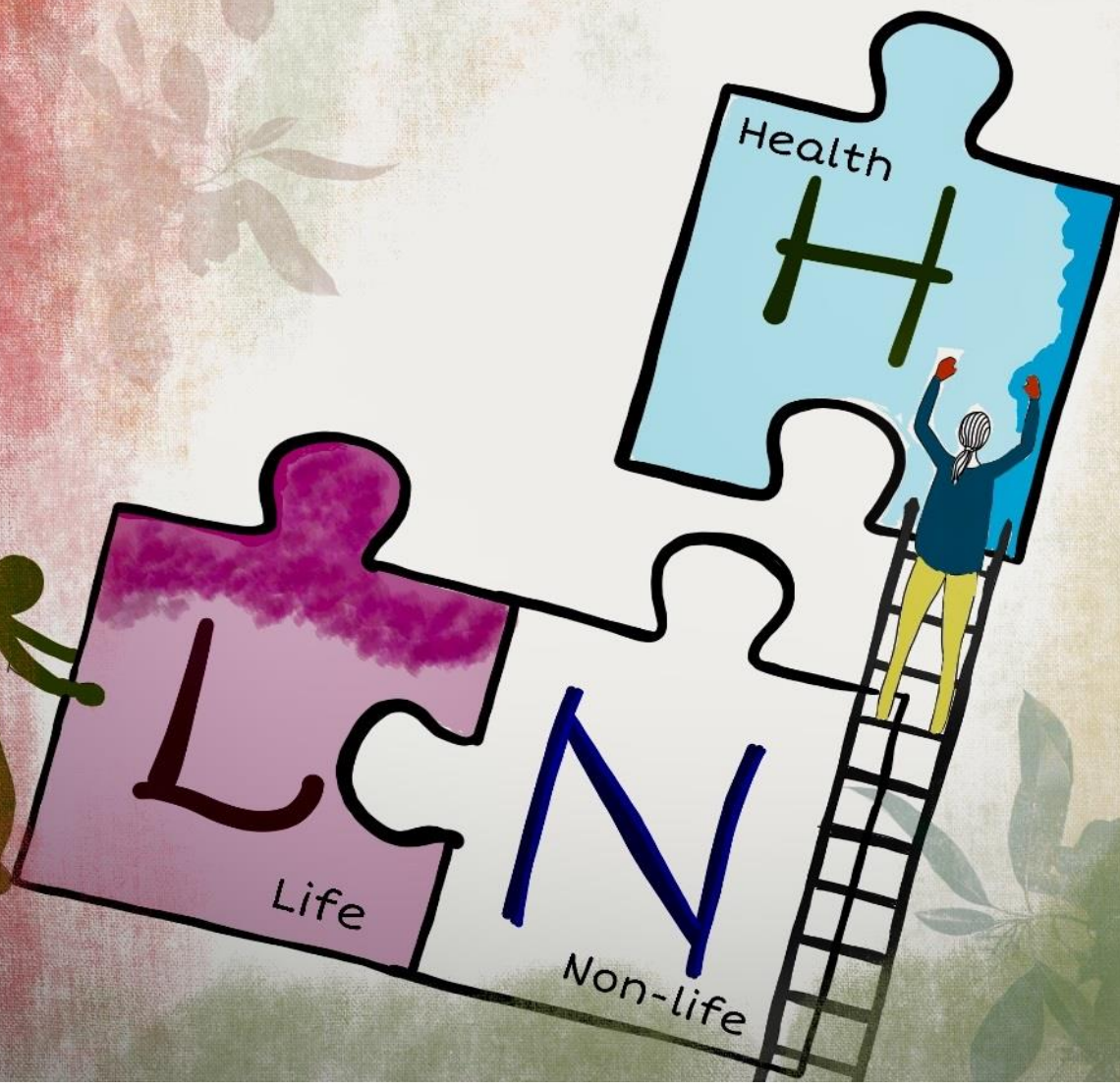




Report of the Committee on designing of Combi Products for Micro-insurance segment



Cover page credits: Mr.Sagar Bangal, Assistant Manager, Non-life Department, IRDAI

LETTER OF TRANSMITTAL

17th February, 2021

Mr.T.L. Alamelu,
Member (Non-life)
Insurance Regulatory and Development Authority of India
Hyderabad

Respected Madam

In terms of the Order Ref No. IRDAI/RI/ORD/MISC/044/02/2020 dated 5th February, 2020 regarding the **Committee on designing of Combi Products for Micro-insurance segment**, I, on behalf of the Committee, am pleased to submit the report containing our recommendations on the subject.

We thank you very much for the opportunity given to the Committee to work on the aspect of designing a Combi product for Micro-insurance, an idea that serves the need for a comprehensive one-stop solution for the target groups.

We would also like to thank you for permitting us to take extra time to finalise our recommendations, given the current pandemic situation. Apart from the need to re-organize our meeting dates on several occasions in this backdrop and the delay involved in getting the feedback of the likely consumers of such a product, the Committee had felt the need to examine and make recommendations for insurance protection catering to scenarios arising out of such an event. All this required additional time for which we are grateful.

Thanking you,

Yours faithfully,

(Yegnapriya Bharath)
Chief General Manager (Non-Life)

COMMITTEE ON DESIGNING COMBI-PRODUCTS FOR MICRO-INSURANCE SEGMENT

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ACKNOWLEDGEMENTS

I acknowledge, with gratitude, the contribution of each and every member of the Committee for their inputs regarding the various recommendations made and for all the efforts put in for the finalization of this report.

I thank Chairman, IRDAI, Member (Non-life) and IRDAI for giving me and the rest of the members of the Committee the opportunity to work on designing a combi-product for Micro-insurance. It was indeed an enriching experience to try and understand the need and putting our thoughts together to arrive at an approach that we believe would be best suited for the target group involved.

Special mention must be made of the Member Convenor Mr .A. Rama Sudheer for all the logistics and other support that helped us conduct the various meetings and bring out this report in its current form. As usual Mr. Sagar Bangal, AM, NL department pitched in with the cover page design for which we thank him profusely. Last but not the least, I would like to thank Mr. Maneesh Mishra of India First Life who gave tremendous support to the Committee from the backend.

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ABBREVIATIONS

CSC – SPV	-	Common Service Centre – Special Purpose Vehicle
DAY-NRLM	-	Deendayal Antyodaya Yojana – National Rural Livelihood Mission
GSWS	-	Gram Ward Sachivalayam Scheme
IC	-	Insurance Contract
ICL	-	Insurance Contract Law
IRDAI	-	Insurance Regulatory and Development Authority of India
KFD	-	Key Features Document
KYC	-	Know Your Customer
MBA	-	Mutual Benefit Associations
MFIs	-	Micro Finance Institutions
MI	-	Micro-insurance
MKSP	-	Mahila Kisan Sashaktikarn Pariyojana
MSME	-	Micro, Small and Medium Enterprises
MSMED	-	Micro, Small and Medium Enterprises Development
NBFC	-	Non-Banking Financial Company
NRLM	-	National Rural Livelihood Mission
PMJJBY	-	Pradhan Mantri Jeevan Jyoti Bima Yojana
PMJSBY	-	Prime Minister Suraksha Bima Yojana
RBI	-	Reserve Bank of India
SHG	-	Self Help Group

EXECUTIVE SUMMARY

- i. The objective of MI is to protect the low income group people and thus empower them to cope with various challenges such as death of the bread-winner, dealing with sickness in the family and protecting their livelihoods in general.
- ii. Protection of families and businesses at the grass-root level through insurance can help a nation achieve its developmental goals better.
- iii. Indeed, the need of the hour is better penetration of insurance amongst the vulnerable sections of society.
- iv. A one-stop solution to meet the insurance protection needs of these targeted groups will go a long way in achieving the objective of increasing insurance penetration in these strata of society.
- v. There is a case to have a Combi MI product which can be developed on a modular basis giving flexibility to the insurer to offer coverage to different groups and individuals as per their specific protection needs.
- vi. While arriving at the different possible covers, the Committee took into account the detailed feedback it received from consumers and consumer bodies whose opinion it obtained through a survey.
- vii. India has been a pioneer in setting out the regulatory framework for MI. However, the spread of MI in the country, in particular in the general insurance segment, leaves a lot to be desired.
- viii. The Committee deliberated upon various issues relating to MI such as the desired product design, ramping up distribution of MI, using available Government agency channels to bundle insurance along with existing schemes and the need to create the required levels of awareness about MI in order to achieve the goal of increasing the spread of this segment of insurance in the country.
- ix. The Committee's report consists of five (5) chapters. Chapter 1 sets the context to the recommendations being made by the Committee. Chapter 2 covers the Regulatory framework in India for MI and also looks at the Regulatory framework existing in couple of foreign jurisdictions viz., Peru and Philippines.
- x. Chapter 3 dwells on the model Combi MI product on a modular basis. The Committee was of the view that the standard products which have been recently brought into the market will provide ideal coverage and a mix and match of these products to suits the requirements of the various strata would be an ideal approach as, apart from providing ease of understanding of the coverages, it also provides the required flexibility.
- xi. While it is necessary to have identified channels of distribution which have been provided for in the MI Regulations, it might be a good idea to permit all other channels also to

distribute the Combi product. It will create a healthy competition and pave the way for great distribution of product. Chapter 4 deals with various distribution aspects.

- xii. Chapter 5 deals with Underwriting and Servicing. The Committee was firmly of the view that the whole concept of having a Combi product for MI will succeed only if it is suitably aided by technology. The Committee also examined operational details to understand whether such a solution will work on the ground. The Committee was convinced that an appropriate technological solution will make the idea of Combi product successful through proper coordination amongst the stakeholders and bring about speed and efficiency in Underwriting and Servicing the product. One such model is placed as Appendix 4 to this report.
- xiii. The Committee felt that the Sum Insured for the various covers as it exists today needs to be revised. The product should also be an affordable one. The limits suggested are mentioned under Chapter 3 and are also specifically indicated against each module in Appendix 1.
- xiv. The following is the summary of the recommendations made in this report.
 - a. The Committee recommends having a Combi MI product. Insurers may follow a modular approach using various permutations and combinations, leaving the choice to the proposer. Certain standard products prescribed by IRDAI can be offered as modules, albeit with a restricted Sum Insured keeping the target segment in view.
 - b. The Committee recommends 14 standard modules and suggests that the product may be sold by Insurers either on individual basis or group basis.
 - c. It is recommended that the Combi MI product may be solicited by all distribution channels authorized to distribute insurance products by IRDAI. It may also be sold through the on-line mode, wherever feasible.
 - d. The Committee recommends that the Underwriting and Servicing of the product be done through the use of seamless technology with prior agreement amongst a Life Insurer, a General Insurer and a Health Insurer for their respective areas.
 - e. The Committee feels that one of the options to ensure uniformity and efficiency in the administration of the Combi product through the use of technology is to develop a common technological platform with the involvement of the Life Insurance Council and the General Insurance Council. The Committee had asked one of the technology providers to make a presentation on a possible solution to understand its feasibility. The Committee is convinced that the Underwriting and Servicing of a Combi product involving more than one insurer is technically possible and feasible.
 - f. The Committee is of the view that combining the MI product with various Government schemes at the Central level and the State level will increase the outreach of the product and also make it easier to convince the target groups about the benefit of insurance protection through the Combi MI product.

- g. The Committee feels that creation of the required awareness by the insurers in conjunction with the various distribution channels and Government agencies at the grass-root level is necessary and that this aspect requires a special focus to achieve increased penetration amongst the targeted groups.
- h. The maximum Sum Insured limits for each of the modules are suggested as follows and the details of cover are indicated in Appendix -1 against each module.

S. No	Module	Maximum Sum Insured limits upto Rs.
1	Module I – Saral Jeevan Bima	5 lakh
2	Module II – Saral Jeevan Pension	Min annuity of ₹ 1,000 per month and Maximum of ₹ 5000 per month
3	Module III – Bharat Griha Raksha Policy	5 lakh
4	Module IV - <i>Bharat Sookshma Udyam Suraksha</i>	10 lakh
5	Module V - Alternate accommodation/ Increased cost of working for small businesses (arising out of a claim under Sec II)- maximum 30 days	750/- per day for maximum of 30 days
6	Module VI - Personal Accident: Death, Permanent Total Disablement, Permanent Partial Disablement, with Medical expenses (ME)	3 lakh
7	Module VII - Critical Illness – Cash benefit	1 lakh
8	Module VIII – Hospital Cash	2000 per day for 30 days in a year
9	Module IX - Health Insurance - Arogya Sanjeevani Policy	5 lakh
10	Module X - Livestock (Cattle, Camel, Goat/Sheep)	2 lakh
11	Module XI – Crop Insurance (Horticulture and Plantation Crops)	2 lakh for each season/crop
12	Module XII Poultry	2 lakh
13	Module XIII Aquaculture	2 Lakh
14	Module XIV – Loss of Earnings Cover	. 25000

- i. Ideally, every insurer ought to offer the Combi product.

CHAPTER 1 INTRODUCTION

1. 'MI' and its objective

- 1.1. 'MI' aims to protect the low-income people with insurance products that are affordable. The objective of MI is to empower people to cope with and recover from common risks such as death of the bread winner, paying for treatment of serious illnesses, reconstructing destroyed homes, businesses etc
- 1.2. Access to MI by the poor and disadvantaged can contribute significantly to the developmental goals of the country, such as reduction of poverty and having sustainable businesses or self-employment.
- 1.3. The protection needs of an individual and businesses are many and varied. A one-stop solution that facilitates ease of purchase will go a long way in providing that access.
- 1.4. The need for advocacy and education to help poor populations cannot be underlined more. It is necessary to analyse potential customer profiles, reflect on their ability to pay and suggest possible products to suit the target groups.

2. Market penetration

- 2.1. Market penetration in insurance in India is largely driven by supply, not demand. Thus it is the 'push' factor that accounts for it rather than the 'pull'.
- 2.2. While it is evident that MI is the need of the hour, it has to be a low-price, high volume business and its success and market sustainability is dependent upon keeping the transaction costs down. The delivery process for MI services needs to be efficient too.

3. Aimed at the social sector

- 3.1. MI facilitates the social sector. The socio-economic profile of the target segment would typically be a family of four or more sharing income. Agricultural labour would be the main source of income. However, households may pursue multiple livelihood activities.
- 3.2. The group's poverty means that they present a higher than average risk profile (hazardous condition, lack of nutrition etc). Poor people face more risks as they cannot afford the same defences as wealthier people.
- 3.3. Low levels of literacy—creation of awareness about the need for insurance protection needs to be done without written media. People in rural areas are often illiterate and unfamiliar with the concept of insurance, requiring new approaches to both marketing and contracting. Remote rural areas require a different distribution channel.

4. The case for MI

- 4.1. The loss of life of members who contribute to the household income can put the family in dire straits. If a critical illness strikes the bread winners, it not only involves expenditure

but also impacts the earnings of the family. Even where there is a likelihood of more than one-member earning, today the obligation of the young to take care of the old is weakening. The probability of loss of assets due to natural catastrophes and other reasons is a possibility. There can also be accident at the workplace leading to disability.

- 4.2. Typically, in such a target group, the experience with insurance would either be zero or negative. Creating awareness about MI and demonstrating its relevance to the target market has to be an ongoing process. A major issue for potential customers would be having a level of trust with the insurance provider.

5. Making MI a success

- 5.1. When it comes to having faith in the concept of insurance, the proof of the pudding is in the eating. Public reimbursement of claims such as in village meetings will go a long way in creating that trust.
- 5.2. Exposure tours of villages will help create awareness. Touring of villages with the help of village leaders to spread the message by word of mouth will have a profound impact on the minds of the villagers. The importance of regular public interactions for the target group in question needs no emphasis.

6. Beneficial impact

- 6.1. Access to insurance by poor people and entrepreneurs in the informal sector will attract private sector investments in these areas.
- 6.2. Apart from meeting immediate protection needs, MI will help in the long-term goals of having better infrastructure in the rural areas. For instance, the prevalence of health insurance could lead to hospitals being built in the area. Similarly, various businesses are likely to be set up or expanded once the shield of insurance is in place.

7. Committee discussions and consultations

- 7.1. The Committee had two physical meetings before the covid pandemic began. This was followed by five virtual meetings through VC and at least three tele-conference calls. What unfolded as part of the pandemic gave a new perspective to the Committee in terms of the needs of the target group and the design and shape of the model product the Committee sought to recommend.
- 7.2. While the members of the Committee brought to the table the views of various stakeholders, a questionnaire was circulated to consumers/consumer bodies in order to get a better understanding of their needs and expectations. A summary of the findings is placed as an Appendix to this report.

CHAPTER 2: REGULATORY FRAMEWORK – INDIA AND OTHER JURISDICTIONS

1. Extant Regulations in India: Highlights

- 1.1. The MI Regulations in India were amended in 2015 and certain changes were brought about.
- 1.2. Policies issued to the MSMEs up to an annual Premium of Rs. 10,000 for each MSME were included under definition of general MI product.
- 1.3. The maximum amount of cover offered for various kinds of policies were revised.
- 1.4. The prescribed maximum and minimum age of entry for both Life and General Insurance and terms of cover for Life Insurance were modified.
- 1.5. The definition of MI agents was expanded to include Business Correspondents of Scheduled Commercial Banks, District Cooperative banks, Regional Rural Banks, Urban Cooperative Banks, Primary Agricultural Cooperative Societies, other Cooperative Societies under any of the Cooperative Societies Act and the RBI regulated NBFC-MFIs.
- 1.6. Regarding life MI policies, concepts such as paid-up value, surrender value, discontinuation charges and lock-in period, have been explained.
- 1.7. It has been explicitly notified that a MI agent shall not distribute any product other than a MI product.
- 1.8. The commission rates for MI agencies were revised.

2. Details of MI Regulations 2015:

- 2.1. An outline of the Regulations is reproduced below: {for full details Insurance Regulatory and Development Authority of India (MI) Regulations, 2015 may be referred to}.
- 2.2. General MI product is defined as any health insurance contract, any contract covering the belongings, such as, hut, livestock or tools or instruments or any personal accident contract, either on individual or group basis, as per terms stated in Schedule I of the MI Regulations, 2015.
- 2.3. General Insurance policies issued to MSMEs as classified in Section (7) of MSMED Act, 2006 under various lines of General Insurance business will also qualify as general insurance business upto Rs. 10,000 premium p.a. per MSME.

Note: Policies issued to MSME enterprises has been included under General MI product definition in 2015.

Schedule I of MI Regulations 2015

Type of cover	Maximum Amount of Cover	Term of cover min.	Term of cover max.	Minimum age at entry	Maximum age at entry
Dwelling and contents, or livestock or tools or implements or other names assets or crop insurance – against all perils	Rs. 1,00,000 Per Asset / Cover	1 year	1 year	N.A.	N.A.
Health Insurance Contract (Individual)	Rs. 1,00,000	1 year	1 year	Product specific	Product specific
Health Insurance Contract (Family / Group)	Rs. 2,50,000	1 year	1 year	Product specific	Product specific
Personal Accident (Individual / Family / Group)	Rs. 1,00,000	1 year	1 year	Product specific	Product specific

Note: Maximum Sum Insured limits under Crop Insurance to be reckoned on per season/per crop basis

- 2.4. **Life MI Product** is defined as a life insurance product designed as per terms stated in Scheduled II of MI Regulations, 2015.

Schedule II of MI Regulations 2015

- i. The Sum Assured under an Insurance product offering Life or Pension or Health benefits shall not exceed an amount of Rs. 200000.
 - ii. The Annual Premium shall not exceed Rs. 6000 p.a. in a Micro Variable Insurance product under Non Linked Non-Par platform.
 - iii. Add-on riders may be offered in accordance to the provisions of the extant Regulations.
 - iv. MI schemes marketed to Groups with a minimum Group Size of 5.
- 2.5. **MI Agent** – the following entities or individuals who are appointed as MI Agents in accordance to MI Regulations, 2015:
- i. A Non-Government Organisation
 - ii. A Self – Help Group
 - iii. An MFI
 - iv. RBI regulated NBFC – MFIs
 - v. District Cooperative banks licensed by RBI subject to being eligible as per extant norms or RBI
 - vi. Regional Rural Banks established under Sec (3) of Regional Rural Banks Act, 1976 subject to being eligible as per extant norms of RBI
 - vii. Urban Co-operative banks licensed by RBI subject to being eligible as per extant norms of RBI

- viii. Primary Agricultural Cooperative Societies
- ix. Other Cooperative Societies registered under any of the Cooperative Societies Act
- x. Business correspondents appointed in accordance to the extant RBI Guidelines with any of the scheduled commercial banks

Note: From d to j above have been permitted to be appointed as MI agent in 2015 Regulations

2.6. **MI Policy** is defined as insurance policy under a plan which has been specifically approved by the IRDAI as a MI product; **MI product** is defined as a general MI product or life insurance product or health insurance product, proposal form and all marketing materials in respect thereof;

2.7. **Tie-up between Life Insurer and General Insurer**

An insurer carrying on life insurance business and wishing to also offer a general MI product may do so by having a tie-up with an insurer carrying on general insurance business for this purpose, and subject to the provisions of Section 64 VB of the Act, the premium attributable to the general MI product may be collected from the prospect (proposer) by the insurer carrying on life insurance business, either directly or through any of the distributing entities of MI products as specified in Regulation (4) of MI Regulations 2015 and made over to the insurer carrying on general insurance business.

Provided further that in the event of any claim in regard to general MI product, the insurer carrying on life insurance business or the distributing entities of MI products, as the case may be, as may be specified in the tie-up referred to in the first proviso, shall forward the claim to the insurer carrying on general insurance business and offer all assistance for the expeditious disposal of the claim.

An insurer carrying on general insurance business and wishing to also offer any life MI product may do so by having a tie-up with an insurer carrying on life insurance business for this purpose, and subject to the provisions of Section 64 VB of the Act, the premium attributable to the life MI product may be collected from the prospect (proposer) by the insurer carrying on general insurance business, either directly or through any of the distributing entities of MI products as specified in Regulation (4) of MI Regulations 2015 and made over to the insurer carrying on life insurance business.

Provided further that in the event of any claim in regard to life MI product, the insurer carrying on general insurance business or the distributing entities of MI products, as the case may be, as may be specified in the tie-up referred to in the first proviso, shall forward the claim to the insurer carrying on life insurance business and offer all assistance for the expeditious disposal of the claim.

For the purpose of these regulations, the General Insurer includes Health Insurer.

2.8. Distribution of MI products:

- i. In addition to an insurance agent or corporate agent or broker appointed / registered under the Act, read with the regulations concerned made by the Authority for appointed / registering individual or corporate agents, or insurance brokers, as the case may be and such other insurance intermediaries that are allowed to solicit insurance business by the regulations notified by the Authority, MI product may be distributed through the MI agents.
Provided that a MI agent shall not distribute any insurance product other than a micro- insurance product
- ii. For distributing MI products:
 - a. A General insurance company has the option of appointing a MI agent for any of the sectors - Micro Enterprises or Small Enterprises or Medium Enterprises or for all three sectors or for a combination of two sectors
 - b. A General insurance company has the option of appointing MI agent for various lines of business either independently for each line of business or a combination thereof or all lines of General Insurance business
 - c. A General Insurance Company has the option of appointing MI Agents in these combinations either in the Manufacturing Sector or in the Service Sector or both.

2.9. Appointment of MI Agents

- i. An MI agent shall be appointed by an insurer by entering into a deed of agreement, which shall clearly specify the terms and conditions of such appointment, including the duties and responsibilities of both the MI agent and the insurer:
- ii. An MI agent may work with One Life Insurance Company and one General Insurance Company. In addition to this an MI Agent may also work with Agriculture Insurance Company of India Ltd and with any one of the health insurance companies registered with the Authority.
- iii. The deed of agreement referred above shall specifically authorize the MI agent to perform one or more of the following additional functions, namely: (a) collection of proposal forms; (b) collection of self-declaration from the proposer that he/she is in good health; (c) collection and remittance of premium - (i) Where the MI agents are authorized to collect and remit the premiums, they shall be mandated by the Insurers for issuing acknowledgements on collection of premiums and every Insurer shall put in place procedures to enable MI Agents issue such acknowledgments. (ii) Insurers are accountable to such premium acknowledgements issued by the MI Agents. (d) distribution of policy documents; (e) maintenance of register of all those insured and their dependants covered under the MI scheme, together with details of name, sex, age, address, nominees and thumb impression/signature of the policyholder; (f) assistance in the settlement of claims; (g) ensuring nomination to be made by the insured; (h) any policy administration service.

- iv. The MI agent or the insurer shall have the option to terminate the agreement referred after giving a notice of three months by the party intending to terminate the agreement:
- v. Every Insurer shall carry out due diligence before appointing a MI Agent with regard to the reputation, track record and ability to function in compliance with the regulations and in the best interests of policy holders.

2.10. Employment of Specified Persons by MI Agents

- i. An MI agent shall employ specified persons with the prior approval of the insurer for the purpose of discharging all or any of the functions. Provided that corporate agents, insurance brokers and such other insurance intermediaries that are allowed to solicit the insurance business and procuring MI business shall continue to be governed by the respective regulations issued by the Authority and as amended from time to time.
 - a. Specified Person who resigned from a MI Agent shall be eligible for reappointment as a specified person of other MI Agent only after the expiry of 3 months from the date of resignation.
 - b. No MI Agent shall employ the specified person working for another MI Agent.
 - c. No MI Agent shall employ individual insurance agents who are working with any insurer, specified persons of corporate agents who are working with any insurer and employees of Insurance Brokers.
- ii. Where a MI Agent is an individual appointed by an insurance company he shall not employ Specified Persons.

2.11. An MI agent and specified person employed by him shall abide by the Code of Conduct as laid down in regulations applicable for insurance agents issued by the Authority and as amended from time to time and the relevant provisions of Regulation or guidelines issued by the Authority in relation to Insurance Advertisements and Disclosure as modified from time to time

2.12. Filing of MI Product:

- i. Every insurer shall follow the “file and use” procedure with respect to filing of MI products
- ii. Every MI product for the purpose of MI shall prominently carry the caption “MI Product”.
- iii. Life MI Products filed with the Authority under these regulations shall be subject to the norms stipulated under Schedule – III of MI Regulations.

2.13. Issuance of MI Policy Contract:

- i. Every insurer shall issue insurance contracts to the individual MI policyholder in the languages recognised in the Constitution of India which is simple and easily understood by the policyholders. Where issuance of policy contracts in the recognised language is not possible, the insurer shall issue a detailed write-up about the policy details in the respective language.

- ii. Every insurer shall issue insurance contracts to the group MI policyholder in an unalterable form along with a schedule showing the details of individuals covered under the group, and also issue a separate certificate, to each such individual evidencing proof of insurance, containing details of validity period of cover, name of the nominee, and addresses of the underwriting office and the servicing office, where both offices are not the same.
 - iii. The insurers may also allow the MI Agents to print the policy contract on a plain A – 4 size paper for onward transmission to the MI Policy holder. The evidence of payment of policy stamp may be shown on the printed policy document.
- 2.14. No insurer shall authorize any MI agent or any other outsider to underwrite any insurance proposal for the purpose of granting insurance cover.
- 2.15. **Capacity Building:** Every insurer shall impart at least twenty-five hours of training at its expense and through its designated officer(s) in the languages recognised by the Constitution of India to all MI agents and their specified persons in the areas of insurance selling, policyholder servicing and claims administration.
- 2.16. **Remuneration / Commission:**
- i. An MI agent may be paid remuneration for all the functions rendered including commission, by an insurer, and the same shall not exceed the limits as stated below:
 - d. For Life Insurance Business: Single Premium policies - Ten per cent of the single premium Non-single premium policies - Twenty per cent of the premium for all the years of the premium paying term
 - e. For General Insurance Business: Fifteen per cent of the premium.
 - ii. Where the agreement between the MI agent and insurer is terminated for any reason whatsoever, no future commission/remuneration shall be payable.
 - iii. For group insurance products, the insurer may decide the commission subject to the overall limit as specified in (a)
 - iv. The remuneration under MI Products payable to Insurance Agents and to registered Insurance Intermediaries other than the MI Agents shall be in accordance to the provisions of the respective applicable Regulations/provisions of the Insurance Act, 1938 as amended from time to time.
- 2.17. The provisions of IRDA (Standard Proposal Form for Life Insurance) Regulations, 2013 are not applicable to Life MI Products approved.
- 2.18. All MI policies may be reckoned for the purposes of fulfilment of social obligations by an insurer and where a MI policy is issued in a rural area and falls under the definition of social sector, such policy may be reckoned for both rural and social obligations separately.

- 2.19. It shall be the responsibility of the insurer to handle and dispose of complaints against a MI agent with speed and promptness and shall send a quarterly report to the Authority regarding the handling of complaints/grievances
- 2.20. Every insurer shall furnish information in respect of MI business in such form and manner and containing such particulars, as may be required by the Authority from time-to-time.

3. Regulatory Framework on MI in other jurisdictions:

- 3.1. Two countries where MI regulations have ensured qualitative growth are:
- I. Peru
 - II. Philippines

Over their journey, both the countries have relaxed their product regulations to allow offering multiple covers under a single product. Please find below the overall journey of regulations which can give us some insight on the way forward for us.

- 3.2. **Peru** – Peru’s MI regulations can be divided into three phases wherein the regulations were improved in each phase on the basis of feedback received.

Phase	Description	Main Features
1 (2007 – 2009)	Introduction of comprehensive MI regulations, the MI Regulations 2007, for the first time.	<ul style="list-style-type: none"> • Quantitative definition of MI • Introduction of new distribution channels – MI marketers • Introduction of conduct of business themes, i.e. products, policy or certificate, distribution, premium payment, claims settlement, complaints and reporting.
2 (end 2009 – 2015)	Major changes to the definition of MI and the introduction of new law and regulations.	<ul style="list-style-type: none"> • Abolishment of the quantitative definition and introduction of less stringent product features, more distribution options, more flexible policy ending • Issuance of the mass insurance framework in 2010 • Introduction of ICL 2013 in 2013 (Law 29,946)
3 (2016 onwards)	Key revisions arising from recognising gaps in current framework, new market trends and consultations with industry.	<ul style="list-style-type: none"> • A new definition of MI with mixed qualitative and quantitative parameters • A more efficient product registration process • Use of electronic policies and distance marketing • Conduct of business improvements, i.e. shorter claims settlement timeline, disclosure, training and supervision of intermediaries

- 3.2.1. The Regulations simultaneously implemented steps to ensure Improved consumer protection and market transparency.

- 3.2.2. Accountability of insurer: Article 16 of ICL set out that Companies are responsible for the conduct and performance monitoring of its intermediaries and therefore for any

damages that may arise to the clients. Any communications or premium payments made by the client to intermediaries are considered communicated or paid to the insurer.

3.2.3. Disclosure of commissions: Introduced requirement to disclose intermediary commissions in the policy contract in order to improve transparency and competition, in response to observations that the MI market was dominated by certain distribution channels charging very high commissions.

3.2.4. Training of intermediaries: Article 19 of ICL set out that companies must ensure intermediaries are adequately trained based on an appropriate annual training schedule

3.3. **Philippines** – Philippines MI regulations can also be divided into three phases.

Phase	Description	Main Features
1 (2006 – 2009)	Definition of MI, the first proportionate rules on product and distribution and creation of a new tier of MI providers	<ul style="list-style-type: none"> • IC Circular creating MI-MBAs, defining MI, setting product and intermediary standards • Lighter KYC requirements • Central bank (Bangko Sentral ng Pilipinas, BSP) rule allowing rural and thrift banks to market MI
2 (2010 – 2013)	Introduction of comprehensive set of national strategies for MI including a proportionate regulatory framework	<ul style="list-style-type: none"> • Joint formalisation approach across supervisors • One overarching strategy, the National MI Strategy (2010), and three additional MI strategies: Regulatory Framework for MI, The Road Map to Financial Literacy and the Alternative Dispute Resolution Framework • A series of legal and regulatory instruments putting into effect the strategies, mostly of the IC but some involving other authorities • Circular and system on separate performance monitoring for MI (SEGURO)
3 (2015 onwards)	The regulatory framework was broadened in scope and refined based on market experience by way of a revised overall regulation and regulations for specific lines	<ul style="list-style-type: none"> • Issuance of IC regulations called “Enhanced Regulatory Framework” addressing MI distribution product bundling and reinsurance • Issuance of IC regulations for certain sectors via three regulatory frameworks including MicroAgri Framework, Micro Pre-need Framework and MicroHealth Framework

3.3.1. The Regulations specifically focus on the following from the product perspective through defined rules for:

- The policy contracts
- The use of a standard MI logo on documents and by agents
- Bundling between life and non-life lines
- Documents required to be submitted for a claim

- A claims settlement timeline
- KYC requirements

Provisions for individual/group insurance plans	Traditional Products	MI Products
Maximum premium/benefit	No limitation	0.71 USD daily / 9,405.40 USD benefit
Policy contract	No requirements	Simple and easy to understand one pager document
Premium collection	Monthly, quarterly, semi-annual, annual	Also, daily and weekly
Grace period	31 days from premium due date	45 days from due date
Suicide clause	Maximum 2 years	Maximum 1 year
Claims settlement	Within 60 days	Within 10 days but not mandated
Identifier	Nothing special	MI Logo apart from Company's logo

3.3.2. Prototype MI policy contracts were developed for life products (group life, term life and life contract with cash value) and non-life products (basic perils to life, properties and livelihood). The IC and the two insurance associations for life and non-life, Philippine Insurance and Reinsurers Association and Philippine Life Insurance Association, jointly developed these prototypes through a Technical Working Group. The prototype policy contract was one page long, written in the national language Tagalog and simple English and contained only required key information about the product and the insurer. Similar to all other MI products approved by the IC under the IMC No. 9-2006, it was required to prominently display the MI logo on the face of the policy contract. This was to enable clients to immediately recognise that they were buying a MI product.

3.3.3. Consumer due diligence was relaxed to allow for simpler information requirements or flexibility in identity verification procedures, with specific consideration for various distribution models such as group policies or telemarketing.

CHAPTER 3 STANDARD COMBI MI PRODUCT – A MODEL PRODUCT

1. Concept of a Combi-product

- 1.1. As already seen by us, as per IRDAI (MI) Regulations 2015, Sec. 3 (1), “An insurer carrying on life insurance business may offer life MI products as also general insurance products, provided where an insurer carrying on life insurance business offers any general insurance business product, he shall have a tie up with an insurer carrying on general insurance business for this purpose, and subject to the provision of Sec 64 VB of the Act, the premium attributable to general MI product may be collected from the prospect (proposer) by the insurer carrying on life insurance business, either directly or through any of the distributing entities of MI products as specified in Regulation (4) and made over to the insurer carrying on general insurance business: provided further that in the event of any claim in regard to general MI products, the insurer carrying on life insurance business or distributing entities of MI products, as the case may be, as may be specified in the tie-up referred to in the first provision, shall forward the claim to the insurer carrying on general insurance business and offer all assistance for the expeditious disposal of the claim.” Sec 3 (2) of the same Regulation mentions similar arrangement between General and Life Insurers where Health Insurers form part of General Insurers.
- 1.2. Hence, the provision for offering Combi products (though the nomenclature ‘Combi product’ has not been used), by permitting a tie-up between a life insurer and a general insurer (which subsumes a health insurer) already exists in the current framework.— only, it has not been given the nomenclature ‘Combo’. However, this option has been on the back burner. A possible reason could be the complexity involved in servicing such a product which can be a challenging task, especially for distributors of MI products. However, unless the concept is actually tried, one would not know what exactly the complexities involved are or what the challenges are. There has been a limited experience of a combi life cum health product (though not under the MI category) and it has thrown up various concerns and challenges relating to servicing.

2. Combi MI product, the right solution

- 2.1. Low income segments covered by MI products involve a wide canvas of individuals / families. While one end comprises of the financially deprived section, the other comprises of middle-income earners who may be earning up to Rs 3 lakh p.a. From the residential perspective, they may be either living in a metro or in remote rural areas. This means that there could be a wide spectrum of needs.
- 2.2. The concept of a Combi MI product for the low income population, will address their needs of financial risks protection. Hence, these products should be designed in such a way that the low-income segment customer can easily understand the benefits being offered by the product. In general, insurance policies are complex products and are designed in such a manner that makes understanding what is covered and not covered difficult for the customer. Most of the target group members would probably be availing the benefit of the insurance products for the first time in their life and a complex product may discourage them from obtaining insurance as a protection mechanism.

2.3. The design of the product needs to achieve three broad aims; a) it should be easy to understand b) it should have hassle –free documentation and servicing, and c) the customer should be satisfied about the protection offered.

2.4. An ideal Combi product would have the following features:

i. Covering multiple risks under one policy

It is desirable that the poor households get coverage for different risks under one product and also get servicing from one touch point to avoid unnecessary hassles of coordination and documentation.

ii. Simple to understand

Insurance products by nature are linked with the unpredictability of incidences and if a product is not easy to understand for a customer belonging to the low-income segment, the trust factor will remain missing.

iii. Balanced design

It is important to maintain a balance between what is covered and what is not covered while designing the product so that the product remains sustainable in the long run even while meeting the main protection needs of the people.

iv. Affordability

Different unique payment options may be explored keeping in view the life cycle and earning patterns of the insured so that they can afford to pay the premium regularly and get cover without any break.

v. Persistency friendly

The product design needs to address the issue of persistency.

vi. From being uninsured to getting adequately insured

a. It is a fact that insurance penetration in the country, in particular general insurance is very low. Largely those who are insured, especially individuals, tend to buy insurance because it is made mandatory or is required by a financier etc.

b. The vast majority of the Indian population actually carries various risks rather than transferring them to insurers. It is necessary to introduce the concept of insurance as a protection mechanism amongst the target groups under discussions and over a period of time ensure that they are adequately insured.

- c. It is recommended that the Combi product be offered on a modular basis giving the choice to the customer to choose the covers as per his or her requirement depending upon the needs involved be it cover for the individual or for the property.

vii. Policy, KFD and Prospectus

The Policy, KFD and Prospectus need to be designed in a very cost effective manner and in different regional languages (as may be required) so that it can be easily understood.

3. Contours of a Combi product on modular basis

3.1. The Committee recommends a Combi product on modular basis. The recommended policy is a one-year renewable policy.

3.2. Ideally, every insurer should offer the Combi product.

3.3. The recommended modules:

- i. **Module I – Life Cover:** As per IRDAI's standard policy Saral Jeevan Bima with a maximum sum assured limit of Rs. 5 lakh
- ii. **Module II – Pension Cover:** As per IRDAI's standard policy Saral Pension with min annuity of ₹ 1,000 per month and maximum of ₹ 5000 per month
- iii. **Module III – Non- Life Cover:** As per IRDAI's standard policy Bharat Griha Raksha Policy with a maximum sum insured limit of Rs. 5 lakh
- iv. **Module IV – Non- Life Cover:** As per IRDAI's standard policy *Bharat Sookshma Udyam Suraksha* with a maximum sum insured limit of Rs. 10 lakh
- v. **Module V - Alternate accommodation/Increased cost of working for small businesses** (arising out of a claim under Module IV)- maximum 30 days
Coverage: In the event of the material damage claim under Module III premises being destroyed or damaged by any Insured Peril under Module IV of the policy as to become unfit for occupation and in consequence take up alternative accommodation, the Additional rent that would be payable by the insured from the period beginning from the date of operation of any of the Insured Perils until the 'PREMISES' is rendered fit for occupation subject to maximum for a period of 30 days. The member should be the owner or tenant of the Building.
Sum Insured: Upto Rs. 750/- per day for maximum of 30 days
- vi. **Module VI - Personal Accident:** Death, Permanent Total Disablement, Permanent Partial Disablement, with Medical expenses
Coverage: Due to an accident if any of the insured events happens, the benefit will be payable against each loss as per the specified limits.
Maximum Sum Insured upto Rs. 3 lakh.

- vii. **Module VII - Critical Illness – Cash benefit**
 Coverage: If insured person shall contract mentioned Critical Illness as a first incidence, then Insurance Company will pay the sum insured stated in the Schedule as lump-sum.
 Maximum Sum Insured upto Rs. 1 lakh
- viii. **Module VIII – Hospital Cash**
A. Sickness Hospital Cash:
 If during the period stated in the Schedule, if the insured person shall contract any disease or suffer from any **illness** and if such disease / illness shall, upon the advice of a duly Qualified Physician/Medical Specialist /**Medical Practitioner** or of duly Qualified Surgeon, require admission of the insured Person as an In-patient in any **Nursing Home / Hospital** in India for the purpose of medical /surgical treatment, then the Company will pay to the Insured Person, Hospital Cash Amount mentioned in the schedule for each completed day of hospitalization subject to maximum of 30 days per policy period.
B. Accident Hospital Cash:
 If during the period stated in the Schedule, if the insured person shall sustain bodily injury due to **accident** and if such **accident** shall, upon the advice of a duly Qualified Physician/Medical Specialist /**Medical Practitioner** or of duly Qualified Surgeon, require admission of the insured Person as an In-patient in any **Nursing Home / Hospital** in India for the purpose of medical /surgical treatment, then the Company will pay to the Insured Person, 150% of the **Hospital Cash Amount** mentioned in the schedule for each completed day of hospitalization subject to maximum of 30 days per policy period.
 Sum Insured upto Rs. 2000 per day for 30 days in a year
- ix. **Module IX - Health Insurance - As per IRDAI's standard policy Arogya Sanjeevani Policy**
 Maximum Sum Insured upto Rs. 5 lakh
- x. **Module X - Livestock (Cattle, Camel, Goat/Sheep)**
 Coverage: Death of animal whilst within the geographical area specified from any accident (Inclusive of fire, lightning, flood, cyclone and a famine) or (b) disease inclusive of Rinderpest, Blackquarter, Hemorrhagic, Septicemia, Anthrax, Foot and Mouth Disease, Theileriosis contracted or occurring during the period of the Policy or (c) surgical operation or (d) Strike, Riot & Civil commotion risks, Livestock should be owned and in the possession of the member.
 Maximum Sum Insured upto Rs. 2 lakh
- xi. **Module XI – Crop Insurance (Horticulture and Plantation Crops)**
 Coverage: Loss of input due to loss or damage to the insured tree/fruits (whichever is applicable depending on the crop insured) occasioned by operation of any one or more of the Insured perils either in isolation or in concurrence:

 These are termed as standard perils and are applicable for all type of insured fruit crops and plantation crops. Additional/optional cover as is applicable to specific crop can be granted on selective basis after evaluation of the proposal.
 I – Horticulture Crops : Grape, Citrus, Chikoo, Pomegranate and Banana

II – Plantation Crops: Rubber, Eucalyptus, Poplar, Teak wood, Oil Palm Plantations, All types of trees, Sugarcane and Tea

The member should be the owner or tenant of the cultivated land.

The policy will be issued for fixed Sum Insured, which is given separately under each crop upto Rs 2 lakh.

xii. **Module XII – Poultry Insurance**

Coverage: If any insured birds described in the Schedule and belonging to the Insured die whilst within the location of the farm area, specified in the schedule, due to perils given as below, the Company shall pay the insured up to 80% of the value of the birds, as per the week wise Valuation Table (Appendix I), on the day of the happening of such a loss. In case the insured birds die in between two weeks, the value in the completed week, from the Valuation Table, shall be taken into consideration for assessing the loss.

Maximum Sum Insured: Upto Rs. 2 lakh

xiii. **Module XIII – Aquaculture**

Coverage: Indemnity against death of the prawns caused by one or more of the following events:

- (a) Summer kill
- (b) Pollution.
- (c) Poisoning
- (d) Riot and Strike
- (e) Malicious acts of Third Parties
- (f) Earthquake
- (g) Explosion/Implosion
- (h) Storm, Tempest, Cyclone, Typhoon, Hurricane, Tornado, Flood, Inundation, Volcanic eruption and/or other convulsions of nature

Note: Flood, Inundation excludes Normal Tides

Maximum Sum Insured upto Rs. 2 lakh

xiv. **Module XIV – Loss of Earnings Cover**

Coverage: Loss of income or earning due to unforeseen incident which can be an Act of God peril or Pandemic is covered. It has to be of a nature that can be classified as a **disaster** like Geophysical (e.g. Earthquakes, Landslides, Tsunamis and Volcanic Activity), Hydrological (e.g. Avalanches and Floods), Climatological (e.g. Extreme Temperatures, Drought and Wildfires), Meteorological (e.g. Cyclones and Storms/Wave Surges), Biological (e.g. Disease Epidemics and **Insect/Animal Plagues**)

The member should be earning/have a job/self employed

Maximum Sum Insured upto Rs. 25,000 /-

Note: A more detailed document on the module-based Combi product is placed as Appendix – 1.

CHAPTER 4: DISTRIBUTION AND MARKETING

1. Distribution Channels

- 1.1. 'Micro Combi Product' may be solicited through all distribution channels such as the insurance agents and insurance Intermediaries including Brokers, Insurance Marketing Firms, Corporate Agents, Point of Sales Person, CPSC-SPV, Insurance Marketing Firm, Direct Marketing and through on-line mode, apart from MI agents.
- 1.2. 'Micro Combi Product' may be sold as a group policy or an individual policy. In the case of a group policy, the group guidelines of IRDAI would apply.

2. Challenges

- 2.1. The poor face multiple layers of challenges and it makes things more difficult if any untoward incident hits their lives. The recent example of COVID 19 pandemic and the lockdown due to it have forced the poor and low-income households in dire circumstances. The health pandemic has hit them as a health risk as well as an economic risk. It is very difficult for a low income household to plan for different types of financial risks and assign resources for managing these risks.
- 2.2. Their issues for the poor are intermingled and as a result they impact each other in more complex ways than they do the general population. For example the low-income households get economically impacted by spending out of pocket and by losing wages during hospitalisation. Similar is the case when a natural calamity takes place and causes damage to their homes. It not only destroys their assets, but also impacts their income generating opportunities because in most cases their home is their workplace. These intricate links between different types of risks make things complicated to manage at the individual level for a vast majority of the poor people India.
- 2.3. The supply side challenges in terms of availability of good MI products for the low income segment and its effective distribution are matters of concern. The low premium ticket size, high servicing cost and other distribution related challenges are some of the major hindrances in developing and marketing these products. These challenges need to be addressed from both the demand side and the supply side. The consumers relate and perceive the benefits of insuring also better if the different risks are combined and offered under one umbrella. Similarly, insurance companies will find it more viable to serve the needs of the target population in a combined manner.
- 2.4. The Combi-MI product is a unique concept aimed to serve the low income segment and fulfil their insurance protection needs through a single product. Such an approach will help the customer in getting service from one touch point and make it hassle free in terms of coordinating with different entities for him/her should a loss, leading to a claim, occur. It will also lower the different costs related with marketing and servicing. It will attract the customer who will definitely see the value of money through such polices.

2.5. There are some challenges which can be envisaged for such policies and this needs to be addressed for higher uptake and better persistency ratio. These challenges include-

2.5.1. Lack of understanding of this concept

The uniqueness of the product and simplification of service can only be achieved if it is explained to the end-user in an effective way. Lack of past experience with such type of products may be a hindrance to promote the idea and enrol customers. Also, the distribution channels will need realigning of their marketing efforts to develop better understanding of their target segment.

2.5.2. Ensuring smooth servicing

The complexity of types of risk covered under this policy will need better coordination and clarity among different stakeholders. The frontline touch points need to be strengthened and simplified for smooth servicing of this product. This will be a new experience for the distribution channels.

2.5.3. Managing parity in distribution margin

Multiple risks have different pricing strategies and so the pricing needs to be tweaked to maintain parity in distribution margins in order to attract the interest of intermediaries. It will be a challenge to balance customer needs and the distributors' interests for a decent margin with various permutations and combinations available in Combi products.

2.5.4. Managing persistency

The particular market segment which this product aims to address is concerned about more immediate issues rather than risks in the distant future. The marketing and distribution cost will increase if the persistency is low and vice-versa. It is important to maintain high a persistency to have a low cost structure, better customer experience and a resultant larger distribution coverage. Marketing and distribution must aim to address it.

3. Use of technology

3.1. The nature of MI products demands efficient use of technology for reducing costs ensuring better servicing and for effective validation of the insured risks. Effective use of technology for distribution and marketing in terms of identification of members, capturing the correct address and all other details need to be encouraged.

3.2. The existing Jan Dhan, Aadhar and Mobile trinity based triangulation will make distribution and on-boarding of members very seamless. It will help in detecting the wrong information and also facilitate smooth servicing. The multiple sets of data collection and its validation through use of effective technology will expedite the distribution of the Combi MI products. The use of technology including geo-spatial verification of assets will help in addressing the issue of delays and disputes in claim

settlement. End-to-end use of technology needs to be mandated. The collection of relevant information with the support of existing data-ecosystem available in the open domain with the government is necessary.

- 3.3. MI products are aimed to address the need of the low-income segment and the fear of multiple enrolments of a single insured member inhibits the insurance companies to go in for seamless and speedy distribution of the product. This is especially true in the case of distribution of individual policies. This issue can be addressed by allotting a unique identification number for all insured members by sharing the details of insured members through a common platform. It will help in stopping the fraudulent or multiple policy access and such members can be identified if they are already enrolled with any insurance company in a Combi MI product. The example of Jan Dhan account scheme of the Government is a case in point.
- 3.4. This approach will also help the insured members to establish the claim history and ultimately those who are good risks can be retained and rewarded for long term renewals. This will reduce the marketing and servicing cost of the insurance company and help in developing a long term sustainable business model.

4. Awareness creation for better understanding

Awareness creation and better understanding shouldn't aim just for a high uptake in the short run but also for better persistency in long run. Better claims experience and word of mouth awareness about the concept of combi MI will be of utmost importance. In this regard, the MI product needs to be distributed keeping long term persistency in mind and improving the trustworthiness of the targeted population.

5. Combining Micro Combi Product with various existing Government schemes:

As we have seen, difficulty in distribution is one of the key challenges for a MI product. To have greater last mile reach, increasing penetration of the proposed Micro Combi product and to make product distribution cost effective, it may be a good idea to club the distribution of the product with existing Govt. schemes offering various social support services in rural population/low income groups and farmers. Infrastructure and personnel engaged in such Govt. schemes can be trained to sell and service the proposed micro combi product; this will enable cost effective distribution of product. This channel will be more trustworthy amongst the rural population who is mostly new to insurance or is inexperienced in so far as insurance is concerned. The following are some such existing schemes where MI product can be introduced and distributed.

5.1. Bank Mitra /Bank Sakhi

The Ministry of Rural Development, Govt. of India, DAY-NRLM works towards universal coverage of rural poor against risk of loss of life, health and assets.

To promote financial literacy amongst the poor and provide basic financial services, SHG members are being trained and such Bank Mitra /Bank Sakhis can be used to promote the proposed insurance product as well. At present, 11189 Bank Sakhis are working in 330 districts covering 11,552 villages. These Bank Sakhis have done cumulative transactions worth Rs. 6200 Cr in past three years out of which Rs.1800 Cr

transaction during first four months of Lockdown. Govt. of India has proposed to have at least one Bank Mitra /Sakhi in every village of the country.

5.2. **Mahila Kisan Sashaktikarn Pariyojana**

This (is a Scheme of Ministry of Rural Development under NRLM for nurturing women led enterprises in the farm and allied sector and non-farm sectors. Around 1 lakh different enterprises owned by Individual / Group with investment ranging from Rs. 25,000/- to 20 Lakh are supported till date. These enterprises are mainly engaged in Farm and allied activities like sustainable agriculture and livestock promotion, custom hiring centers, agri. nutri garden, goat milk marketing, Poultry rearing, Silkworm rearing, Bee keeping etc.

Mahila members of entrepreneurial activities under the MKSP scheme can be targeted to be covered under proposed micro combi product and also can be trained and used for product distribution to the rural population and farmers in their area.

5.3. **GSWS of Govt. of Andhra Pradesh**

The Govt. of Andhra Pradesh has created a network of “Gram Ward Secretariat” throughout the state of Andhra Pradesh for providing last mile delivery of welfare schemes and services at the doorstep of the citizen.

Approx. 4 lakh trained personnel have been deployed on the field to cater to citizen services (includes 1.34 lakh secretariat functionaries and 2.61 lakh volunteers). A secretariat typically houses 10/11 functionaries and a volunteer is assigned between 70-100 households. There are 15004 secretariats in the state, with 74% (11,162) of them located in rural areas. Every 2000 population has a secretariat and every household is mapped to a volunteer, who would assist the household in raising a service request, which is further coordinated and processed through secretariat.

The network of these secretariats and Personnel engaged under GSWS in the state of Andhra Pradesh can be trained and used for distribution and selling of proposed Micro Combi Product.

5.4. **SHG**

At present a total 66.33 lakh SHGs are active in India with total of 7.26 Crore Members. The latest insurance coverage report of SHG members indicates 23.42 lakh members are covered under PMJJBY, 25.87 lakh members are covered under PMJSBY and 14.83 lakh members are covered under other life insurance schemes. Considering the potential of the SHG groups and large numbers of its members, the proposed Combi MI product can be introduced and offered to the SHG members as the initial target group for product introduction and sell to increase its overall awareness and popularity in general public.

5.5. **Other channels:**

Various State Govts. have different channels and infrastructure for providing services to the rural community and farmers, all of which can be used for the distribution of the proposed Combi MI product.

CHAPTER 5 UNDERWRITING AND SERVICING

1. Introduction:

- 1.1. The Micro Combi Product shall be promoted by a Life Insurance Co, Non- Life Insurance Company and a Health Insurance Company.
- 1.2. As already suggested, it will be a combination of covers offered on a modular basis including Life product, Non-Life products and Health products, where the Insured can select a combination of any products, but compulsorily a life product, a non-life and a health product. The recommendation is to have a modular design (as suggested in **Appendix 1** of this report) leaving the choice of modules to the customer with of course the Life, one Health and one Non-life section being compulsory.
- 1.3. The premium components of all risks are to be separately mentioned and disclosed to the policyholders at both pre-sale stage and post-sale stage in all documents like Brochures, Sales Literature, Policy Document, KFD and Prospectus.
- 1.4. As already indicated, the product may be offered as a group product or an individual product.
- 1.5. The health Insurance coverage as well as personal Accident coverage can be extended to the family of the policy holder, who is the proposer.
- 1.6. The principal underwriter may release the commission which will be a single rate for the Combi product.
- 1.7. On expiry of the Policy, the policy holder will have the option to migrate to an independent life, general and / or health insurance policy as the case may be, if the policy holder decides not to renew the Combi product.

2. *Modus Operandi* :

- 2.1. The General Insurance Council and the Life Insurance Council can enter into a market agreement or MOU for uniform risk coverage premium rates, exclusions, procedure of insurance, payment of commission etc which will be binding on all members of the respective council.
- 2.2. The MOU should have all terms clearly spelt out with schedule of premium payments, the *modus operandi* of transmission of premium payments, and claim servicing aspects including TATs.

- 2.3. Since three Insurers could be involved, one Insurance Company should be selected as Lead Insurer and the Lead Insurer should play the role of facilitating the policy service and act as a contact point for all services.
- 2.4. When it comes to claims servicing, the customer should deal with only the lead insurer for the procedure and documentation. Any kind of duplication in so far as requirements of the three insurers who may be involved concerned should not exist.

3. Underwriting:

- 3.1. Under the Micro Combi product, underwriting of respective sections shall be done by respective Insurance Companies. i.e. Life product by the Life Insurance Company, Non-Life products by the Non-Life Insurance Company and Health products by the Health Insurance Company.
- 3.2. The product must be filed on a modular basis by the respective insurers and combinations can be prepared at front end by the Distributor depending on the insurers he/she chooses.
- 3.3. Technology should drive the underwriting and servicing of the Combi MI product. IT systems have to be put in place for supporting the sale and policy service of the 'Combi Products'. A technology solution for the underwriting and servicing of Combi MI products has been suggested and placed as **Appendix 4** of this report.
- 3.4. The collection of premium ought to comply with Section 64 VB of the Insurance Act, 1938.

Appendix 1

Combi product on modular basis

Module I - Saral Jeevan Bima (Standard Product)

The coverage shall be as per IRDAI's Circular IRDAI/Life/Cir/Misc/254/10/2020 dated 14/10/2020 as amended from time to time.

Maximum Sum Assured: Upto Rs. 5 lakh.

Module II – Saral Jeevan Pension (Standard Product)

The coverage shall be as per IRDAI's Circular IRDAI/Life/Cir/Misc/014/11/2021 dated 25/01/2021 as amended from time to time.

Min annuity of ₹ 1,000 per month and Maximum of ₹ 5000 per month.

Module III – Bharat Griha Raksha Policy (Standard Product)

The coverage shall be as per IRDAI's guidelines no. IRDA/ NL/GDL/MISC/004/01/2021 dated 4th January, 2021 and relevant annexure as amended from time to time.

Maximum Sum Insured upto Rs. 5 lakh.

Module IV – Bharat Sookshma Udyam Suraksha (Standard Product)

The coverage shall be as per IRDAI's guidelines no. IRDA/ NL/GDL/MISC/004/01/2021 dated 4th January, 2021 and relevant annexure as amended from time to time.

Maximum Sum Insured upto Rs. 10 lakh across all insurable asset classes at any one location at the commencement of the insurance.

Module V - Alternate accommodation/ Increased cost of working for small businesses (arising out of a claim Module IV)- maximum 30 days (Suggested Cover)

What is covered?

We will indemnify you in the event of the premises described in the policy and occupied by the insured, hereinafter referred to as 'PREMISES' being destroyed or damaged by any Insured Peril under Module IV of the policy as to become unfit for occupation and the Insured in consequence taking up alternative accommodation, the Company shall, subject to special conditions set out herein, indemnify the Insured against the Additional rent which the Insured is called upon to bear for the period beginning from the date of operation of any of the Insured Perils until the 'PREMISES' is rendered fit for occupation such period not exceeding such reasonable time as is required to restore the premises with due diligence to a condition fit for occupation.

It is hereby agreed and declared that notwithstanding anything contained herein to the contrary, this section extends to cover the Increased Cost of Working necessarily incurred by the Assured in order to continue as nearly as practicable the Normal conduct of the Assured's business following loss caused by direct physical loss or damage by a peril, as covered by Module IV.

Increased Cost of Working means the excess (if any) of the total cost during the period of restoration chargeable to the conduct of the Assured's business over and above the total cost that would normally have been incurred to conduct the Assured's business during the same period had no loss or damage occurred.

The term Increased Cost of Working includes the reasonable extra cost of temporary repair or of expediting the repair or replacement of such damaged property of the Assured, including overtime and the extra cost of express or other rapid means of transportation and shall also include the cost incurred in obtaining property for temporary use during the period of restoration necessarily required for the conduct of the Assured's business.

The period of restoration shall be limited to the time required, with the exercise of due diligence and dispatch, to repair, rebuild or replace such damaged or destroyed property, commencing with the date of the direct physical loss or physical damage (or such later date as may be applicable hereto) and not limited by the expiration date of this Policy.

LIMITATIONS Underwriters shall not be liable for more than the smaller of either:

a) any specific Increased Cost of Working Sum Insured stated in the Schedule,
or

b) Actual cost allowable as per this section.

DEDUCTIBLE Each occurrence of Interruption of Business shall be adjusted separately and shall be subject to a time excess of 7 days. Time excess is the number of days beyond which if any business interruption persists the claim will be honoured under the policy.

DIRECT DAMAGE No claim shall be payable under this section unless and until a claim has been paid, or liability admitted, in respect of direct physical loss or physical damage of a peril to Property Insured under Section II and which gave rise to Increased Cost of Working.

RESUMPTION OF OPERATIONS The Assured shall as soon as reasonably practicable resume normal operation of the business and shall dispense with such Increased Cost of Working.

What is not covered?

- i. increase in loss resulting from interference at the insured premises, by strikers or other persons, with rebuilding, repairing or replacing the property or with the resumption or continuation of operation
- ii. increase in loss caused by the suspension, lapse, or cancellation of any lease, license, contract, or order.
- iii. increase in loss caused by the enforcement of any ordinance or law regulating the use, reconstruction, repair or demolition of any Property Insured hereunder.
- iv. loss of Earnings or any other consequential loss.
- v. Exclusions under Module IV applies

Conditions

1. This insurance shall apply subject to the condition that the PREMISES occupied by the insured, whether as owner or tenant, forms part of a building not being "Kutchra"

- Construction.
2. If the area of alternative accommodation taken by the insured is more than the area of the PREMISES occupied by the insured, the additional rent borne by the insured for the purpose of this insurance shall be deemed to be that proportion of the additional rent actually borne by the insured as the area of the PREMISES which was in the insured's occupation bears to the area of the alternative accommodation taken by the insured.
 3. The insured shall be at liberty to take alternative accommodation in any locality so long as it is within the panchayat or Municipal limit of the city or town in which the PREMISES is situated.

Making a Claim

- A. **Notification of Claim:** Upon the happening of any event, which may give rise to a valid claim under this policy, notice with full particulars shall be sent to the Company immediately.
- B. **Submission of Documents:** The Insured Person shall submit within 15 days of notification of claim, the filled and signed claim form and all relevant documents, information and any other information/ documents the Company may request, to establish the Claim made

The company may examine and relax the time limits mentioned in condition A & B depending upon the merits of the Case

Such documents include but not limited to the following: -

- Claim form duly completed and signed
- Estimate of Loss
- Certificate from the Local Government Authority or an Architect to the effect that premises in question are unfit for occupation will be accepted as adequate proof of the fact that the premises, in fact, have become so.
- Bills with respect to the additional expenses incurred
- Meteorological report or confirmation from the local government authorities in case of Act of God perils
- Bank Account Details
- Copy of Identity Proof (Driving Licence/PAN Card/Voter ID card/Aadhaar Card)

- **Sum Insured upto Rs. 750 per day for maximum of 30 days in a year.**

Module VI - Personal Accident: Death, Permanent Total Disablement, Permanent Partial Disablement, with Medical expenses (ME) [Suggested Cover].

What is covered?

1. If at any time during the currency of this Policy, the Insured Person shall sustain any bodily Injury resulting solely and directly from Accident caused by external, violent and visible means, then the Company shall pay to the insured person or his legal personal representative(s), as the case may be, the sum or sums hereinafter set forth, that is to say:

a) If such Injury shall within Twelve calendar months of its occurrence be the sole and direct cause of the death of the Insured Person, the Capital Sum Insured (CSI) stated in the Schedule hereto.

b) If such Injury shall within Twelve calendar months of its occurrence be the sole and direct cause of the total and Irrecoverable loss of

- i. Sight of both eyes or the actual loss by physical separation of two entire hands or two entire feet or one entire hand and one entire foot, or of such loss of sight of one eye and such loss of one entire hand or one entire foot, the Capital Sum Insured in the Schedule hereto.
- ii. Use of two hands or two feet, or of one hand or one foot, or of such loss of sight of one eye and such loss of use of one hand or one foot, the Capital Sum Insured stated in the Schedule hereto.
- c) If such Injury shall within twelve calendar months of its occurrence be the sole and direct cause of the total and irrecoverable loss of
- i. the sight of one eye, or of the actual loss by physical separation of one entire hand or of one entire foot, fifty percent (50%) of the Capital Sum Insured stated in the schedule hereto:
- ii. total and irrecoverable loss of use of hand or a foot without physical separation, fifty percent (50%) of the Capital Sum Insured stated in the Schedule hereto.
- NOTE: For the purpose of Clause (b) and Clause (c) above, 'physical separation' of a hand means separation at or above the wrist and of the foot at or above the ankle.
- d) If such Injury shall as a direct consequence thereof, immediately, permanently, totally and absolutely, disable the Insured person from engaging in any employment or occupation of any description whatsoever, then lump a sum equal to hundred percent (100%) of the Capital Sum Insured.
- e) In such Injury shall within twelve calendar months of its occurrence be the sole and direct cause of the total and/or partial and irrecoverable loss of use or of the actual loss by physical separation of the following, then the percentage of the capital Sum Insured as indicated below shall be payable:

		% of capital S I
I	Loss of toes - all	20
	Great - both phalanges	5
	Great one phalanx	2
	Other than great, if more than one toe lost for each	1
II	Loss of hearing - both ears	75
III	loss of hearing - one ear	30
IV	loss of four fingers and thumb of one hand	40
V	Loss of four fingers	35
VI	Loss of thumb - both phalanges	25
	Loss of thumb - one phalanx	10
VI I	Loss of index finger	
	Three phalanges or two phalanges or one phalanx	10
VI II	Loss of middle finger	
	Three phalanges or two phalanges or one phalanx	6
IX	Loss of ring finger	
	Three phalanges or two phalanges or one phalanx	5
X	Loss of little finger	
	Three phalanges or two phalanges or one phalanx	4
XI	Loss of metacarpals - first or second (additional) or third, fourth or fifth (additional) 3	3

Any other permanent partial disablement	Percentage as assessed by the panel Medical Practitioner of the company
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The applicable benefits with CSI for the same as more specifically described in the schedule will be considered for any liability under the Policy.

SPECIAL FREE BENEFITS

1) **CARRIAGE OF DEAD BODY:** It is hereby agreed that in the event of the death of the Insured Person due to Accident, as defined in the Policy, outside his/her residence, the Company shall pay, in addition to the amounts payable under Sub-Clause (a), for transportation of Insured Person's Dead body to the place of residence, a lump sum of 2% of Capital Sum Insured or Rs. 25000, whichever is less.

2) **EDUCATION GRANT:** In the event of death or permanent total disablement of the Insured due to an Accident as defined, the Policy shall pay as education grant for the dependent children as below:

a) If the Insured Person has one dependent child below the age of 25 years, an amount equal to 10% of the CSI subject to a maximum of Rs. 25000/-.

b) If the Insured Person has more than one dependent child below the age of 25 years, an amount equal to 10% of CSI subject to maximum of Rs. 50,000/-

The payment as above will be made along with the CSI to the same person/s who is/are entitled to receive CSI.

Provided that if there be any other subsisting personal Accident insurance/s covering the Insured Person then the total benefits under this regulation, under all such policies, shall be limited to a maximum of Rs. 25,000/- in case there is one dependent child and Rs. 50,000/- in case there is more than one dependent child. The amount so payable shall be borne by all the policies in proportion to the original sum insured.

What is not covered?

Compensation under more than one of the foregoing Sub clauses in respect of the same period of the same period of disablement of the Insured person.

Any other payment to the same person after a claim under one of the Sub-Clauses (a), (b), or (d) has been admitted and become payable. However, amounts relating to medical expenses, carriage of dead body would be payable in addition if applicable.

Any payment in excess of sum insured under the policy during any one period of insurance for any one Insured Person.

Payment of compensation in respect of Injury or disablement directly or indirectly arising out of or contributed to by or traceable to any disability existing on the date of issue of this policy

Payment of compensation in respect of death, disablement of the Insured from (a) intentional self-injury, suicide or attempted suicide (b) whilst under the influence of intoxicating liquor or drug (c) Directly or indirectly caused by insanity, (d) Arising or resulting from the insured committing any breach of the law with criminal intent.

Payment of Compensation in respect of Death, Disablement of the Insured Person, due to or arising out of or directly or indirectly connected with or traceable to war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, mutiny, military or usurped power, seizure, capture, arrests, restraints and detainments of all kings, princes and people of whatsoever nation, condition or quality.

Payment of Compensation in respect of Death of/or Disablement of the Insured Person directly or indirectly caused by or contributed to by or arising from or traceable to ionizing radiations or contamination by radioactivity from any source whatsoever or from nuclear weapons material.

Making a Claim

- A. **Notification of Claim:** Upon the happening of any event, which may give rise to a valid claim under this policy, notice with full particulars shall be sent to the Company immediately.
- B. **Submission of Documents:** The Insured Person shall submit within 15 days of notification of claim, the filled and signed claim form and all relevant documents, information and any other information/ documents the Company may request, to establish the Claim made

The company may examine and relax the time limits mentioned in condition A & B depending upon the merits of the Case

Such documents include but not limited to the following: -

For Death Claims:

- Original Death Certificate
- Post Mortem Report
- Inquest report
- Accident report
- FIR from Police/MLC copy
- Hospital records
- Succession Order/legal heir certificate/legal documents to establish identification of legal heir in the absence of nomination under the policy.
- Claim Discharge summary
- Original Hospital Bills
- Bank Account Details of the Nominee/Legal Heir
- Claim form duly completed and signed
- Copy of Identity Proof (Driving Licence/PAN Card/Voter ID card/Aadhaar Card)- both for Insured and Nominee/Legal heir

For Disability Claims

- Claim form duly completed and signed
- Disability Certificate issued by attending physician
- Claim Discharge summary
- Original Hospital Bills
- Bank Account Details
- Copy of Identity Proof (Driving Licence/PAN Card/Voter ID card/Aadhaar Card)

Sum Insured: Maximum Sum Insured upto Rs. 3 lakh

Module VII - Critical Illness – Cash benefit [Suggested Cover]

What is covered?

If during the period stated in the Schedule the insured person shall contract the below mentioned **Critical Illness** as a first incidence, then Company will pay the sum insured stated in the Schedule as lump-sum

SL NO.	Critical Illness
1	Coma of Specified Severity
2	Cancer of Specified Severity
3	Stroke Resulting in Permanent Symptoms
4	Multiple Sclerosis with Persisting Symptoms
5	Myocardial Infarction
6	Kidney Failure Requiring Regular Dialysis
7	Surgery for Major Organ /Bone Marrow Transplant
8	Major Head Trauma
9	Major Third-degree Burns
10	Permanent Paralysis of Limbs
11	Creutzfeldt-Jacob Disease (CJD)
12	Encephalitis
13	Blindness
14	Aplastic Anemia
15	Alzheimer's Disease
16	Loss of Speech
17	Bacterial Meningitis
18	Motor Neuron Disease with Permanent Symptoms
19	Progressive Supranuclear Palsy
20	Muscular Dystrophy
21	Deafness
22	Repair / Replacement of Heart Valves
23	Other Serious Coronary Artery Disease
24	Primary (Idiopathic) Pulmonary Hypertension
25	Aorta Graft Surgery
26	Dissecting Aortic Aneurysm
27	End stage Liver Failure
28	Fulminant Hepatitis
29	Systemic Lupus Erythematosus with Lupus Nephritis
30	Brain Surgery
31	Benign Brain Tumor
32	Open Chest CABG

Provided however that

1. The Insured Person subjects himself/herself to examination by the panel doctor of the Company and the incidence of such Critical Illness is confirmed by the panel doctor and must be supported by treating doctor's certificate regarding duration and etiology of the Critical Illness, clinical radiological histological, pathological, histo-pathological and laboratory evidence acceptable to the Company;
2. No claim for compensation will become payable if the insured person is suffering from any of the covered Critical Illness at the time of inception of this policy.

Important Note:

1. Insurance under this Section shall cease upon payment of lump-sum on occurrence of any Critical Illness and no further payment will be made for any consequent / subsequent / dependent illness.
2. Only one lump sum payment shall be provided regardless of the number of Critical Illness suffered by the Insured Person.

Waiting Period:

No claim for compensation will become payable if the critical illness specified manifests during the first 90 days of the inception of the policy. The waiting period is not applicable for accidental claims. In the event of renewal with the Company this 90-day limit shall not apply.

Critical Illness & other applicable definitions shall be as per specified by IRDAI under Health Regulations, 2016 or as approved by the Authority.

What is not covered?

The Company shall not be liable to make any payment under this Policy towards a covered Critical Illness, directly or indirectly caused by, based on, arising out of or howsoever attributable to any of the following:

1. Any Illness, sickness or disease other than those specified as Critical Illnesses under this Policy;
2. Any claim with respect to any Critical Illness contracted, diagnosed or manifested prior to Commencement date of this policy
3. Any Pre-Existing Disease, condition, ailment or injury or related condition(s) for which there were signs or symptoms, and /or were diagnosed, and /or for which medical advice / treatment was received by the insured person and such condition/ailment or injury has a bearing on the manifestation of the critical illness (insured event).
4. Any Critical Illness directly or indirectly caused due to or associated with human T-cell Lymphotropic virus type III (HTLV-III or IITLB-III) or Lymphadenopathy Associated Virus (LAV) and its variants or mutants, Acquired Immune Deficiency Syndrome (AIDS) whether or not arising out of HIV, AIDS related complex syndrome (ARCS) and all diseases/illness/injury caused by and/or related to HIV;
5. Any condition directly or indirectly caused by or associated with any sexually transmitted disease, including Genital Warts, Syphilis, Gonorrhoea, Genital Herpes, Chlamydia, Pubic Lice and Trichomoniasis, whether or not arising out of conditions listed under 3 above.
6. Any Critical Illness arising out of use, abuse or consequence or influence of any substance, intoxicant, drug, alcohol or hallucinogen;
7. Narcotics used by the Insured Person unless taken as prescribed by a registered Medical Practitioner,
8. Any Critical Illness directly or indirectly caused due to intentional self-injury, suicide or attempted suicide; whether the person is medically sane or insane
9. Any Critical Illness directly or indirectly, caused by or arising from or attributable to a foreign invasion, act of foreign enemies, hostilities, warlike operations (whether war be declared or not or while performing duties in the armed forces of any country during war or at peace time), civil war, public defense, rebellion, revolution, insurrection, military or usurped power;

10. Any Critical Illness caused by ionizing radiation or contamination by radioactivity from any nuclear fuel (explosive or hazardous form) or from any nuclear waste from the combustion of nuclear fuel, nuclear, chemical or biological attack.
11. Working in underground mines, tunneling or involving electrical installations with high tension supply, or as jockeys or circus personnel;
12. Congenital External Anomalies or any complications or conditions arising therefrom including any developmental conditions of the Insured
13. Insured Persons whilst engaging in a speed contest or racing of any kind (other than on foot), bungee jumping, parasailing, ballooning, parachuting, skydiving, paragliding, hang gliding, mountain or rock climbing necessitating the use of guides or ropes, potholing, abseiling, deep sea diving using hard helmet and breathing apparatus, polo, snow and ice sports in so far as they involve the training for or participation in competitions or professional sports, or involving a naval, military or air force operation;
14. Participation by the Insured Person in any flying activity, except as a bona fide, fare paying passenger of a recognized airline on regular routes and on a scheduled timetable.
15. Any loss resulting directly or indirectly, contributed or aggravated or prolonged by childbirth or from pregnancy;
16. Any Critical Illness based on certification/diagnosis/treatment from persons not registered as Medical Practitioners, or from a Medical Practitioner who is practicing outside the discipline that he is licensed for, or any diagnosis or treatment that is not scientifically recognized or Unproven/Experimental Treatment, or is not Medically Necessary or any kind of self-medication and its complications;
17. Any treatment/surgery for change of sex, cosmetic or plastic surgery or any elective surgery or cosmetic procedure that improve physical appearance, surgical and nonsurgical treatment of obesity, including morbid obesity (unless certified to be life threatening) and weight control programs, or treatment of an optional nature including complications/illness arising therefore thereof;
18. Any Critical Illness arising or resulting from the Insured Person committing any breach of law or participating in an actual or attempted felony, riot, crime, misdemeanor or civil commotion with criminal intent;
19. In the event of the death of the Insured Person within the stipulated survival period as set out above.
20. Birth control procedures and hormone replacement therapy.
21. Any treatment arising from or traceable to pregnancy (including voluntary termination), miscarriage (unless due to an accident), childbirth, maternity (including Caesarian section), abortion or complications of any of these. This exclusion will not apply to ectopic pregnancy.

Cancellation: The Company may cancel this policy on grounds of non-co-operation of the insured by sending the Insured 30 days' notice by registered letter at the Insured person's last known address in which case the refund of premium will be on pro-rata basis. The insured may at any time cancel this policy and in such event the Company shall allow refund after retaining premium at Company's short Period rate only (table given below) provided no claim has occurred up to the date of cancellation

Period on risk	Rate of premium to be retained
Up to one month	22.5% of the policy premium
Exceeding one month up to 3 month	37.5% of the policy premium

Exceeding 3 month up to 6 month	57.5% of the policy premium
Exceeding 6 month up to 9 month	80% of the policy premium
Exceeding 9 month	Full of the policy premium

Moratorium Period: After completion of eight continuous years under the policy no look back to be applied. This period of eight years is called as moratorium period. The moratorium would be applicable for the sums insured of the first policy and subsequently completion of 8 continuous years would be applicable from date of enhancement of sums insured only on the enhanced limits. After the expiry of Moratorium Period no health insurance claim shall be contestable except for proven fraud and permanent exclusions specified in the policy contract. The policies would however be subject to all limits, sub limits, co-payments, deductibles as per the policy contract

Renewal: The policy shall ordinarily be renewable except on grounds of fraud, misrepresentation by the Insured Person.

1. The Company shall endeavor to give notice for renewal. However, the Company is not under obligation to give any notice for renewal.
2. Renewal shall not be denied on the ground that the insured person had made a claim or claims in the preceding policy years.
3. Request for renewal along with requisite premium shall be received by the Company
4. before the end of the policy period.
5. At the end of the policy period, the policy shall terminate and can be renewed within the Grace Period of 30 to maintain continuity of benefits without break in policy.
6. Coverage is not available during the grace period.
7. No loading shall apply on renewals based on individual claims experience

Possibility of Revision of Terms of the Policy including the Premium Rates:

The Company, with prior approval of IRDAI, may revise or modify the terms of the policy including the premium rates. The insured person shall be notified three months before the changes are effected.

Free Look Period: The Free Look Period shall be applicable on new individual health insurance policies and not on renewals or at the time of porting/migrating the policy.

The insured person shall be allowed free look period of fifteen days from date of receipt of the policy document to review the terms and conditions of the policy, and to return the same if not acceptable.

If the insured has not made any claim during the Free Look Period, the insured shall be entitled to

1. a refund of the premium paid less any expenses incurred by the Company on medical examination of the insured person and the stamp duty charges or
2. where the risk has already commenced and the option of return of the policy is exercised by the insured person, a deduction towards the proportionate risk premium for period of cover or
3. Where only a part of the insurance coverage has commenced, such proportionate premium commensurate with the insurance coverage during such period;

Automatic Termination of Insurance: The insurance provided in respect of each relevant person insured under this policy shall automatically terminate at the earlier of the following events

- upon the Insured Person's death or
- upon payment of 100% Sum Insured
- at the expiry of the period for which the premium has been paid or
- on the expiry date shown in the policy schedule whichever is earlier.

Disclosure to information norms: The policy shall become void and all premium paid hereon shall be forfeited to the Company, in the event of non disclosure of any material fact and/or mis-representation, fraud, moral hazard, mis description as declared in the proposal form and/or claim form at the time of claim.

Making a Claim

- Notification of Claim:** Upon the happening of any event, which may give rise to a valid claim under this policy, notice with full particulars shall be sent to the Company within 15 days from the date of occurrence of the event / diagnosis of Critical Illness
- Submission of Documents:** The Insured Person or person(s) claiming on behalf of the Insured Person shall submit within 15 days of notification of claim, the filled and signed claim form and all relevant documents, information medical records and any other information/ documents the Company may request, to establish the Claim made

The company may examine and relax the time limits mentioned in condition 5 & 6 depending upon the merits of the Case

Such documents include but not limited to the following:

- Claim form duly completed and signed
- Medical Certificate confirming the diagnosis / treatment of critical illness from the treating medical practitioner in letter head.
- All Diagnostic test results / Imaging confirming positive existence of critical illness
- Discharge summary / in case papers / complete treatment records (wherever applicable)
- Treating doctor's certificate regarding the duration & etiology of the Critical Illness in letter head.
- Any other document specific to the treatment / illness
- Copy of PAN Card
- Copy of Aadhaar Card

- Sum Insured : Maximum Sum Insured upto Rs.1 lakh.

Module VIII – Hospital Cash (Suggested Cover)

What is covered?

A. Sickness Hospital Cash:

If during the period stated in the Schedule, if the insured person shall contract any disease or suffer from any **illness** and if such disease / illness shall, upon the advice of a duly Qualified Physician/Medical Specialist /**Medical Practitioner** or of duly Qualified Surgeon, require admission of the insured Person as an In-patient in any **Nursing Home / Hospital** in India for the purpose of medical /surgical treatment, then the Company will pay to the Insured Person,

Hospital Cash Amount mentioned in the schedule for each completed day of hospitalization subject to maximum of 30 days per policy period.

B. Accident Hospital Cash:

If during the period stated in the Schedule, if the insured person shall sustain bodily injury due to **accident** and if such **accident** shall, upon the advice of a duly Qualified Physician/Medical Specialist /**Medical Practitioner** or of duly Qualified Surgeon, require admission of the insured Person as an In-patient in any **Nursing Home / Hospital** in India for the purpose of medical /surgical treatment, then the Company will pay to the Insured Person, 150% of the **Hospital Cash Amount** mentioned in the schedule for each completed day of hospitalization subject to maximum of 30 days per policy period.

Applicable definitions shall be as per specified by IRDAI under Health Regulations, 2016 or as approved by the Authority.

Waiting Period

The Company shall not be liable for Hospital Cash Amount under this policy if the hospitalization is directly or indirectly for

1. Any diseases contracted by the insured person during the first 30 days from the commencement date of this policy.
2. The following specified ailments / illness / diseases for 24 consecutive months from the inception date of this policy.
 - A. Treatment of Cataract and diseases of the anterior and posterior chamber of the Eye, Diseases of ENT, Diseases related to Thyroid, Benign diseases of the breast.
 - B. Subcutaneous Benign Lumps, Sebaceous cyst, Dermoid cyst, Mucous cyst lip / cheek, Carpal Tunnel Syndrome, Trigger Finger, Lipoma, Neurofibroma, Fibroadenoma, Ganglion and similar pathology
 - C. All treatments (Conservative, Operative treatment) and all types of intervention for Diseases related to Tendon, Ligament, Fascia, Bones and Joint Including Arthroscopy and Arthroplasty / Joint Replacement [other than caused by accident].
 - D. All types of treatment for Degenerative disc and Vertebral diseases including Replacement of bones and joints and Degenerative diseases of the Musculo-skeletal system, Prolapse of Intervertebral Disc (other than caused by accident),
 - E. All treatments (conservative, interventional, laparoscopic and open) related to Hepato-pancreato-biliary diseases including Gall bladder and Pancreatic calculi. All types of management for Kidney and Genitourinary tract calculi.
 - F. All types of Hernia,
 - G. Desmoid Tumor, Umbilical Granuloma, Umbilical Sinus, Umbilical Fistula,
 - H. All treatments (conservative, interventional, laparoscopic and open) related to all Diseases of Cervix, Uterus, Fallopian tubes, Ovaries, Uterine Bleeding, Pelvic Inflammatory Diseases
 - I. All Diseases of Prostate, Stricture Urethra, all Obstructive Uropathies,
 - J. Benign Tumors of Epididymis, Spermatocele, Varicocele, Hydrocele,
 - K. Fistula, Fissure in Ano, Hemorrhoids, Pilonidal Sinus and Fistula, Rectal Prolapse, Stress Incontinence
 - L. Varicose veins and Varicose ulcers
 - M. All types of transplant and related surgeries (Other than bone marrow transplant for acute hematological malignancies and acute medical emergencies when indicated)
 - N. Congenital Internal disease / defect

What is not covered?

The Company shall not be liable for Hospital Cash Amount under this policy if the hospitalization is directly or indirectly for

1. Circumcision, Preputioplasty, Frenuloplasty, Preputial Dilatation and Removal of SMEGMA
2. Congenital External Condition / Defects / Anomalies
3. Convalescence,
4. Intentional self-injury
5. Use of intoxicating substances, alcohol, smoking and tobacco chewing
6. Venereal Disease and Sexually Transmitted Diseases (other than HIV),
7. Injury/disease directly or indirectly caused by or arising from or attributable to war, invasion, act of foreign enemy, warlike operations (whether war be declared or not)
8. Injury or disease directly or indirectly caused by or contributed to by nuclear weapons/materials
9. Weight control services.
10. High Intensity Focused Ultra Sound, Uterine Fibroid Embolisation, Balloon Sinoplasty, Enhanced External Counter Pulsation Therapy and related therapies, Chelation therapy, Deep Brain Stimulation, Hyperbaric Oxygen Therapy, Rotational Field Quantum Magnetic Resonance Therapy, VAX-D, Low level laser therapy, Photodynamic therapy and such other therapies similar to those mentioned herein under this exclusion.
11. Charges incurred on diagnostics that are not consistent with the treatment for which the insured is admitted in the hospital / nursing home. Admission primarily for diagnostic purpose with no positive existence of sickness / disease / ailment / injury and no further treatment is indicated.
12. Expenses on vitamins and tonics unless forming part of treatment for injury or disease as certified by the attending Physician of the hospital where the insured underwent treatment.
13. Stem cell Therapy, Chondrocyte Implantation, Procedures using Platelet Rich plasma and Intra articular injection therapy.
14. Oral Chemotherapy, Immuno therapy and Biologicals, except when administered as an in-patient, when clinically indicated and hospitalization warranted.
15. All types of Cosmetic, Aesthetic treatment of any description, all treatment for erectile dysfunctions, Change of Sex.
16. Plastic surgery (other than as necessitated due to an accident or as a part of any illness),
17. Inoculation or Vaccination (except for post-bite treatment and for medical treatment for therapeutic reasons.
18. Dental treatment or surgery unless necessitated due to accidental injuries and requiring hospitalization. (Dental implants are not payable).
19. Treatment arising from or traceable to pregnancy, childbirth family planning, miscarriage, abortion and complications of any of these (other than ectopic pregnancy).
20. Treatment for Sub-Fertility, Assisted Conception and or other related complications of the same.
21. Medical and / or surgical treatment of Sleep apnea, treatment of endocrine disorders.
22. Cochlear implants and procedure related hospitalization expenses

Conditions

Renewal: The policy shall ordinarily be renewable except on grounds of fraud, misrepresentation by the Insured Person.

1. The Company shall endeavour to give notice for renewal. However, the Company is not under obligation to give any notice for renewal.
2. Renewal shall not be denied on the ground that the insured person had made a claim or claims in the preceding policy years.

3. Request for renewal along with requisite premium shall be received by the Company
4. before the end of the policy period.
5. At the end of the policy period, the policy shall terminate and can be renewed within the Grace Period of 30 to maintain continuity of benefits without break in policy.
6. Coverage is not available during the grace period.
7. No loading shall apply on renewals based on individual claims experience

Possibility of Revision of Terms of the Policy including the Premium Rates:

The Company, with prior approval of IRDAI, may revise or modify the terms of the policy including the premium rates. The insured person shall be notified three months before the changes are effected.

Free Look Period: The Free Look Period shall be applicable on new individual health insurance policies and not on renewals or at the time of porting/migrating the policy.

The insured person shall be allowed free look period of fifteen days from date of receipt of the policy document to review the terms and conditions of the policy, and to return the same if not acceptable.

If the insured has not made any claim during the Free Look Period, the insured shall be entitled to

1. a refund of the premium paid less any expenses incurred by the Company on medical examination of the insured person and the stamp duty charges or
2. where the risk has already commenced and the option of return of the policy is exercised by the insured person, a deduction towards the proportionate risk premium for period of cover or
3. Where only a part of the insurance coverage has commenced, such proportionate premium commensurate with the insurance coverage during such period;

Cancellation: The Company may cancel this policy on grounds of non-co-operation of the insured by sending the Insured 30 days’ notice by registered letter at the Insured person’s last known address in which case the refund of premium will be on pro-rata basis. The insured may at any time cancel this policy and in such event the Company shall allow refund after retaining premium at Company’s short Period rate only (table given below) provided no claim has occurred up to the date of cancellation

Period on risk	Rate of premium to be retained
Up to one month	30% of the policy premium
Exceeding one month up to 3 months	40% of the policy premium
Exceeding 3 months up to 6 months	60% of the policy premium
Exceeding 6 months up to 9 months	80% of the policy premium
Exceeding 9 months	Full of the policy premium

Moratorium Period: After completion of eight continuous years under the policy no look back to be applied. This period of eight years is called as moratorium period. The moratorium would

be applicable for the sums insured of the first policy and subsequently completion of 8 continuous years would be applicable from date of enhancement of sums insured only on the enhanced limits. After the expiry of Moratorium Period no health insurance claim shall be contestable except for proven fraud and permanent exclusions specified in the policy contract. The policies would however be subject to all limits, sub limits, co-payments, deductibles as per the policy contract

Automatic Expiry: The insurance under this policy with respect to each relevant Insured Person shall expire immediately on the earlier of the following events:

- ✓ Upon the death of the Insured Person.
- ✓ Upon exhaustion of the Hospital Cash Amount chosen.
- ✓ Upon exhaustion of the Maximum number of days per year chosen.

Making a Claim

1. The Company shall not be liable to make any payment under the policy in respect of any claim if such claim is in any manner fraudulent or supported by any fraudulent means or device, misrepresentation whether by the insured Person or by any other person acting on his behalf.
2. If the insured has not made any claim during the Free Look Period, the insured shall be entitled to
 - a. a refund of the premium paid less any expenses incurred by the Company on medical examination of the insured person and the stamp duty charges or
 - b. where the risk has already commenced and the option of return of the policy is exercised by the insured person, a deduction towards the proportionate risk premium for period of cover or
 - c. Where only a part of the insurance coverage has commenced, such proportionate premium commensurate with the insurance coverage during such period;
 - d. All claims under this policy shall be payable in Indian currency. All treatments under this policy shall have to be taken in India. This condition is not applicable if the plan opted is Enhanced Plan.

Sum Insured: Maximum upto Rs. 2000 per day for 30 days in a year

Module IX - Health Insurance - Arogya Sanjeevani Policy (Standard product)

The coverage shall be as per IRDAI's guidelines on standard individual health insurance product vide IRDAI/HLT/REG/CIR/001/01/2020 issued on 1/1/2020 as amended from time to time.

Sum Insured: maximum sum insured upto Rs. 5 lakh

Module X - Livestock (Cattle, Camel, Goat/Sheep) [Suggested Cover]

What is covered?

If any animal described in the Schedule and belonging to the Insured shall die whilst within the geographical area specified in the Schedule, from any accident (Inclusive of fire, lightning, flood, cyclone and a famine) or (b) disease inclusive of Rinderpest, Blackquarter, Hemorrhagic, Septicemia, Anthrax, Foot and Mouth Disease (FMD), Theileriosis contracted or occurring during the period of the Policy or (c) surgical operation or (d) Strike, Riot & Civil commotion risks, then the Company will pay or make good to the insured, after receipt of proof of death satisfactory to the Company, the loss which the insured shall suffer by the death of such animal not exceeding sum insured in respect, thereof as stated in the Schedule hereto or its market value at the time of loss, whichever is less.

What is not covered?

PROVIDED ALWAYS that this policy does not cover (unless expressly agreed to by the Company in writing) death directly or indirectly due to or arising out of or resulting from:

1. Malicious or wilful injury or neglect, over-loading unskilful treatment or use of animal for purpose other than stated in the policy without the consent of the Company in writing.
2. Disease contracted prior to commencement of risk.
3. Intentional slaughter of the animal except in cases where destruction is necessary to terminate incurable suffering on humane consideration on the basis of the certificate issued by qualified veterinary surgeon or in cases where destruction is resorted to by the order of lawfully constituted authority.
4. a) Transport by air and sea.
b) Transport by land beyond 80 kilometers from the place of stabling
c) Transit by foot beyond 80 kilometers from the place of stabling. (Normally not covered but can be covered by payment of additional premium).
5. Plueropneumonia in respect of cattle in Lakhimpur and Sivasagar Districts of Assam.
6. Theft or clandestine sale of the insured animal.
7. Partial Disability of any type, whether permanent or temporary.
8. Permanent total Disability which (a) In the case of Milch Cattle results in permanent and total incapacity to conceive or yield milk and which (b) in the case of stud Bulls results in permanent and total incapacity for breeding purpose, and (c) in the case of Bullocks and castrated male buffaloes results in permanent and total incapacity for the purpose of use mentioned in the proposal.
9. War, invasion act of foreign enemy, hostilities (whether war be declared or not) civil war rebel on, revolution, Insurrection, mutiny, tumult military or usurped power or any consequences thereof or any attempt thereat.
10. The indemnity or compensation provided by this policy shall not apply to nor include an accident, loss, destruction, damage or legal liability directly or indirectly caused by or contributed to by or arising from ionizing radiation or contamination by radio-activity from any source whatsoever or from nuclear weapons material.

PROVIDED ALSO that this Policy does not cover consequential loss, howsoever arising:

- NOTE: a) Exclusion No.8 as mentioned above can be deleted on payment of extra premium.
b) respect of Permanent Total Disablement claims, liability of the Company would be limited to 75% of the sum insured.

CONDITIONS

1. If there shall be any incorrect or untrue statement in the proposal herein referred to or if the insured shall not state any material fact or circumstances at the time of proposal or renewal of this Policy or if the insured making any claim hereunder or if he shall make any false or fraudulent claim or shall fail in any particular to observe and perform the terms and conditions

hereof, this policy shall be void, and all premiums paid hereon shall be forfeited to the Company.

2. Every animal must be sound and in perfect health, and free from any injury at the time of the proposal for insurance, or for any renewal, addition or substitution and must also remain sound and be in perfect health and free from any injury at the time of payment of the premium or balance thereof.

3. The insured shall permit any authorized representative of the Company at all times to inspect animals hereby insured and premises of the insured and shall furnish any information which they may require and shall comply with all reasonable regulations and direction from time to time made and given by the company.

4. "The insured shall give immediate notice in writing to the company of any illness or lameness of or accident or injury to any animal hereby insured."

5. The insured shall cause every animal insured to have sufficient and proper food, water and shelter and shall keep secure all fences, yards sheds, and stabling; and shall at all times and to the best of his knowledge and ability use and exercise every due and proper precaution and safeguard against loss or danger of loss under this policy the intent and meaning of this condition being that each insured animal shall have the same care and attention as when not insured.

6. In the event of illness or accident the insured shall, at his own expense, immediately obtain the services of a qualified Veterinary Surgeon and cause the animals to be properly treated.

7. "On the death of any animal hereby insured the insured shall give immediate notice thereof to the company at the office which has issued the Policy; and shall give the company an opportunity of inspecting the carcass until at least the expiration of twenty-four hours after such notice shall have been given to the company. The Insured shall also within fourteen days furnish to the Company such information, accompanied by such Veterinary Certificates, and satisfactory proof as to the death, identity and value of the animal as the Company may require."

8. If and when any claim under this policy is made there is any other insurance by whomsoever covering the same animal, the Company shall contribute only its ratable proportion.

9. If death of the animals hereby insured shall be due to the negligence, carelessness, or wrongdoing of any person, the insured shall not claim or accept any compensation from such person or persons, but shall at once give to the Company all necessary information and assistance to enable the company to secure such compensation and it shall be absolutely the right of the company to sue in the name of the insured and recover compensation from the persons causing the death, and any monies or other compensation which shall be recovered shall belong to the company. The company will indemnify the insured against all costs and expenses so incurred with its written consent.

10. The company may cancel this policy by sending Fifteen days' notice by registered letter to the insured at his last known address and in such event will return to the insured the premium less the pro-rata portion thereof for the period the policy has been in force or the Policy may be cancelled at any time by the insured on Fifteen days, notice (provided no claim has arisen during the then current period of insurance), and the insured shall be entitled to return of the

premium less premium at the company's short period Rates for the time the Policy has been in force.

It is also hereby further expressly agreed and declared that if the company shall disclaim liability to the insured for any claim hereunder and such claim shall not, within 12 calendar months from the date of such disclaimer have been made the subject matter of a suit in a court of law, then claim shall for all purposes be deemed to have been abandoned and shall not hereafter be recoverable hereunder.

- A. **Notification of Claim:** Upon the happening of any event, which may give rise to a valid claim under this policy, notice with full particulars shall be sent to the Company immediately.
- B. **Submission of Documents:** The Insured Person shall submit within 15 days of notification of claim, the filled and signed claim form and all relevant documents, information and any other information/ documents the Company may request, to establish the Claim made

The company may examine and relax the time limits mentioned in condition A & B depending upon the merits of the Case

Such documents include but not limited to the following: -

- Claim form duly completed and signed by Veterinary Surgeon
- Treatment details signed by the Veterinary Surgeon
- Postmortem Report with photographs
- Original Tag
- Bank Account Details
- Copy of Identity Proof (Driving Licence/PAN Card/Voter ID card/Aadhaar Card)

Note 1: On payment of additional premium insurer may cover permanent total disability.

Note 2: Insurers may offer additional cover in the form of add-ons covering risk of non-production due to specified medical conditions.

Sum Insured: Maximum sum insured upto 2 lakh

Module XI – Crop Insurance (Horticulture and Plantation Crops) [Suggested Cover]

Under this policy following Horticulture and plantation crops can be covered

A) HORTICULTURE CROPS

- 1) Grape
- 2) Citrus (Orange, Lime, Sweet Lime)
- 3) Chikoo
- 4) Pomegranate
- 5) Banana.

B) PLANTATION CROPS

Rubber; Eucalyptus; Poplar; Teak wood; Oil Palm Plantations; All types of trees; Sugarcane and Tea.

Who is covered?

1. Individual farmer whether owner or tenant engaged in cultivation of above.

1.PERILS COVERED

The policy shall cover and seek to indemnify the insured to the extent of loss of input due to loss or damage to the insured tree/fruits (whichever is applicable depending on the crop insured) occasioned by operation of any one or more of the following perils either in isolation or in concurrence:

- a) Fire (Including Forest Fire and Bus Fire)
- b) Lightning
- c) Storm, Hailstorm, Cyclone, Typhoon, Tempest, Hurricane, Tornado whilst in direct and immediate operation over the insured area.
- d) Flood and inundation (inspection report is necessary to cover these risks)
- e) Riot, Strike and Malicious Damage
- f) Acts of Terrorism.

These are termed as standard perils and are applicable for all type of insured fruit crops and plantation crops. Additional/optional cover as is applicable to specific crop can be granted on selective basis after evaluation of the proposal.

2.PERIOD OF INSURANCE

Crop duration or twelve months (one year) whichever is shorter subject to the following:

- a) This policy is valid for one season only. The policy period is taken from the date of payment of premium until crop in that season is harvested. The policy ceases after the harvest in the season for which the policy is issued. For fruit crops having season more than one year, appropriate additional premium will be charged. For Citrus, Policy period will be one year from the date of issue of policy.
- b) Period of insurance in respect of sugarcane crop shall be extendable by such period beyond twelve months (up to a maximum of eighteen months) as may be necessitated by the variety grown. This will, however, entail additional premium on pro rata basis for such period as may be in excess of twelve months.
- c) In respect of Rubber, Eucalyptus and Poplar and trees where plants are first required to be raised in nurseries and then fields, the period of insurance shall commence after expiry of twelve months from transplanting (Nurseries are not covered) and policy for these crops can be issued on annual basis.

3.SUM INSURED

Sum Insured shall be based on the cost of cultivation or Input Cost i.e. Cost of Raising / Development of Insured Trees.

The policy will be issued for fixed Sum Insured, which is given separately under each crop **maximum upto Rs. 2 lakh.**

What is not covered?

We are not liable to pay if the loss takes place due to the following conditions:

- . Losses arising out of war, nuclear risks
- . Malicious damage and other preventable
- . risk arising out of negligence by the farmer or the manpower employed by the farmer
- . Burning of the crop by order of a public authority
- . Damage caused by birds or animals
- . Ionizing radiations or contamination by nuclear waste
- . Harvested crops bundled and heaped before threshing

Losses arising out of war and nuclear risks, malicious damage and other preventable risks , bad maintenance and damage by stray cattle

Excess

The Insured shall be deemed to be his own insurer for first 20% of the claim assessed per acre, only 80% of claim assessed shall be paid under the policy.

Other Deductions

- . Losses due to any or all of the excluded peril and/or improper maintenance will be quantified and the said sum will be deducted from the loss assessed to arrive at the net loss payable.

LOSS ASSESSMENT METHOD

It should be clearly noted that the expenses incurred during the season for which the policy has been issued are only to be taken into account for the purpose of the Policy. Expenses made prior to the season in question are not to be taken into account. Expenses for establishing an orchard from the date of establishment are outside the scope of the policy.

For the purpose of indemnity, the policy is a valued policy and no statement of accounts of actual expenses incurred is required to be submitted by the Insured. Expenses from the previous harvest till the date on which the insured peril operates only should be taken into account as having spent for the purpose of the claim. Hence the claim cannot in any case be more than this amount.

The amount of claim payable under the policy shall be such sum arrived after applying the percentage of the loss of yield to the amount of the cost of inputs at which the insured perils causing the loss of yield operates, subject to the franchise, excess and deductions.

IMPORTANT POLICY CONDITION

This policy is Issued on “Input Cost” basis only and no other expenses/costs are indemnifiable.

Failure to Intimate the claim forthwith will forfeit all rights and benefits under the policy

Making a Claim

- A. **Notification of Claim:** Upon the happening of any event, which may give rise to a valid claim under this policy, notice with full particulars shall be sent to the Company immediately.
- B. **Submission of Documents:** The Insured Person shall submit within 15 days of notification of claim, the filled and signed claim form and all relevant documents, information and any other information/ documents the Company may request, to establish the Claim made

The company may examine and relax the time limits mentioned in condition A & B depending upon the merits of the Case

Such documents include but not limited to the following: -

- Claim form duly completed and signed
- Land Registration Papers or Land Patta Number
- Land Ownership Documents
- Personal Identification Proof like ration card, pan card and/or voter card
- Bank Account Details
- Sowing Declaration

Module XII: Poultry Insurance (Suggested Cover)

What is covered?

If any insured birds described in the Schedule and belonging to the Insured shall die whilst within the location of the farm area, specified in the schedule, due to perils given as below, the Company shall pay the insured up to 80% of the value of the birds, as per the week wise Valuation Table (Appendix I), on the day of the happening of such a loss. In case the insured birds die in between two weeks, the value in the completed week, from the Valuation Table, shall be taken into consideration for assessing the loss.

Coverage

- a) Accident of the insured birds
- b) Disease contracted by the insured birds

What is not covered?

PROVIDED ALWAYS that this policy does not cover (unless expressly agreed to by the Company in writing) death directly or indirectly due to or arising out of or resulting from:

1. Wilful Negligence

Death of the insured birds due to malicious/wilful injury and negligence of the insured or his representative.

2. Transit

Expenses incurred due to loss during transit by any mode of transport.

3. Improper Management

Death of the insured birds due to improper management, overcrowding, huddling, piling of the birds.

4. Natural Death

Death due to natural mortality or unknown reasons.

5. Undergrowth, Cannibalism and Action of Predators

Death of the insured birds due to Undergrowth, cannibalism and action of predators like preying birds and carnivorous animals.

6. Theft

Theft and clandestine sale of insured birds.

7. Intentional Slaughter

Death of the insured animal due to intentional slaughter of the insured birds except in cases where destruction is necessary to terminate incurable suffering on humane consideration and to protect remaining healthy flock to reduce additional losses on the basis of certificate issued by qualified veterinary practitioner or in cases where destruction is resorted to by order of lawfully constituted authority under intimation to the Company.

8. Consequential Loss

Consequential loss of any nature.

9. Permanent and Partial Disablement

Permanent and partial disablement of any nature.

10. Loss of Production

Loss of production i.e. the failure due to any reason whatsoever to lay required number of eggs or small sized eggs in layers or to attain proper weight at a particular age in Broilers.

11. Diseases

- a) Death of the insured birds due to Marek's disease, Ranikhet disease, Fowl Pox, and Infectious Bronchitis unless the insured birds are successfully inoculated against these diseases and the necessary veterinary certificates to that effect are provided to the Company. Coccidiosis and similar diseases are covered only if preventive and curative measures are taken from time to time.
- b) Avian Leucosis Complex (A.L.C.)

12. Malnutrition

Malnutrition/shortage of water, death due to starvation because of non-supply of feed to insured birds or similar reasons of whatsoever nature.

13. War Group Perils

Any Death directly or indirectly caused by or arising from or attributable to war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, commotion, unrest, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalisation or requisition of or damage by or under the order of any government or public local authority.

14. Radioactivity

Any death directly or indirectly caused by or contributed by nuclear weapons/materials or arising from ionising radiation or contamination by any nuclear fuel or from any nuclear waste or combustion of nuclear fuel.

PROVIDED ALSO that this Policy does not cover consequential loss, howsoever arising:

- NOTE: a) Exclusion No.8 as mentioned above can be deleted on payment of extra premium.
b) respect of Permanent Total Disablement claims, liability of the Company would be limited to 75% of the sum insured.

CONDITIONS

1.1 Disclosure of Information

The Policy shall be void and all premium paid hereon shall be forfeited to the Company, in the event of mis-representation, mis-description or non-disclosure of any material fact.

2 Condition Precedent to Liability

The due observance and fulfillment of the terms and conditions of the Policy, by the insured, shall be a condition precedent to any liability of the Company to make any payment under the Policy.

3 Communication

- a) All communication should be in writing.
- b) The insured shall communicate Policy related issues, change in address to the Policy issuing office at the address mentioned in the schedule.
- c) The Company shall communicate to the insured at the address mentioned in the schedule.

4 Physical Inspection

The Company, shall at all reasonable times, have the right to inspect and examine the insured birds and the farm area as specified in the schedule.

5 Reasonable Care

The insured shall at all times exercise all reasonable care and diligence in the selection of employees and shall ensure that the insured birds have sufficient and proper balanced standard food, water and shelter. Debarking and deworming should be carried out regularly. All fences, yards, sheds and cages should be kept secured at all times. The insured shall take all precautions and in every manner maintain the same care and attention as if insurance has not been affected.

The insured shall also exercise all reasonable care

- Not to introduce any diseased or infected birds among the insured birds or on any part of his premises.
- Not to allow the insured birds to mix with diseased or infected birds or permit them into tainted sheds buildings or any other place where such diseased or infected birds have been kept.
- To completely separate or isolate from the remainder of his stock, any bird infected with any disease, immediately upon the discovery of the disease and take all necessary and proper precautions to protect the healthy stock against infection.

6 Record Keeping

The insured must keep all the essential records pertaining to daily purchase & sales, stock, feed consumption, production, debeaking, culling, vaccination and inoculation, incidence of diseases (post mortem records) and mortality. Daily Mortality details should be sent to the Company on weekly, failing which, the report shall be treated as nil for that particular week.

7 Maintenance

The insured should have proper and adequate veterinary facilities and must ensure good housekeeping of the farm. Insured birds should be bought only from approved standard hatcheries. Proper record of daily stock position, feed consumption and egg production must be maintained by the insured. Proper trained person should carry out debeaking and periodical deworming and records for these should be maintained by the insured.

The Veterinary practitioner's certificate in the prescribed form should be submitted for the insured birds replaced or added during the policy period.

8 Notification of Claim

- i. Upon the happening of any event which may give rise to a claim under the Policy, written notice/message with full particulars must be given to the Company immediately not exceeding 12 hours.
- ii. In case of alarming death/outbreak of epidemic nature, immediate notice/message within 12 hours should be given to the Company and all insured birds should be segregated and produced to the representative of the Company or to any person authorized by the Company for inspection.
- iii. Delay in reporting of the claim should be avoided, if there is delay for more than 3 days, the claim would be treated as non-standard.

Note: Time limit for notification of claim may be waived in cases where it is proved to the satisfaction of the Company, that the physical circumstances under which insured person was placed, it was not possible to intimate the claim within the prescribed time limit.

9 Duty of Insured Post Claim

- i. The insured shall employ immediately at his/her own expense qualified Veterinary practitioner for treatment and comply with his instructions.
- ii. The Company may appoint a Veterinary practitioner on its behalf if deemed necessary for independent investigations and treatment along with the Veterinary practitioner appointed by the insured.
- iii. In the event of the death of any insured bird, if required by the Company, the insured shall at his own expense conduct a post mortem by a Veterinary practitioner and submit the report to the Company.

10 Claim Documents

The following documents should be submitted to the Company within 14 days along with particulars of the amount of loss and explanations required to substantiate the claim to the Company.

- a) Completed claim form
- b) Original purchase invoices for the birds
- c) Original payment receipt, investigation reports.
- d) Veterinary practitioner Certificate
- e) Daily records of morality, feeding
- f) Police Inquest report, where applicable
- g) Any other proof to substantiate the loss like photographs, medical bills, and any document required by Company

Note: Time limit for submission of documents may be waived in cases where it is proved to the satisfaction of the Company, that the physical circumstances under which insured person was placed, it was not possible to submit the documents within the prescribed time limit.

11 Salvage

During the outbreak of epidemic / natural calamities in the farm, insured shall arrange emergency sale of live birds in the presence of the representative of the Company in order to avert or minimize the loss. In the event of the insured realising a value lower than the Valuation Table, agreed upon for the corresponding week, the difference shall be paid in addition to the cost of deceased birds.

12 Claim Settlement

- i. On receipt of the final document(s) or investigation report (if any), as the case may be, the Company shall within a period of 30 days offer a settlement of the claim to the insured.
- ii. If the Company, for any reasons, decides to reject a claim under the Policy, it shall communicate to the insured in writing and within a period of 30 days from the receipt of the final document(s) or investigation report (if any), as the case may be.
- iii. Upon acceptance of an offer of settlement as stated above by the insured, the payment of the amount due shall be made within 7 days from the date of acceptance of the offer by the Company.
- iv. No sum payable under this Policy shall carry interest.

13 Liability of the Company

- i. The insured shall be indemnified for 80% of the value of the bird at the time of death as per week wise Valuation Table or actual value as decided by the Veterinary practitioner before admissibility of claim whichever is lower.

Valuation chart for Broilers		Valuation chart for Layers	
Weeks	Multiplying factors	Weeks	Multiplying factors
<u>1</u>	0.16	1	0.07
<u>2</u>	0.336	2	0.234
<u>3</u>	0.709	3	0.447
<u>4</u>	1.27	4	0.87
<u>5</u>	1.962	5	1.12
<u>6</u>	2.882	6	1.56
<u>7</u>	3.815	7	2.03
<u>8</u>	4.75	8	2.56
		9	2.98
		10	3.334
		11	3.398
		12	3.913
		13	4.435
		14	4.978
		15	5.523
		16	6
		17	6.5
		18	6.925
		19	7.535
		20	8.17
		21	8.566
		22	9.293
		23	9.544
		24-37	10.2
		38-45	7.285
		46-52	5.693
		53-62	5.523
		63-72	4.92

- ii. Liability will be limited to 75% of Sum Insured or market value per animal for permanent total disability claims.

SPECIAL CONDITIONS

This Insurance is applicable to Poultry farm consisting of all types of exotic and cross breed poultry birds in India. All birds in a farm will be covered. This Insurance is applicable to poultry farm consisting of a minimum 500 layer birds and in case of broiler birds, the minimum number is 100 per batch.

Excess Clause :

Admissibility of the claim:	
a) Excess Clause: Claim under the Policy should be admissible only if the mortality in the flock exceeds beyond the excess limit given below:	
Broilers	Mortality
1 day old to 8 weeks	5% of population in each batch
Layers	
1 day old to 8 weeks	5% of population in each batch
9 weeks to 20 weeks	3% of population in each batch
21 weeks to 72 weeks	1% of population in each batch
LIABILITY:	
The Company will indemnify 80% of the value of the bird at the time of death	

(For Gumboro disease, an excess of 20% over and above the compulsory excess shall be applicable.)

14 Payment of Claim

All claims under the Policy shall be payable in Indian currency only.

15 Cessation of Cover

The Policy shall cease to cover insured birds immediately the insured sells it or parts with any interest in it whatsoever whether temporarily or permanently.

16 Bank Clause

- i. Upon monies becoming payable under the Policy in which the bank has interest, the same shall be paid to the bank by the Company and such part of any monies so paid as may relate to the interests of other parties insured hereunder shall be received by the bank as agents for such other parties.
- ii. The receipt of the bank shall be complete discharge of the Company and shall be binding on all the parties insured

17 Contribution

In the event of a claim arising under the Policy, there is in existence any other policy affected by the insured or on behalf of insured that covers any claim in whole or in part made under the Policy then the Company shall pay or contribute not more than its ratable proportion of the claim.

18 Subrogation

If the death of any of the insured birds shall be due to the negligence carelessness or wrong doing of any person, the insured shall not claim or accept any compensation from such person or persons but shall at once give to the Company all necessary information and

assistance to enable the Company to secure such compensation and it shall be absolutely the right of the Company to sue in the name of the insured and recover compensation from the person or persons causing the death and monies or other compensation which shall be recovered shall belong to the Company. The Company shall indemnify the insured against all cost and expenses so incurred with its written consent.

19 Fraud

The Policy shall be void and the Company shall not be liable to make any payment under the Policy if any claim be in any manner fraudulent or supported by any fraudulent statement or device whether by the insured or by any person acting on his behalf.

20 Cancellation

The Company may at any time cancel the Policy (on grounds of fraud, moral hazard or misrepresentation or non-cooperation) by sending the insured 30 (thirty) days' notice by registered letter at insured's last known address and in such event the Company shall not allow any refund.

21 Territorial Jurisdiction

All disputes or differences under or in relation to the Policy shall be determined by an Indian court and in accordance with Indian law.

22 Arbitration

- a) If any dispute or difference shall arise as to the quantum to be paid under the Policy, (liability being otherwise admitted) such difference shall independently of all other questions, be referred to the decision of a sole arbitrator to be appointed in writing by the parties here to or if they cannot agree upon a single arbitrator within 30 days of any party invoking arbitration, the same shall be referred to a panel of three arbitrators, comprising of two arbitrators, one to be appointed by each of the parties to the dispute/difference and the third arbitrator to be appointed by such two arbitrators and arbitration shall be conducted under and in accordance with the provisions of the Arbitration and Conciliation Act, 1996.
- b) It is clearly agreed and understood that no difference or dispute shall be referred to arbitration as herein before provided, if the Company has disputed or not accepted liability under or in respect of the Policy.
- c) It is hereby expressly stipulated and declared that it shall be a condition precedent to any right of action or suit upon the Policy that award by such arbitrator/arbitrators of the amount of expenses shall be first obtained.

23 Disclaimer

If the Company shall disclaim liability to the insured for any claim hereunder and if the insured shall not within 12 calendar months from the date of receipt of the notice of such disclaimer notify the Company in writing that he does not accept such disclaimer and intends to recover his claim from the Company, then the claim shall for all purposes be deemed to have been abandoned and shall not thereafter be recoverable hereunder.

24 Renewal of Policy

The Policy may be renewed by mutual consent. The Company is not bound to give notice that it is due for renewal. Renewal of the Policy cannot be denied other than on grounds of fraud, moral hazard or misrepresentation or noncooperation. In the event of break in the Policy, a grace period of 30 (thirty) days is allowed.

25 Change of Hazard

Before each renewal of the Policy the insured shall give written notice to the Company of disease, injury, illness or physical defect with which the insured birds had been or are affected.

Sum Insured: Maximum sum insured upto Rs. 2 lakh

Module XIII: Aquaculture (Suggested Cover)

DEFINITION

1. **Brackish Water** Water that has more salinity than fresh water, but not as much as sea water.
2. **Summer kill** Death amongst cultivated finfish caused by a higher temperature of water in the water body than the particular species can tolerate, and /or the reduction in dissolved oxygen resulting from the increased temperature.
3. **Sum Insured:** Sum Insured is the amount set out in the Schedule against each prawn covered in the Policy and the same would be the 100% of the market value which shall be based on the Veterinary Surgeon's recommendations.

What is covered?

Indemnity against death of the prawns caused by one or more of the following events:

- (i) Summer kill
 - (j) Pollution (c)Poisoning
 - (d) Riot and Strike
 - (e) Malicious acts of Third Parties
 - (f) Earthquake
 - (g) Explosion/Implosion
 - (h) Storm, Tempest, Cyclone, Typhoon, Hurricane, Tornado, Flood, Inundation, Volcanic eruption and/or other convulsions of nature
- Note:** Flood, Inundation excludes Normal Tides
- (i) Aircraft and other aerial devices or articles dropped therefrom, impact with any road vehicles and animals.

What is not covered ?

We will not pay loss or damage attributable to:

- a. Malicious or wilful destruction of Prawns in Pond due to negligence, error and/or omission infidelity, improper management and /or rough handling by Insured or his family members and/ or employees.
- b. Losses due to natural mortality and/or under-growth/over-crowding.
- c. Diseases, other Viral form of epidemics and/or Parasitical attacks not specifically covered.

- d. Production loss unless caused by any of the Perils covered by the Policy.
- e. Any destruction in compliance with requirements of any Statute or any order of Govt./ Municipal or other Authority except where We have expressly agreed.
- f. Losses caused by Predators, Competitors and/or Weed Fish.
- g. Losses due to Chemical status of Soil and/or Physical and/or Chemical status of water and pH factor unless associated with Climatic change.
- h. Theft, dacoity, looting, holding or clandle- stine, sale or mysterious disappearance of Prawns from the brackishwater.
- i. War, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, mutiny tumult, military or usurped power or any consequences thereof or attempt thereat
- j. Any accident, loss, destruction, damage or legal liability directly or indirectly caused by or contributed to by or arising from nuclear weapons.
- k. First 20% of the assessed claim amount (for which You will be Your own Insurer).

General Conditions -

1. Notice:

Every notice and communication to Insurer required by or in respect of this Policy shall be in writing.

2. Mis-description:

This Policy shall be void and premium paid shall be forfeited in the event of mis-representation, mis-description or non-disclosure of any material facts by Insured or his representative.

3. Chance of Hazard

Before each renewal of the insurance, Insured shall give written notice to Insurance Company of disease, injury, illness or physical defect with which the prawns had been born or are infected.

4. Reasonable Care

Insured shall all time exercise reasonable care and prudence in the selection of the employees to manage and run the farm.

5. Inspection

Insured shall permit authorized representative of the Insurer at all times to inspect the prawns hereby insured and the premises , and shall also furnish any information which Insurer may require and shall comply with all the regulations and directions from time to time made and given by Insurer.

6. Maintenance

The Insured's project area should have strong and sufficient bunds at all times and is supervised by adequate watch and ward staff under the supervision of a qualified technical person. Insured should also ensure that the water level of tanks/lakes/ponds are maintained constantly at a level which is safe for Prawn cultivation and the water movement must be regulated by suitable inlets, outlets and sluices. Regular and effective liming, manuring, feeding, de-weeding, de-silting, earth excavation and earth

improvement at appropriate time should be carried out and proper record to that effect should be maintained by Insured. Immediate steps to eradicate diseases, epidemics and parasitic infestation should be taken and dead Prawns/Prawns attacked with disease should be completely separated from the remainder of the stock immediately upon the discovery of the attack by Insured. Proper records for daily stock position, feed consumption, occurrence of disease and preventive measures taken, inputs and expenditure must be maintained by Insured. Prawn seeds should be purchased by Insured only from the approved standard suppliers.

7. Cancellation

Insurance Company may cancel this Policy by sending 15 days' notice in writing by recorded delivery to Insured at his last known address. Insured will then be entitled to a pro-rata refund of eligible premium for the un-expired period of this Policy from the date of cancellation, Insured may seek to cancel this Policy by sending a written notice to the Insurance Company. Retention premium for the period the insurance company was on risk will be calculated based on following short period table and the balance will be refunded to Insured subject to the condition that no claim has been preferred.

Period (not Exceeding)	Proportion of Premium to be retained
1 week	1/8 of the annual premium
1 months	1/4 of the annual premium
2 months	3/8 of the annual premium
3 months	1/2 of the annual premium
4 months	5/8 of the annual premium
5 months	3/4 of the annual premium
8 months	7/8 of the annual premium
Exceeding 8 months	Full annual premium

8. Claims Procedure

In the event of death of prawns, immediate intimation (within 24 hours) should be given and Insurance Company should be supplied with the following documents and information within 14 days:-

- (a) Duly filled claim form
- (b) Certificate from the F.E.O. of BFDA or an Officer of equal cadre in State Govt. Fisheries Department or Central Inland Fisheries Research Institute or a Senior Fisheries Expert of MPEDA certifying the cause of death together with the value of the stock at the time of death with details of salvage, if any.
- (c) Daily records of mortality, feeding etc.
- (d) Purchase invoices for the Prawn seeds
- (e) Any other proofs to substantiate the loss like photographs, medical bills

etc. as and when required.

In case of alarming scale of death, out-break of epidemic nature, immediate notice (within 12 hours) should be given by Insured to the Insurance Company and all prawns should be segregated and produced to their representative or to any person authorised by them for inspection.

The claim shall not be admissible if no intimation is given to Insurance Company within 15 days after the occurrence.

9. Condition for “Total Loss”

Where the loss of prawns is so extensive due to operation of any of the Insured peril(s) that the recovery/residual catch by Insured during a single crop period from a particular farm named in the Schedule of the Policy falls below 20% of the Sum Insured such claims are deemed to be “Total Loss”. Such claims will be paid to the extent of 80% of (100-percentage of residual catch).

10. Cessation of The Risk

This Policy shall cease to cover any prawn immediately if Insured sell it or part with any interest in it whatsoever, whether permanently or temporarily.

11. Contribution

If at the time of any loss or damage happening to the subject matter hereby insured there be any other subsisting insurance or insurances, whether effected by Insured or by any other person on his behalf covering the same property Insurance Company shall not be liable to pay or contribute more than its rateable proportion of such loss.

12. Fraud

If the claim be in any respect fraudulent, or if any false declaration be made or used in support thereof or if any fraudulent means or devices are used by Insured or anyone acting on his behalf to obtain any benefits under the Policy or if loss or damage be occasioned by his wilful act or with his connivance, all benefits under this Policy shall be forfeited.

13. Arbitration

If any dispute or difference shall arise as to the quantum to be paid under the Policy (liability being otherwise admitted) such difference shall independently of all other questions be referred to the decision of the sole arbitrator to be appointed in writing by the parties to or if they cannot agree upon a single arbitrator within 30 days of any party invoking arbitration the same shall be referred to a panel of 3 arbitrators, comprising of 2 arbitrators, 1 to be appointed by each of the

parties to the dispute/difference and the 3rd arbitrator to be appointed by 2 such arbitrators and arbitration shall be conducted under and in accordance with the provisions of the Indian Arbitration and Conciliation Act, 1996. It is clearly agreed and understood that no difference or dispute shall be referable to arbitration as herein before provided, if Insurance Company have disputed or not accepted liability under or in respect of this Policy. It is understood, however, that Insured shall have the right at all times during currency of the Policy to communicate only with the leading or policy issuing

office in all matters pertaining to this insurance. Subject otherwise to the terms, exceptions, conditions and limitations of this Policy.

14. Geographical limits:

The Geographical Limit of this Policy and jurisdiction shall be India. All claims under this Policy shall be settled in Indian Rupees only.

15. Disclaimer Clause

If Insurer shall disclaim their liability in any claim, and such claim shall not have been made the subject matter of a suit in a court of law within 12 months from the date of disclaimer, then the Claim shall for all purposes be deemed to have been abandoned and shall not thereafter be recoverable under this Policy.

16. Observation

Due observation and fulfilment of the terms and conditions and endorsements of this Policy in so far as they relate to anything to be done or complied with by Insured shall be a condition precedent to any liability being entertained by Insurance Company to make any payment under this Policy.

17. Insurance Ombudsman:

The Insurance Company shall endeavour to promptly and effectively address the grievances of the Insured. In the event Insured is dissatisfied with the resolution of his grievance or complaint, he may approach the Insurance Ombudsman located nearest to him.

Sum Insured: Maximum Sum Insured upto Rs. 2 lakh

Module XIV – Loss of Earnings Cover (Suggested Cover)

Who can take the Policy?

Any person between the age of 18 and 70 years who has a job/earning or is self-employed. It could include unorganized sector too.

What is covered?

Loss of income or earning due to unforeseen incident which can be an Act of God peril or Pandemic is covered. It has to be of a nature that can be classified as a **disaster**.

Disaster defined as : A **disaster** is a sudden, calamitous event that seriously disrupts the functioning of a community or society and causes human, material, and economic or environmental losses that exceed the community's or society's ability to cope using its own resources. Though often caused by nature, **disasters** can have human origins.

Types of Disaster

- Geophysical (e.g. Earthquakes, Landslides, Tsunamis and Volcanic Activity)
- Hydrological (e.g. Avalanches and Floods)
- Climatological (e.g. Extreme Temperatures, Drought and Wildfires)
- Meteorological (e.g. Cyclones and Storms/Wave Surges)
- Biological (e.g. Disease Epidemics and **Insect/Animal Plagues**)

When will the policy trigger ?

National Disaster Management Authority (NDMA) to declare the occurrence of a disaster. Policy triggers 72 hours after the disaster happens and the employers won't or can't pay wages or if the person's means of earning comes to a full stop. Covers both employees and the self-employed, in situations where you can't reach your job site, the job site is damaged or the job no longer exists.

What are the Sum Insured available.

Sum Insured would be available upto 25,000/- per month, depending on income /earning of the person(reckoning of sum insured being limited to 70% of the monthly income or earnings). In case the limit is exhausted, then the policy will terminate. The benefit period would be ranging from one month to maximum 3 months.

What is not covered?

- The policies do not pay out if the policyholder becomes unemployed for a reason other than defined disaster notified by NDMA.
- No benefits are payable loss of income from events such as drug or alcohol abuse, criminal acts, intentional self harm, war and allied perils and pregnancy
- All fraudulent claims involving moral hazard.
- If unemployed due to any other reason other than those covered under this section, then coverage will cease.

Eligibility for claim under this Section:

- The Insured shall be out of his current job on account of a natural disaster and shall remain without any source of income for at least 72 hours consecutively from the time of losing the current occupation, National Disaster Management Authority to declare the occurrence of a disaster and in that event a certificate of proof from the District Administration that the Insured has no income.
- The benefit under this Section will stop once he / she gets another job or three months whichever is earlier.
- The maximum Sum Insured under this Section shall not exceed the limits opted under the section.
- Age limit – 18-70 years.

Making a Claim

- Notification of Claim:** Upon the happening of any event, which may give rise to a valid claim under this policy, notice with full particulars shall be sent to the Company immediately.
- Submission of Documents:** The Insured Person shall submit within 15 days of notification of claim, the filled and signed claim form and all relevant documents, information and any other information/ documents the Company may request, to establish the Claim made

The company may examine and relax the time limits mentioned in condition A & B depending upon the merits of the Case

Such documents include but not limited to the following: -

- Claim form duly completed and signed
- Declaration from the Local Governing authority about the natural calamity
- No income certificate from District Administration
- Bank Account statement for the affected period
- Bank Account Details
- Copy of Identity Proof (Driving Licence/PAN Card/Voter ID card/Aadhaar Card).

Sum Insured: Maximum Sum Insured upto Rs. 2 lakh

OTHER ASPECTS APPLICABLE TO THE VARIOUS MODULES AS RELEVANT

You, the Master Policyholder or the nominee/legal heir/appointee will give us a written notice of the claim on the occurrence of the covered event. You need to give us all the relevant information in writing to enable us to process the claim as specified in the Policy.

Nomination shall be governed as per section 39 of the Insurance Act, 1938 as amended from time to time.

Assignment shall be governed as per section 38 of the Insurance Act, 1938 as amended from time to time.

Change of Address

You are required to inform us in writing, about any change in your/ Nominee(s)'s address with address proof. This will ensure that our correspondence reaches you/ the Nominee(s) without any delay. We will not be liable on account of your failure to up-date your current address in our records or registering an address with us which is incorrect.

Force Majeure

If due to any act of God or State, strike, lock out, legislation or restriction by any government or any other authority or any other circumstances which are beyond our control and restricts our performance under this Policy, this Policy will be wholly or partially suspended only for such period, subject to prior approval of IRDAI.

Governing Law and Jurisdiction

All claims, disputes or differences under this Policy will be governed by Indian laws and shall be subject to the jurisdiction of Indian Courts.

Insurance Ombudsman

In case you are dissatisfied with the decision/resolution of the Company, you may approach the Insurance Ombudsman located nearest to you if your grievance pertains to :

- Delay in settlement of claims, beyond the time specified in the regulations, framed under the Insurance Regulatory and Development Authority Act, 1999;
- any partial or total repudiation of claims by the life insurer, general insurer or health insurer;
- disputes over premium paid or payable in terms of insurance policy;
- misrepresentation of policy terms and conditions at any time in the policy document or policy contract;
- legal construction of insurance policies in so far as the dispute relates to claim;
- policy servicing related grievances against insurers and their agents and intermediaries;
- issuance of life insurance policy, general insurance policy including health insurance policy which is not in conformity with the proposal form submitted by the proposer;

- non issuance of insurance policy after receipt of premium in life insurance and general insurance including health insurance; and

any other matter resulting from the violation of provisions of the Insurance Act, 1938 as amended from time to time or the regulations, circulars, guidelines or instructions issued by IRDAI from time to time or the terms and conditions of the policy contract, in so far as they relate to issues mentioned in clauses above.

The complaint should be made in writing and the same should be duly signed by the complainant or by his legal heirs, nominee or assignee with full details of the complaint and the contact information of the complainant.

As per provision 14 of the Insurance Ombudsman Rules, 2017, the complaint to the Ombudsman can be made by you or the complainant, within a period of 1 (One) year from the date of rejection of the grievance by Us or after receipt of decision which is not to your satisfaction or after expiry of one month from the date of sending representation to Us if We fail to furnish reply to You provided the same dispute is not already decided by or pending before or disposed of by any court or consumer forum or arbitrator.

REDRESSAL OF GRIEVANCE

Grievances: In case of any grievance the insured person may contact the Company through

Website:

Toll free:

E-mail:

Fax:

Courier:

Insured person may also approach the grievance cell at any of the company's branches with the details of grievance. If Insured person is not satisfied with the redressal of grievance through one of the above methods, insured person may contact the grievance officer at. If Insured person is not satisfied with the redressal of grievance through above methods, the insured person may also approach the office of Insurance Ombudsman of the respective area/region for redressal of grievance as per Insurance Ombudsman Rules 2017. Grievance may also be lodged at IRDAI Integrated Grievance Management System - <https://ligms.irda.gov.in/>

List of Ombudsmen along with addresses and other contact details including e-mail and telephone numbers to be mentioned.

APPENDIX 2 List of Gazette Notifications and Circulars on MI

Details of Gazette Notifications issued from 2015 on MI

- a) Insurance Regulatory and Development Authority of India (MI) Regulations, 2015, notified vide F. No. IRDA/Reg/2/92/2015 dated March 13, 2015, published in the Official Gazette, Government of India dated March 17, 2015. - Full regulations.
- b) Insurance Regulatory and Development Authority of India Corrigendum to notification no. IRDA/Reg/2/92/2015 dated March 17, 2015, titled as Insurance Regulatory and Development Authority of India (MI) Regulations, 2015, notified vide F. No. IRDA/Reg/6/96/2015 dated May 19, 2015.

Details of circulars issued by IRDAI on MI from 2015

- a) Insurance Regulatory and Development Authority of India Circular Ref: IRDA/Life/CIR/MIN/225/12/2015 dated December 23, 2015 on extension of date for continuance of existing MI Products.
- b) Insurance Regulatory and Development Authority of India Circular Ref: IRDA/Life/CIR/MIN/225/12/2015 dated December 29, 2015 on extension of date for continuance of existing Micro insurance Products.
- c) Insurance Regulatory and Development Authority of India Circular Ref: IRDA/LIFE/CIR/MIN/007/01/2016 dated January 08, 2016 on filling of MI Products subsequent to the implementation of IRDAI (MI) Regulations, 2015.
- d) Insurance Regulatory and Development Authority of India Circular Ref: IRDA/LIFE/CIR/MIN/045/03/2016 dated March 09, 2016 on offering Existing General Insurance Products that are in Compliance with IRDAI (MI) Regulations, 2015 as General MI Products.
- e) Insurance Regulatory and Development Authority of India Circular Ref: IRDA/INT/CIR/MI/197/10/2016 dated October 18, 2016 on Products for sale through MI Agents.
- f) Insurance Regulatory and Development Authority of India Circular Ref: IRDA/INT/CIR/PSP/159/09/2018 dated September 25, 2018 on administration of POS for distribution of MI Products.

APPENDIX 3: An Analysis of Inputs from Consumers and Consumer Bodies

The committee consulted with some practicing organisations and end users to get their feedback and recommendation to propose the product design and servicing aspects. A detailed questionnaire (attached) was prepared and shared with different community-based institutions, MFIs and associations. Some telephonic interviews were also arranged with some low-income household members as due to COVID pandemic it was not possible to interact in person.

The following 5 organisations have responded to the questionnaire shared and about 15-20 randomly selected low-income household members were interviewed.

1. Sa-Dhan
2. The Goat Trust
3. Light Microfinance
4. Lokbiradari Trust
5. Swashryai Mahila SEWA Sangh (Madhya Pradesh)

The summary of the responses received and interviews conducted is as following-

1. The majority of the respondents have experience in arranging for MI products for their members or they have availed it for their respective organisations.
2. When it comes to demand for products, Credit Life and Hospicash products seem to be the most popular. It was observed by around 75 % of the respondents that if they get some good products to cover their health, assets, livestock and agriculture produce at affordable price, they are willing to insure. The low-income households want micro-saving products with some good returns and attractive features.
3. About 90% of the respondents rated the current available products in market 3 or below that on the scale of 1 to 5, where 1 is least suitable and 5 is the most suitable.
4. It is unanimously shared by all that the current available MI products in the market provide inadequate coverage and they don't fulfil the needs of low-income households.
5. The majority of the interviewed low-income households (about 75%) find the terms and conditions of the currently available products very complex to understand. According to them the credit life and hospi-cash products are easier to understand but these are mostly bundled with loan products so the responding organisations suggested that the new products should have simple and standard wordings.
6. With regard to the deficiencies in existing products, 66% of the cited poor claim servicing and inadequate coverage as top concerns. Then they cited lack of consultation in designing the product as the other major issue resulting in the development of complex products.

7. The majority of the respondent appreciated and highlighted the need for Combi-products for the MI segment as it may reduce the cost and provide multiple coverages under one product.
8. Family coverage has come out as the most preferred product structure by the individual members. In case of MFIs and other institutions they asked for bundling of risks with a provision for option for individual as well as family coverage.
9. The preferred premium range is cited by 66% as 3000-4000 per annum. Some responded that with better product coverage and good servicing they may pay upto 6000 per annum for family coverage.
10. When it comes to premium payment options, all MFIs preferred the monthly premium payment modes as the best option followed by one time options like single premium. Individual households preferred flexible payment options like quarterly and half-yearly. They have also shown interest in the single premium or the fixed deposit like options if it is spread over some months or over a period of time.
11. Some specific suggestions which were provided are -
 - a. Normally in Livestock risk coverage only mortality is covered. However risk of non production due to paralysis and infertility also impact the income of households, so these aspects should also be covered. The timely access to service is very low. Also, products are rigid and fixed in nature with low value of small livestock so better quality livestock (goats in particular) do not get covered.
 - b. Health and life risk of all adult members in low income households should be covered, so the family floater concept needs to be popularized.
 - c. Low cost Combi of life, health and non-life products need to be developed with some assured return at the end of policy period.
 - d. There should be some immediate minimum payment in case of any incident leading to a claim as it takes several weeks to settle the final claim and poor households need some support in between.
12. The claim settlement services being offered today are amongst the most critical observations by the respondents. They cited multiple issues in this regard including multiple documentation, lack of any proper support or guidance and delays in claim settlement.
13. Different suggestions for improvement in claims servicing through the use of digital and web-based solutions have been made -
 - a. Enrolment through the mobile phone and intimation through it.

- b. Servicing of MI products should be through all the offices of insurance companies, through intermediaries and other door-step mechanisms.
- c. Proper handholding and trust building is necessary before use of the technology. Poor people are not used to digital services and some time they may feel insecure to deal with the unknown, so the people on the ground can visit them and explain matters so that the target group feels empowered.

Questionnaire
To develop appropriate and effective MI Combi-products and its servicing process.

1. Email address

2. Name of the organization and Address

3. Name of respondent and designation

4. Type of organisation

- Community-based institutions working on MI
- Academic institution
- Federation
- Worker's Association
- Other: _

5. Does your organisation have any past experience of working in the field of MI ?

- Yes
- No

6. If yes, please select the insurance product or products you provided/offered.

- Credit life insurance
- Term life insurance
- Endowment life insurance (money back)
- Cattle insurance
- Crop insurance
- Health insurance
- Asset insurance
- Hospi-cash insurance

7. How you rate the currently available MI products in the market?

	1	2	3	4	5	
Least suited to the insured members	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Best suited to the insured members

8. Do you think that the currently available MI products in market provide adequate cover to the insured members?

- Yes
- No

9. Do you think it is easy to understand the terms and conditions of the MI products available in market?

- Yes
- No

10. What are the major lacks in the current MI products? (you may choose more than one reason)

- Inadequate coverage
- Difficult to understand the products
- Design of products
- Poor claim servicing
- Others (please mention)

11. Do you think it will help to offer combination of coverage in single products?

- Yes
- No

12. How it should cover the insured member?

- Individual insured members only
- Entire family

13. What type of major risk should be the part of the Combi-products?

14. What type of premium payment terms will be more suitable for the Combi-products?

Check all that apply.

- Onetime
- Yearly
- Monthly

- Weekly

15. Please provide any specific suggestion regarding the design of products?

16. What are the major claim servicing related barriers you experienced for MI products?

Check all that apply.

- Lack of understanding of proper process
- Multiple documentation
- Lack of proper support system to respond
- Delayed claim settlement
- Other (please specify)

17. Should there be any specific timeline for claim settlement for the MI Combi-products?

- Yes
- No
- If yes, please specify

18. Do you think that it will help if someone will help the insured members of MI to help them in completing the claim process?

- Yes
- No

19. Do you suggest that there should be integrated claim servicing systems for different types of risk covered in one product?

- Yes
- No

20. What specific aspects you would like to suggest regarding the use of technology for effective claim settlement?

APPENDIX 4: Technological Solution for Underwriting and Servicing of Combi-Product

1. Background

The future of insurance stands to be greatly influenced by digital platforms and ecosystems. As the consumers' needs evolve, it becomes increasingly more difficult for any single firm to deliver the seamless experience. Therefore, Partnerships and Collaboration, becomes critical. For rapidly developing the flexibility and agility businesses need to stay relevant in today's hyper-digital world.

A 'platform' is a business model that allows multiple participants (Insurance companies and consumers) to connect to it, interact with one another, and create and exchange value. An ecosystem, meanwhile, is an interconnected set of services that allows users to fulfil a variety of needs in one integrated experience ⁽¹⁾

2. Key pain points for MI Customers

- i. All insurance needs not addressed by single insurance company
- ii. Approach multiple insurance companies for purchasing different covers – life cover, PA cover, two-wheeler cover, health insurance cover, etc.
- iii. Make payments to multiple insurance companies separately
- iv. Keep track of multiple renewal dates
- v. Lodge claim with multiple insurance companies and track with each one of them in case of an accident resulting in damages to vehicle, hospitalization and death subsequently

3. Key pain points of Insurance Companies

- i. Unable to tap the potential and increase the level of insurance penetration as the avenues for distribution are limited
- ii. High cost of sales as the effort for educating and convincing customer to buy insurance is high
- iii. Appetite for premium payment is very low amongst MI customers
- iv. Recurring costs for collection of renewal
- v. premium eats up thin margins
- vi. Huge costs upsell and cross sell of insurance products

4. Recommended solutions

Below are some of areas which the Committee has identified in the context of a technological solution

- Create a single window for distribution of a “Combi Product”
- Bring-in technology innovation to simplify policy purchase and claim transactions for MI customers of the Combi product

5. Need for collaboration

For the Combi insurance concept to evolve, collaboration among the following stakeholders would be required

- Insurance Companies
 - Life Insurance
 - General Insurance
 - Health Insurance
- MI Customers
 - Individual customer
 - Members of Co-operative societies
- Distribution Channels
- Solution Providers
 - Technology Solution Providers
 - Logistics Solution Providers

6. Example of a solution

Based on interactions with technology solution providers, an approach note towards the solution is prepared and placed below.

Given below is an approach note towards the solution.

- i. Sales & Distribution Management: Below are the roles envisaged for the different stakeholders to enable Sales & Distribution
 - a. Insurance Company
 - Identify potential partners (life, health, general insurance companies) for designing combined insurance products
 - Design/identify covers which can be bundled as part of Combined Insured Product
 - Define underwriting guidelines and premium chart
 - Identify distribution channels
 - Enable APIs for policy issuance
 - Get risk, cover and policy details from technology platform and generate policy document/certificate
 - b. Technology Platform
 - Setup of Insurance Products for quotation and policy issuance
 - Integration with Insurance Company systems for quotation and policy issuance
 - Implement common interface for capturing risk, cover and policy related information
 - Setup underwriting rules & validations for insurance products
 - Configure privileges for Corporate Agents/POSPs to generate quotes and issue policies
 - Consume APIs from Insurance companies for Policy Issuance
 - Maintain single policy reference number for Combined Insurance Policies
 - c. Corporate Agent / PoSP
 - Identify prospects

- Understand insurance needs
 - Map appropriate insurance product matching the needs
 - Generate quotation
 - Explain benefits
 - Get consent and capture risk, cover and policy related information on the technology platform
 - Upload supporting/proof documents on the technology platform
 - Trigger payment link/collect premium
 - Generate policy documents
- ii. Claims Management: Below are the roles envisaged for the different stakeholders to enable handling of Claims
- a. Corporate Agent / PoSP
- Customer meets with accident/incurs loss
 - Customer approaches servicing Corporate Agent/POSP
 - Corporate Agent/POSP captures loss details using a common interface and intimates claim
 - Corporate Agent/POSP collects necessary claim documents/supporting evidences and uploads on technology platform
 - Corporate Agent/POSP updates customer on status of claims from time-to-time
- b. Technology Platform
- Configure SLAs/TAT for claim processing and settlement
 - Implement common interface for capturing loss details and intimating claim
 - Maintain single claim reference number for customer
 - Integration with Insurance Company systems through APIs for fetching respective insurance policies to enable claim intimation
 - Run basic claim validations
 - Maintain status of claim
 - Track claim processing and settlement SLAs and trigger escalation mails as required
 - Maintain details of claim settlement
- c. Insurance Company
- Enable APIs for claim intimation
 - Receive loss details and supporting documents from technology platform and register claim
 - Validate and adjudicate claim received
 - Update claim status periodically
 - Process claim settlement directly to MI customer

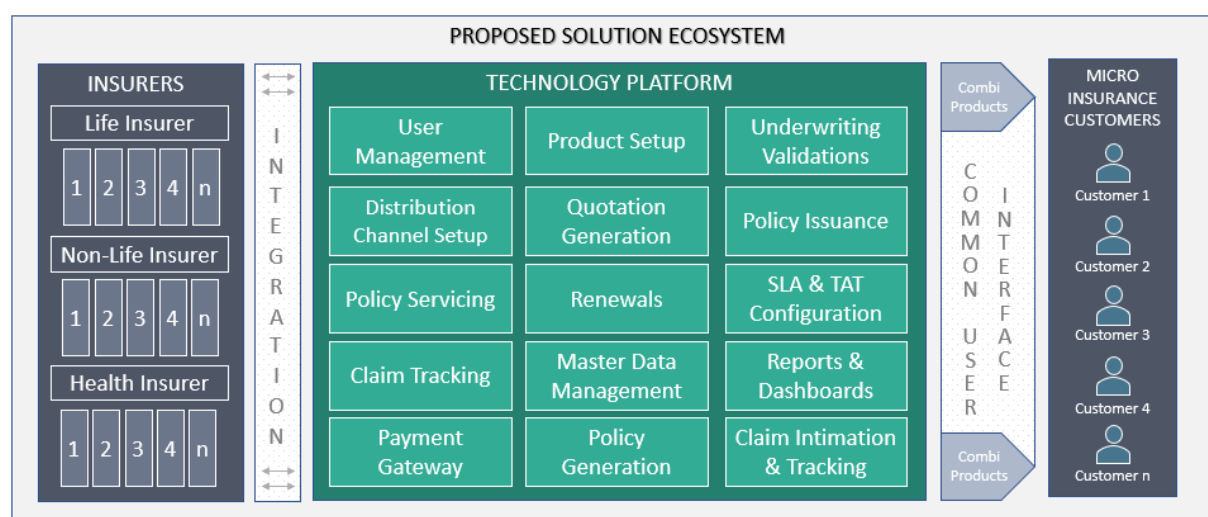
iii. Combi Insurance Product Operation

The envisaged operational flow of a sample Combined Insurance Product is illustrated below

- a. MI customer has a need for a life insurance policy, a health insurance policy and a Policy covering his agricultural tractor.
- b. MI customer approaches a Corporate Agent and puts forth his insurance requirements
- c. MI customer approaches a Corporate Agent and puts forth his insurance requirements
- d. Corporate agent generates quotes for Combined Insurance Product and explains benefits to customer
- e. Corporate Agent captures risk, cover and policy details, and facilitate payment of premium
- f. The platform fetches the 3 policies from 3 respective insurance companies
- g. Similarly, when an unforeseen incident results in claims on more than one policy, single incident is reported which gets appropriately routed to respective insurers
- h. Each insurer processes the claim on their policy and all admissible claims are paid in one go to the customer

iv. **Proposed Solution Overview**

The ecosystem of the proposed solution is illustrated below



APPENDIX 5: Copy of Order setting up the Committee



ORDER

Ref: No. IRDA/RI/ORD/MISC/044/02/2020

दिनांक: 05th February, 2020

Re: Committee on designing of Combi Products for Micro-Insurance segment.

1. Micro-Insurance is specifically intended for the protection of low -income people, with affordable insurance products to help them cope with and recover from financial losses;
2. Various schemes of the Government have created new opportunities for Micro-Insurance to reach the vast majority of the poor, including those working in the informal sector. Even so, market penetration for this segment is seen to be low in India;
3. In view of improving the Micro-Insurance penetration it is felt that, combination of Life, Non-Life and Health product are to be designed, which are simple, affordable and easy to understand for such class of people and may cater with their need for insurance protection;
4. Considering the above, the competent Authority has decided to set up a committee with the following members to look into the above aspects:

Sr. No.	Name	Designation	Organization	Chairperson / member
1	Ms. Yegna Priya Bharat	CGM	IRDAI	Chairperson
2	Ms. R.M. Vishakha	CEO	India First Life Insurance Co. Ltd.	Member
3	Ms. Sreedevi Nair	Regional Manager	The New India Assurance Co. Ltd.	Member
4	Mr. C.N. Chinnaswamy	Sr. V.P.	Star Health & Allied Ins. Co. Ltd.	Member
5	Mr. Shreekant Kumar	CEO	SEWA, Ahmedabad	Member
6	A. Rama Sudheer	Manager	IRDAI	Member / Convenor

5. The terms of reference of the committee are as below:

- i) To review the existing regulatory framework on combi-products in India as well as in other jurisdictions and suggest improvements;

सर्वे नं.-115/1, फाइनेंशियल डिस्ट्रिक्ट
नानकरामगुडा, गचीबाउली हैदराबाद -500032
दूरभाष :+91-40-20204000

Survey No. 115/1, Financial District
Nanakramguda, Gachibowli, Hyderabad – 500032
Tel :+91-40-20204000

- ii) To recommend on various combinations of Life, Non-Life, Health products suitable for micro-insurance segment, which shall be sustainable as per actuarial evaluations of such products;
 - iii) To recommend on design of products viz policy wordings, policy schedules, prospectus etc. for such combi-products;
 - iv) To recommend on the servicing aspects of such policies, where there is an involvement of more than one insurer;
 - v) Suggest on file and use procedures of such combi-products;
 - vi) Suggest on creating of effective awareness programme including training programme to the distribution channels;
 - vii) Any other related matter pertaining to product structure of micro insurance segment;
6. The Committee shall meet as often as required and submit its recommendations within three months of this order.


Suresh Mathur
Executive Director

APPENDIX 6 – Reference

1. 2019-20 Economic Survey Report - India
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