



August 2021

Post-pandemic insurance sector's endeavour to endure, evolve and excel.

- Nitin Firke

COVID upended almost every aspect of our lives last year— disrupting the very nature of how we live, work, and play. We now find ourselves at a unique moment in history. And as we look forward, we can see glimmers of how humanity is finding opportunities to not just recover, but transform.

This is not to diminish the economic and social challenges ahead. They are profound. But as we've seen since the pandemic first began, there is a new ecosystem of change-makers who are turning bold new strategies into reality. We, at Mahindra Insurance Brokers Ltd. (MIBL), are committed to this perpetual endeavour of adapting to the changing times and bringing about a paradigm shift to grapple with the post-pandemic challenges and opportunities.

The insurance sector opened up in 2001 with FDI capped at 26%. Subsequently, it was enhanced to 49% and then to 74% in the recent union budget. This is a welcome step and will ensure that there is more inflow of capital into this sector and will induce a significant migration towards global practices. MIBL is ready to cater to this influx of new capacities and carefully nurture our client's needs and requirements.

While the Reinsurance sector is also experiencing a noticeable drift toward hardening of CAT rates owing to the series of tumultuous catastrophic events in the past couple of years, it has become highly imperative to keep a close eye on the horizon for new capacities to support this unprecedented demand.

Change is a quintessential factor for growth and we are confident, that we shall endure, evolve and excel the global challenge posed by the COVID pandemic. With the right attitude and the ability to adapt, we shall overcome the hardest of circumstances, regardless of the magnitude of its impact. And this, we shall achieve by the innate ability of humankind to unite and persevere through eons of life-altering forces of nature.

International

When \$2 trillion falls short, next crisis may be uninsurable

The economic fallout from Covid-19 has left insurers issuing existential warnings and businesses discovering they weren't covered. At the core is the reality that the global non-life insurance industry's \$2 trillion in capital won't last in a "black swan" event, such as a cyber attack or another pandemic, that hobbles the global economy.

[Read the complete article](#)

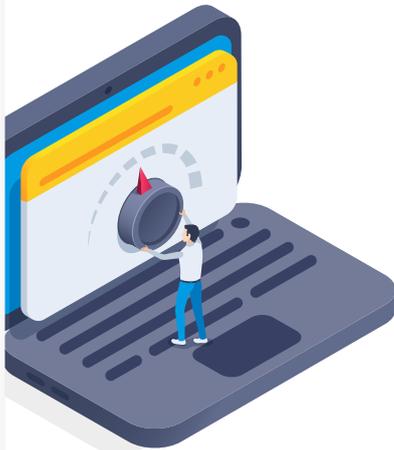


Lloyd's catastrophe risk exposure declined to £1.4bn in 2020: Moody's

According to a Moody's report, Lloyd's exposure to catastrophe risk has declined significantly in recent years to end last year at £1.4 billion (USD 2bn), or 6% of the solvency capital requirements (SCR).

For the full year 2020, Lloyd's fell to a net loss of £900 million (USD 1.3bn) on the back of a significant £3.4 billion (USD 4.8bn) of net incurred pandemic-related losses. Moody's explained that during 2020, Lloyd's market-wide Solvency II ratio fell by 9 percentage points to 147%, a level broadly in line with the past five years, driven by an increase in the capital requirement. Furthermore, the dip in the ratio came despite a £3.5 billion (USD 5bn) capital injection from the market's members, which boosted the Solvency II ratio by a material 17 percentage points.

[Read the complete article](#)



'More business on better terms', says Munich Re's CEO Wenning

Global reinsurer Munich Re expects market hardening to persist in the property & casualty reinsurance sector as it continues to take advantage of favourable conditions, according to its Chief Executive Officer (CEO), Joachim Wenning. He further added that in the reinsurance space Munich Re has experienced fresh momentum in new business and consolidated its leading position in many markets, all against the backdrop of low interest rates and above-average expenditure from major losses. He said that Munich Re's success is based on neither luck nor coincidence. It is instead the outcome of raising the bar higher, putting resolute plans into practice, and applying hands-on discipline.

[Read the complete article](#)



India

Big boost for small insurers as the Indian govt. increases FDI from 49% to 74%

After years of deliberation, the Indian government has increased the Foreign Direct Investment (FDI) limit in insurance companies to 74%. The COVID-19 pandemic has shown that further penetration of insurance in India is needed and for that capital infusion is required. The FDI hike will give the foreign promoter an opportunity to buy out their cash-strapped Indian partners if required and provide the needed cash infusion.



[Read the complete article](#)



LIC manages to grow biz by 10% in FY21 amid COVID

The Life Insurance Corporation (LIC) of India managed to record double-digit growth in FY21 despite new business premium lagging the previous fiscal until February this year. Figures released by LIC reveal that for the 11 months ended February, LIC had recorded a new business premium of Rs. 1,56,068 crore, which was 3% lower than the previous year. This was despite the premium for February 2021, at Rs. 10,404 crore, being 27% higher than the previous year. The premium for the life industry until February, 2021 was Rs. 2,34,861 crore – a 0.6% increase. LIC's share of the industry until February was around 69%.

[Read the complete article](#)

Arthur J Gallagher expands its foothold in the Indian market

Arthur J. Gallagher & Co has purchased the remaining shares of Edelweiss Insurance Brokers Limited from Edelweiss Financial Services Limited, following a minority investment in 2019.

Headquartered in Mumbai, with branches in Delhi, Kolkata and Bangalore, Edelweiss Gallagher Insurance Brokers Limited is an insurance/reinsurance broker offering general insurance solutions to clients across India within four corporate, affinity & association, reinsurance & global, and digital solutions.



[Read the complete article](#)

Title Insurance

Introduction

Title Insurance protects both real estate owners (developers/purchasers) and lenders against loss or damage that can occur due to liens, encumbrances or defects in the title to a property. This differs from normal insurance in that title insurance protects the insured against the potential event that someone else from the past has a legal claim on the property.

Common insurance policies, such as car insurance or health insurance, only protect the insured against future events. Title insurance is meant to protect policyholders against claims arising from another person trying to claim ownership on a piece of property, fraud or forgery of title documents, easements and other items outlined in the insurance policy.

Provisions of the Real Estate Act of 2016 (India) calls for the existence of Title Insurance in the market.

Coverages

A. Defect in, or Lien on the Title at the Date of Cover including but not limited to, indemnification of loss from a defect in the Title caused by:

- Forgery, fraud, undue influence, duress, incompetency, incapacity or impersonation
- Failure of any person or entity to have authorized a transfer or conveyance
- A lien or charge for real estate taxes or assessments imposed on the Title by a governmental authority due or payable, but unpaid at the Date of Cover
- Document affecting Title not properly created, executed, witnessed, sealed, stamped, acknowledged, notarized or delivered
- Document affecting Title executed under a falsified, expired or otherwise invalid power of attorney

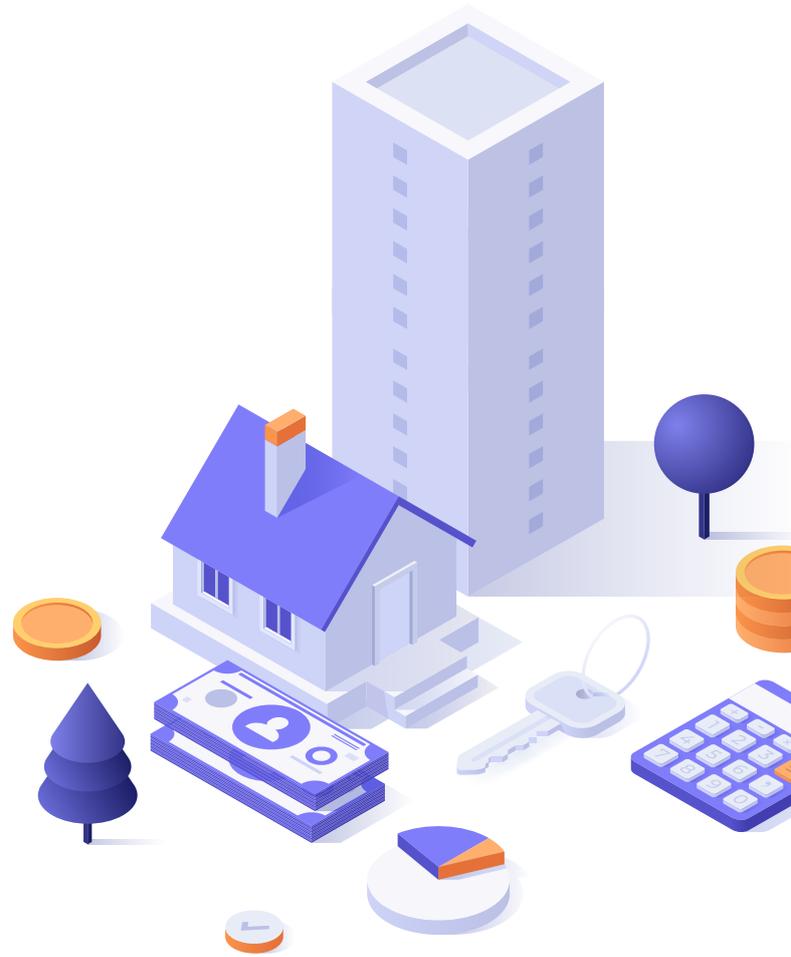
B. Defense Costs

C. Out of Court Settlement

D. Court verdicts including AO/Tribunal under RERA

Exclusions

- Risks created, allowed or agreed by the insured
- Pending Litigation
- Sovereign ownership claims. Ex: Expropriation
- Claim to Natural resources: water, minerals etc.
- Consequential Damage. Ex: Loss of future profits
- Actions of the Government



Policy Structure and Other Information

A typical Title Insurance Policy is structured as follows:

- Policy Tenure: **7 years**
- Projects Insured: **Under Construction & New developments**
- Insured(s): **(i) Promoter
(ii) Allottees, Association of Allottees**
- Sum Insured: **Gross Development Value of the project (GDV)**

The product is available through several leading insurers in India, backed by Lloyd's of London (reputed markets in global Title Insurance segment with 'A+' Standard & Poor's rating).

Mahindra Insurance Brokers Ltd. is committed to offer consultation and assistance with understanding and purchase of cover for Title Insurance, among several other related Insurance requirements.

Indian Insurance Industry numbers

Insurance Regulatory and Development Authority of India Flash Figures - Non-life Insurers (Provisional & Unaudited)

Gross Direct Premium Underwritten for and upto the month of March, 2021 (INR in Million)

| Ranking compared to 2019-20 | Insurer | Upto the Month of MARCH 2020-21 | Upto the Month of MARCH 2019-20 |
|--|--|---------------------------------|---------------------------------|
| General Insurers | | | |
| - | The New India Assurance Company Limited | 2,84,817 | 2,68,131 |
| - | United India Insurance Company Limited | 1,67,109 | 1,75,151 |
| - | National Insurance Company Limited | 1,41,810 | 1,52,622 |
| - | ICICI Lombard General Insurance Company Limited | 1,40,031 | 1,33,128 |
| +1 | Bajaj Allianz General Insurance Company Limited | 1,25,695 | 1,27,798 |
| -1 | The Oriental Insurance Company Limited | 1,24,521 | 1,36,727 |
| - | HDFC Ergo General insurance Company Limited | 1,22,951 | 96,296 |
| - | IFFCO Tokio General Insurance Company Limited | 84,109 | 79,610 |
| - | Reliance General Insurance Company Limited | 83,103 | 74,650 |
| +1 | SBI General Insurance Company Limited | 82,649 | 67,970 |
| -1 | Tata AIG General Insurance Company Limited | 80,421 | 73,845 |
| - | Cholamandalam MS General Insurance Company Limited | 44,000 | 43,985 |
| +1 | Future Generali India Insurance Company Limited | 38,352 | 34,175 |
| +1 | Bharti AXA General Insurance Company Limited | 31,599 | 31,342 |
| +1 | Universal Sompo General Insurance Company Limited | 30,522 | 28,591 |
| -3 | Royal Sundaram General Insurance Company Limited | 28,225 | 36,670 |
| +1 | Go Digit General Insurance Limited | 24,189 | 17,679 |
| -1 | Shriram General Insurance Company Limited | 21,389 | 24,662 |
| - | Liberty General Insurance Limited | 14,457 | 15,314 |
| - | Magma HDI General Insurance Company Limited | 12,836 | 12,248 |
| - | Kotak Mahindra General Insurance Company Limited | 5,440 | 4,334 |
| - | Acko General Insurance Limited | 4,225 | 3,731 |
| - | Raheja QBE General Insurance Company Limited | 2,722 | 1,581 |
| +1 | Edelweiss General Insurance Company Limited | 2,186 | 1,464 |
| -1 | NAVI General Insurance Limited | 1,044 | 1,580 |
| Stand-alone Pvt Health Insurers | | | |
| - | Star Health & Allied Insurance Company Limited | 93,534 | 68,651 |
| - | Care Health Insurance Limited | 25,598 | 23,890 |
| +1 | Max Bupa Health Insurance Company Limited | 17,508 | 12,429 |
| +1 | Aditya Birla Health Insurance Company Limited | 13,006 | 8,720 |
| +1 | ManipalCigna Health Insurance Company Limited | 7,555 | 5,762 |
| -3 | HDFC Ergo Health Insurance Company Limited # | - | 22,005 |
| | Reliance Health Insurance Limited* | -0 | 60 |
| Specialized PSU Insurers | | | |
| - | Agricultural Insurance Company of India Limited | 1,21,123 | 93,612 |
| - | ECGC Limited | 10,623 | 10,755 |

* Takeover of Reliance Health Insurance portfolio by Reliance General Insurance.

HDFCERGO Health Insurance has been merged with HDFCERGO General (with Effective Date of November 13, 2020 and Appointed Date of March 1, 2020) - Hence HDFCERGO General for/upto the month figure is merged figure.

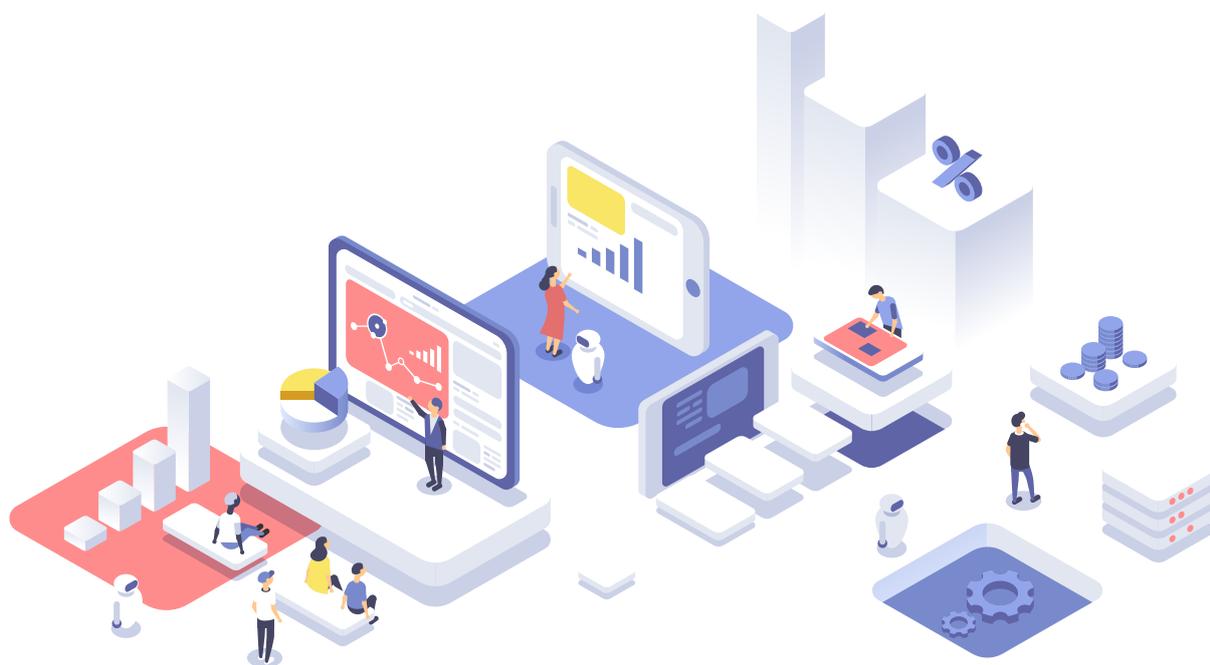
Note: Compiled on the basis of data submitted by the Insurance companies

Indian Insurance Industry numbers

Insurance Regulatory and Development Authority of India Flash Figures - Life Insurers (Provisional & Unaudited)

Gross Direct Premium Underwritten for and upto the month of March, 2021 (INR in Million)

| Ranking compared to 2019-20 | Insurer | Upto the Month of MARCH 2020-21 | Upto the Month of MARCH 2019-20 |
|-----------------------------|--------------------------|---------------------------------|---------------------------------|
| - | LIC | 18,41,746 | 17,79,771 |
| +1 | SBI Life | 2,06,255 | 1,65,918 |
| -1 | HDFC Life | 2,02,424 | 1,73,963 |
| - | ICICI Pru Life | 1,30,321 | 1,23,481 |
| - | Max Life | 68,269 | 55,836 |
| - | Bajaj Allianz Life | 63,129 | 51,787 |
| - | Kotak Mahindra Life | 52,565 | 51,058 |
| - | Aditya Birla Life | 45,643 | 36,571 |
| - | TATA AIA Life | 41,440 | 32,411 |
| +2 | Canara HSBC OBC Life | 23,034 | 15,275 |
| -1 | PNB Metlife | 19,962 | 17,786 |
| -1 | India First Life | 19,305 | 17,725 |
| +3 | Star Union Dai-ichi Life | 11,639 | 7,710 |
| -1 | Reliance Nippon Life | 11,350 | 10,061 |
| +3 | Shriram Life | 8,851 | 7,086 |
| +1 | Bharti AXA Life | 7,833 | 8,288 |
| -3 | Exide Life | 7,807 | 8,887 |
| +1 | Ageas Federal Life | 6,317 | 5,605 |
| -2 | Future Generali Life | 5,231 | 7,674 |
| +1 | Edelweiss Tokio Life | 4,553 | 3,832 |
| -1 | Pramerica Life | 2,285 | 5,148 |
| - | Aviva Life | 2,202 | 2,175 |
| - | Aegon Life | 618 | 917 |
| - | Sahara Life | - | - |



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