agencies and Ministry were handled regarding vulnerabilities and gaps in the insurance sector.
- Tender for IRDAI's Information & Cyber Security related Audits and Services for conducting Cyber Security audit and security activities for ICT infrastructure of IRDAI was released.

- Feedback on Personal Data Protection Bill, 2018 from insurance sector's perspective were provided to Ministry of Electronics & Information Technology and Dept. of Financial Services (DFS), Ministry of Finance.
- Identified Insurers were advised to follow National Critical Information Infrastructure Protection Centre (NCIIPC) Guidelines and Standard Operating Procedure (SOP) for identification of Critical Information Infrastructure (CII).

#### **IV.7 IRDAI Journal**

- Since the year 2002, IRDAI has been publishing its Journal, with the aim of providing insurance insights and information that serve as an educational tool to sensitize various stakeholders of the insurance industry about the development in the Indian and Global Insurance Sector. The contributions are obtained from the seasoned experts of the industry with high domain knowledge and vast industry experience. These contributions have undoubtedly been a major source of strength for the Journal which stands to benefit immensely from their intellectual wherewithal. IRDAI Journal perpetually strives to mobilize, process and disseminate information and news related to insurance for the readers and aims to publish articles of sterling standard. Data pertaining to Life, Non-Life and the Health Insurance sectors is also published to provide a bird's eye-view of the Indian insurance industry. The web copy of the Journal continues to be the source of information and covers many topical issues for the various stakeholders.
- Every issue of the quarterly Journal is based on a theme relevant to the insurance industry. Since the beginning, various topics reflecting the dynamism of the industry which ran the gamut from customer service, health Insurance, re-insurance, disaster management-role of insurance in risk mitigation, grievance handling in insurance industry, crop insurance, role of intermediaries in insurance industry, role of CSR activities in insurance industry, Micro Insurance, Motor Insurance, role of information technology in Insurance sector, etc. have been meticulously captured by the Journal in order to provide an absorbing and thought-provoking experience to the readership. Furthermore, the Journal is made available, free of cost, on the website of the Authority for the benefit of general public.