



GENERAL INSURANCE COUNCIL

N e w s l e t t e r

ISSUE 01 • VOLUME 03 • April 2020

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Message



Dear Readers

With the close of financial year 2019-20, the general insurance industry has achieved GDP of 189300 crs(prov) with a growth of approximately 12% over the last year's premium. This is no small achievement in view of already adverse market conditions aggravated in March 2020 due to deadly pandemic

Unforeseen events can disrupt economy and society anytime anywhere. The recent outbreak of Coronavirus declared pandemic by WHO is a dreadful development which has killed thousands, infected lakhs of people all over the world. It has paralyzed social and economic life with travel and tourism being worst hit. Its larger impact on economy and health will be assessed in some time but speculation is rife that it is heading towards an alarming situation with shutdowns of workplaces, schools and almost all public places. The stock market is already in a very precarious position.

When perils strike it is always the insurance industry which is looked up to help. The member companies of general insurance council are fully prepared to meet any such challenge, be it travel, health, motor or any other insurance. We advise policy holders to not panic and approach their insurers whenever they feel the need for relief under their policy. The 24x7 helplines, customer care officials, third party administrators and officials of member companies have been advised for helping people with any query or doubt about their cover in the most compassionate way. Please don't hesitate to call.

We have provided a list of FAQs in this edition and on our website which should be referred to for more clarity on insurance related to Covid -19. For specific resolution of any policy related issue kindly contact your insurer/ broker with full details

I advise you to heed the warnings of the government and health officials in these difficult times and stay safe.

Wish you all the very best

MN Sarma

Secretary General, General Insurance Council

FAQs related to Covid-19 lockdown conditions

Health insurance

Does my policy cover the COVID-19?

The Corona Viral infection resulting in hospitalisation and related expenses will be covered provided your medical policy covers hospitalisation and related expenses. There are some policies which cover specific named illnesses which will not cover Corona Viral Infection.

What does "grace period for policy renewal" mean?

The grace period for renewal of policies falling due during the lockdown period between 25.3.2020 to 3.5.2020 is extended upto 15.5.2020 for payment of premium without losing continuity benefit. Some companies may also allow payment of premium in instalments. However efforts should be made to pay premium online as soon as possible. Valid claims during grace period will be payable.

The World Health Organization (WHO) declared on 12 March 2020 the current COVID-19 outbreak as a pandemic. Will medical insurance policies still provide coverage for COVID-19?

The existing policies covering hospitalisation will continue to cover corona virus related hospitalisation. For new policies there is normally a waiting period of 30 days.

Does my policy cover Covid-19 testing expenses even if I do not undergo hospitalization

Testing expenses are payable as pre hospitalization. If there is no hospitalization such expenses are not covered.

What happens if I cannot intimate my health claim as per the timelines stipulated in the policy?

You may use helpline or email for intimation of claims and submission of documents electronically or use customer portals. Insurers will be empathetic in case of genuine difficulties faced by clients.

Motor Third Party Insurance

It has been allowed to renew the policies falling due in lockdown period on or before 15.5.2020.

Motor OD

Can I get refund under my Motor Insurance premium/extend validity on pro-rata basis for the lock down period as the vehicles are not being used during the said period.

There is no such provision under motor policies issued by Insurers

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FAQs on Insurance during Covid-19 lockdown

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Travel Insurance/OMP

If my trip is cancelled due to corona travel restrictions can I claim refund or get the policy extended

If the trip is cancelled, due to lockdown, destination country imposing flight ban, immigration ban or quarantine arising out of Covid19, policyholder can apply for a premium refund for the travel insurance purchased or request for a change in the travel period provided the insured trip has not yet commenced.

Policy Holders can also apply for a change in the travel period; or request for extension of their OMP policy if they are unable to travel back home due to lockdown conditions.

House holder Insurance

Will my insurance cover the cost of a deep clean to my property should it be sealed due to contamination by COVID-19?

Most standard householder insurance policies do not provide cover for the costs of cleaning a property.

I have been quarantined or am unable to travel from abroad and therefore my home may be left unoccupied. Will I be covered?

Normally the insurance coverage will continue in such an eventuality under most of the policies and wherever non occupancy limits are mentioned in the policy Insurers will be taking a pragmatic approach to individuals who are quarantined or stuck abroad and are unable to return to their home. Individuals should contact their insurer to obtain advice on this issue.

SMEs and small shopkeepers

Is my risk covered under fire policy beyond 30 days as it remains

unoccupied due to lockdown?

Insurers have agreed to extend the cover under Fire and Special Perils policy SFSP upto 3.5.2020 without requirement of any notice from the insured

The General insurers have been advised by the Authority (IRDAI) vide press release dated 30.4.2020 to inform the policyholders of how the relevant clause(s) would apply beyond 3rd May, 2020 in all policies and what action is needed by the policyholders to avail of uninterrupted coverage. The insurers need to take a reasonable and suitable approach depending on the local situation in different geographies.

The Policyholders in turn are requested to read the terms and conditions of their insurance policies carefully and be aware of the policy requirements in case they or their insured properties are located in areas where there could be prolonged restriction of movement.

If the premise is unoccupied for more than 7 days will the burglary cover be available?

It is a known fact that unoccupied premises present an increased risk of burglary. It is advisable to give notice to insurers who will work with you to ensure suitable action is taken. Insurers will try and be as flexible as possible in these circumstances.

Note:

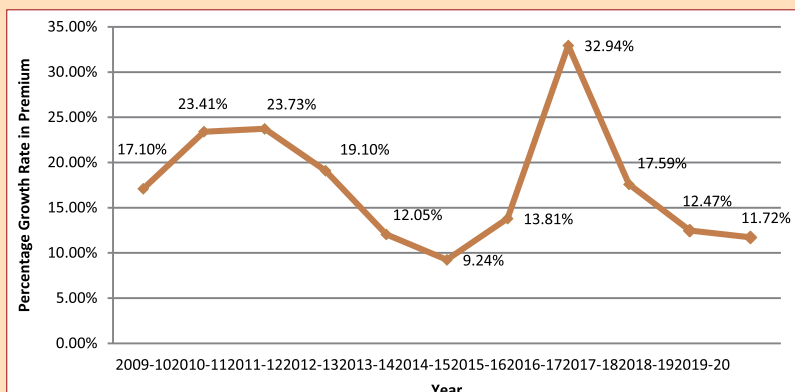
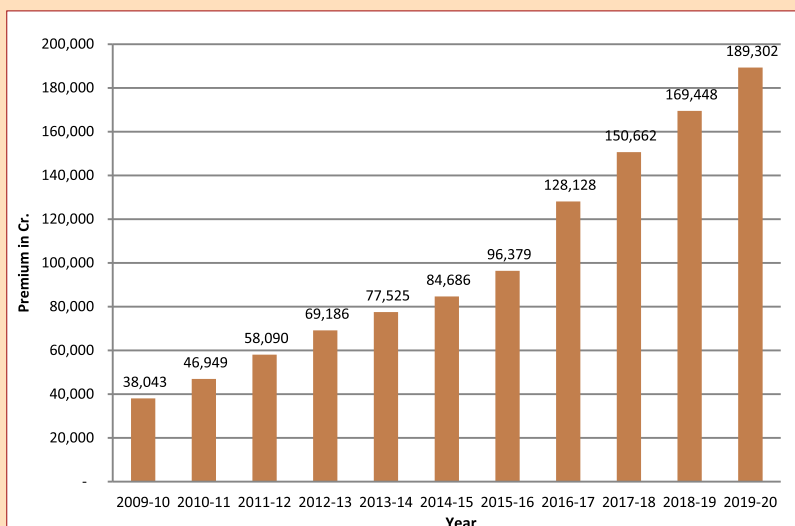
The FAQs are for general guidance of insuring public and any specific issue related to above matters should be taken up with the concerned insurer.

General Insurance business in India

Gross Direct Premium Income - Indian Business

Note: The data given for March 2020 is unaudited

Growth Rate in Premium

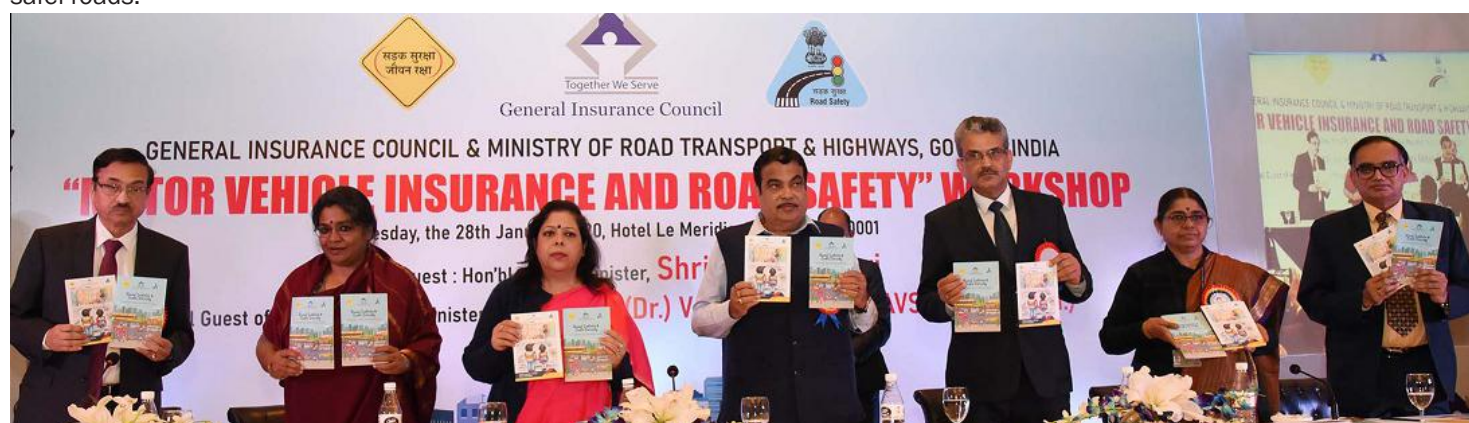


General Insurance Council Workshop on Road Safety

General Insurance Council conducted a Workshop on the subject of motor vehicle insurance and road safety on 28.1.2020 at Hotel Le Meridien New Delhi to address issues related to Road Accidents as a follow up on the 31st National Road safety week.

The workshop was inaugurated by Mr Nitin Gadkari Hon'ble Union Minister who was the chief guest, and was attended by CEO's of Insurance industry, senior officials of IRDAI and Ministry of Road transport, Department of Financial Services, Delhi Police and Transport department, NGOs, Motor Surveyors and other stakeholders.

Mr.MN Sarma Secretary General GI Council conducted the proceedings and Mr. AV Girija Kumar, Chairman GI Council welcomed the minister and all participants expressing hope that this workshop will go a long way in educating the stakeholders for safer roads.



General Insurance Awareness Campaign

General Insurance Council launches "Faayde Ki Baat" a 360 campaign promoting insurance awareness across the country

Mumbai, 5th March 2020: India's statutory body for General Insurance, General Insurance Council (GI Council) unveils Faayde Ki Baat, a media and communication campaign aimed at educating and spreading awareness about non-life insurance. Together with GI Council's 25 General Insurance, 11 Reinsurance, 2 Specialized Insurance and 6 SAHI (Standalone Health Insurance) companies in India, Faayde Ki Baat aims to address negative perceptions around General Insurance by educating citizens about benefits that can be derived from General Insurance Covers, while expanding the industry creating an insured and protected India.



News from International Associations

Covid-19 disruption is the main concern in all international markets and hence most of the associations have put up clarifications and guidance notes. ABI and HKFI have given quite detailed guidelines which may be accessed as under:

<https://www.abi.org.uk/products-and-issues/topics-and-issues/coronavirus-hub/>

<https://www.hkfi.org.hk/covid19/smc.html>

Why insurance cover rarely extends to epidemics:

An interesting article on why pandemics cannot be covered appears on GDV website. You may access it at following link

<https://www.en.gdv.de/en/issues/our-news/why-insurance-cover-rarely-extends-to-epidemics-57290>

IUMI Spring Meet

IUMI Spring meet at Hamburg couldn't take place due to travel restrictions and it was cancelled. Instead a video conference of different technical committees took place on 23,25,27 March in which Mr Sibesh Sen, member Cargo Committee, Mr S Ravichandran SBI General, member, loss prevention committee and Sanjiv Singh, member Facts and Figures Committee, Education Forum participated from India.

Covid 19 and its impact on global as well as marine insurance market was main topic of discussions. The plan for annual September 2020 IUMI conference at Stockholm was also finalised during this meeting.

IUMI considers bulk discount in fees for online marine tutorials

Another good news for marine underwriters in India is that IUMI education forum is willing to consider bulk discount of 20% if 10 or more candidates opt for marine tutorials through General Insurance Council. Member companies may send their recommendations to the Council so that this discount can be availed for all.



Editor's Note

"You can't Google the future." — William Gibson, fiction writer

Covid as a black swan has just descended on globe and disrupted life. It is said for insurance industry pandemics are not black swan event. They are in the business of expecting the unexpected. However very few risks cover epidemics as a special risk

Post Covid world may be different. Remote working with robust digital platforms may become new normal of office work. International travel and global conferences may become less frequent.

For general insurance there will be increase in health insurance portfolio as more and more people will by health insurance. There may be specialised products in the market for pandemics.

The claims under health insurance will also increase along with claims for trade credit insurance due to defaults. Overall industry may lose premium due to economic depression caused by this pandemic.

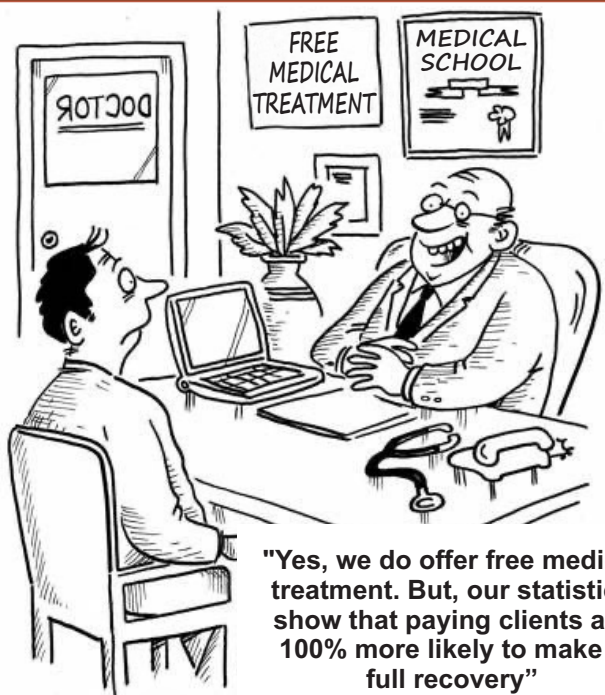
Insurance industry is a compassionate industry as it's goal is to alleviate the suffering in the times of accidents and losses caused by unforeseen event. But the kind of suffering Covid has generated all over the world is beyond the capacity of insurance industry and that is why all governments and institutions have come together to deal with the crisis.

This is the time for everyone to show compassion to people's suffering and help in whatever ways possible. To quote Dalai Lama, "If you want others to be happy, practice compassion. If you want to be happy, practice compassion."

Best wishes and stay safe.

Sanjiv Singh

In lighter vein



"Yes, we do offer free medical treatment. But, our statistics show that paying clients are 100% more likely to make a full recovery"



General Insurance Council

Industry Association of General and Health Insurance & Reinsurance Companies in India

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