

## **NATIONAL INSURANCE COMPANY LIMITED**

### **INSURANCE AWARENESS POLICY - 2020**

#### **INTRODUCTION**

IRDA carried out a study of the insurance awareness campaign in rural and urban areas across various states in India to find out the awareness levels in households insured for life and those that are uninsured.

Since the insurance sector is still in a nascent stage of development, the insurance industry in India has witnessed negligible growth during the past few years. Keeping this in view, the IRDA launched an insurance awareness campaign with the objective of developing and promoting efficiency in the insurance sector. The campaign carried out the IRDA aimed at creating awareness about the need for insurance amongst the general public as well as policy holders who need to know about their protection coverage, rights and duties about insurable interest, assignment, nomination needs, claim settlement, surrender value and other terms and conditions of the policies.

The study focused on awareness parameters such as life insurance, health insurance and general insurance, as well as the socio-economic characteristics of insured and uninsured household. The study also examined insurance awareness with regard to rights and duties and the grievance and dispute resolution mechanism. India continues to be an under-insured state compared to middle income countries such as China, Brazil and the developed countries such as United State of America and the United Kingdom. Hence, both public and private sector insurance companies should make enormous efforts to create insurance awareness.

#### **INITIATIVES BY IRDA**

Protection of interest of policyholders along with development of insurance sector in an orderly manner is the prime mission of IRDA. IRDA focus on insurance literacy and have also taken many initiatives for policy holder protection which maintaining delicate balance in the insurance industry.

The consumer education initiatives of IRDA are aimed at ensuring that the consumer identifies his needs; understands the product and the risk involved.

Insurance awareness campaigns by IRDA are carried out through all possible channels. IRDA has launched an exclusive consumer education portal [www.policyholder.gov.in](http://www.policyholder.gov.in) to provide objective information. IRDA engaged the National Council of Applied Economic Research (NCAER) to carry out a pan-India survey to assess the levels of insurance awareness in the country. The survey was undertaken in 29 states/union territories. IRDA conducts a series of Annual Seminars on Policyholder Protection. IRDA, also organized an Essay Competition for students.

IRDA has participated in the “JAGO GRAHAK JAGO” programme of Ministry of Consumer Affairs, Food and Public Distribution, Government of India, which aims to educate consumers.

‘BimaBemisaal’ is the brand name for IRDA’s insurance awareness campaign. BimaBemisaal educates policyholders about their rights and obligations and informs them about the complaints resolution methods available to them. It also creates awareness about insurance among the general public.

### **Importance of Awareness of Customer Service Initiatives**

Insurance awareness plays a key role in ensuring policyholders’ protection and also in development of insurance sector. Lack of insurance awareness has proved to be one of the hurdles in penetration of insurance across the country.

Insurance occupies an important place in the complex modern world since risk, which can be insured, has increased enormously in every walk of life.

Insurance being complex and a subject matter of solicitation is relatively not easy for a common person to understand. The Consumer education is an important prerequisite for promotion on insurance inclusion and enhancing public awareness on key local risks and insurance policy available that suits their needs.

### **INSURANCE AWARENESS POLICY OF NIC**

The company proposes to adopt a policy for the boosting of insurance awareness through the efforts of all available channels of information to enable financial literacy on insurance amongst the general population.

Financial literacy advocates making financially responsible decisions to avoid being economically vulnerable or to face any financial adversity.

In India the need for financial literacy is getting greater because of the low level of literacy and large section of population which remains out of the formal financial set up. India still has large sections of people who are resource poor and who operate on the margin. These groups are really vulnerable towards persistent downward financial pressures. Moreover with no established banking relationships, the poor sections are pushed towards expensive alternatives without adequate financial literacy.

Financial education has thus become an important complement to market conduct and prudential regulation, and improving individuals' financial behavior (s) has become a long-term policy priority in many countries. This trend has notably led to the development of a wide range of financial education initiatives by governments, regulators and various other private and civil stakeholders, sometimes combined with financial consumer protection measures.

#### Benefits to customers

- Good understanding of the Product Features.
- Policy as per Customer need
- Ensure they have appointed nominee
- Importance of Timely premium payments to avail continuity benefit.

#### Benefit to Company

- Improves engagement levels with the Customers
- Satisfied Customer
- Reduction in customer disagreement of Products.

NIC has always been at the forefront in customer empowerment and building awareness. NIC was amongst the first general insurance companies to implement the IGMS – Integrated Grievance Management System – a real-time/ online grievance reporting system implemented by IRDA for all insurance companies.

IRDA mandated to all the insurance companies operating in India to have a Board approved Insurance Awareness Policy” of the respective insurance Company through IRDA Ref : 35/CAD/PUB/Insurance Awareness Policy/2013-14 dated 12.03.2014, the policy should incorporated the year-long action plan on the part of the company for initiating insurance literacy and awareness campaigns in the country.

It is advised by IRDA that as a part of this Policy, Insurance Company can select/adopt various States/districts for enhancing insurance awareness and can work with Councils and other stakeholders imparting knowledge of insurance at grass root level. The involvement of intermediaries, social and educational institutions may be considered while framing the policy. The framed policy should be in line with the National Strategy for Financial Education (NSFE)

which needs to be implemented by all stakeholders of financial sectors including insurance sector.

## **NATIONAL'S INSURANCE AWARENESS POLICY**

The policy has the following objectives:

1. To create awareness about the benefits of insurance and need of insurance to the general public.
2. To create awareness pertaining to benefits of Health, Property and other non life insurance products among the members of the Society and general public as a measure to augment financial security to policy holders.
3. To create awareness and educate consumers on access to insurance services, the policy terms and conditions, & availability of various types of products and their features.
4. Make it easy for the consumers to understand their rights and responsibilities as consumers of insurance services.

NIC proposed initiative / plans for Insurance awareness.

- Each RO to select one district in their area for insurance awareness programmes
- Organizing village / block level workshops in rural and semi urban areas for people from economically weaker sections
- Using office on Wheels for creating General Insurance Awareness through doorstep delivery of services and insurance solutions
- Online Consumer Education campaigns through the customer portal, and social media sites of the company

NIC Insurance Awareness Policy would be focused to its presence in different market segments like rural, urban or other categorized market / industry to cover most part of the country financially literate and secure.

For generating insurance awareness NIC would target to educate consumer about:

- Understanding the risk those households are exposed to in their general life
- Understanding the various option at hand to manage them emphasizing the option of taking an insurance
- Understanding insurance as an instrument to manage risks

### **Leveraging Social Media to boost Insurance Awareness**

The social media is a potent tool to promote insurance awareness and product knowledge amongst the general public. NIC can use its official sites in popular social media vehicles like Facebook, Twitter, YouTube and LinkedIn to promote and propagate insurance awareness. As the social media provides a credible customer interface NIC could use its potential to involve the customer directly in communication and be a part of the process.

The following modules are suggested for the social media –

- 1) Explaining insurance in a friendly easy to understand approach – info illustrative posts – on insurance terms and conditions, generic terms, risk management, customer benefits and services, need based solutions etc.
- 2) Product launches and all product related information may be communicated through the social media for wider reach
- 3) Real time monitoring to address customer queries and respond with the effective solutions

### **Suggested Calendar of Events for Insurance Awareness**

Zonal level Activities – Each RO to select on district for insurance awareness in grass root level and engage in workshops
Zonal level Activities – Each RO to select on district for Activities in Schools and Colleges
Social media activity throughout the year to increase awareness at all levels
Pan India RO level Activities – Utilizing Office on Wheels to spread insurance awareness
Sponsoring Seminars and workshops through various channel in rural areas

### **Proposed committee for monitoring and evaluation of financial literacy programme**

The committee shall consist of at least three members. There would be a Nodal Officer of Insurance Awareness Policy to be nominated by the Chairman cum Managing Director. The other two members could be nominated by GM (Publicity) and GM (CSD) from their respective departments i.e. Publicity & CSD.

The Nodal Officer will be responsible for implementing the Policy.

### **Insurance Awareness Committee**

The duty and delegation of the committee will be as follows

- To support and provide guidance to the organization for efficiently running the financial literacy programme

- Monitoring the related cost and the expected outcomes (number of persons who have been made financially literate during the programme).
- Evaluation of activities undertaken by respective regional offices in order to understand specific needs and formulate future strategy
- Development of efficient database system to capture all related information to understand the impact of financial literacy programme

## **INTERPRETATION**

In case of any ambiguity in interpretation of any matter / wordings of this Insurance Awareness Policy, the decision of Chairman-cum-Managing Director shall be binding and final.

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