

# Marsh India Yearbook 2021

The sixth edition



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Dear All,

I am pleased to share the sixth edition of our annual publication, Marsh India Yearbook 2021.

The last two years have been very challenging for everyone. During this period we had to adapt and evolve in ways we do business.

In 2022, as we get integrated with Marsh Inc., we look forward to greater opportunities to grow and bring in the best-in-class services to our clients. As we step in this new-era, we have to realise that the post-COVID world will be different from the one that existed till now. Superior client engagement will be the key to deliver value. This integration will help us deliver this.

We will also focus on corporates, industry, client segmentation, specialty, consumer and commercial, talent management and operational excellence. We believe that our clients will benefit from access to greater talent, deeper risk expertise and specialty capabilities, broader geographic and virtual reach, and more capacity in digital, data, and analytics.

In whatever we do, we should strive for more and

sustained growth by creating more value to our clients and more opportunity for our colleagues.

## **DOING BUSINESS IN THE NEW NORM**

The COVID-19 pandemic which hit India in early 2020 has impacted every walk of life across the globe and India was not an exception. In this edition, we have tried to capture how we have evolved in this new norm and the impact in terms of coverage, pricing etc. Through this yearbook, we have attempted to piece together case studies and client testimonials that mark our journey towards serving our clients better.

### **Impact of the pandemic on clients**

The COVID-19 pandemic has stretched our healthcare system to the limit. As a result of high claims, the health insurance premium rates hardened significantly in the last two years. Similarly, the pandemic accelerated the digitalization process across all sectors. This led to heightened cyber risks and higher demand for cyber policies. Consequently, amid heightened risk perception, we have seen an increase in rates along with capacity shrinkage in the insurance market for cyber covers.

Similarly, many companies faced difficulties in either renewing or buying fresh term-life covers for their employees as several private-sector life insurers are either quoting significantly high premiums or unable to extend fresh mortality benefits.

Combined ratios of more than 100% have led to a focus on technical underwriting. Clients who have experienced large losses, or a high frequency of claims, are faced with higher premium increases. Loss prevention has become a key factor for assessing premiums.

### **How the existing insurance solutions helped**

Insurance, by its sheer nature, has provided relief and certainty to many critical aspects, like health which was most impacted due to this generational crisis. This crisis showed how a proper health insurance policy is critical for any individual.

Health insurance policies provided coverage for hospitalization costs and other allied expenses depending on the policy structure. The insurance market, both life and non-life stepped up during these difficult times and provided relief to customers by way of settling the claims (hospital bills) and paying out death benefit claims (for term plans) in a time-bound manner.



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Health insurance claims due to COVID had a huge spike in the second wave, impacting the balance sheet of insurance companies. Since the beginning of the pandemic, general insurers and standalone health insurance companies have settled over 2.4 million claims for COVID-19-related treatments, amounting to over Rs 22,150 crore, till December 2021.

The pandemic has once again clearly shown the limitations of existing business interruption (BI) coverage for intangible and systemic risks, not least supply chain exposures. Insurers are much stricter in their interpretation of policy conditions. We have seen businesses holding BI policies that clearly provide limited cover for a pandemic. Non-damage business interruption policies, when available, often applied virus exclusions.

### **New emerging risks post-pandemic and Risk management**

According to the Global Risks Report 2022, while the top long-term risks relate to climate, the top shorter-term global concerns include societal divides, livelihood crises and mental health deterioration, as the world enters the third year of the pandemic.

Additionally, most experts believe a global economic recovery will be volatile and uneven over the next three years.

According to Allianz Risk Barometer, businesses have realized that cyber-attacks and associated business interruptions rank topmost in the risk landscape, closely followed by ESG compliance risks and “The Great Resignation”, stemming from employee fatigue, shift in attitudes and challenging personal priorities.

The effects of climate change are already showing. It is expected, warmer temperatures will lead to growing frequency of severe weather events, and these will make an increasing contribution to rising insured losses. Corporates are increasingly finding it difficult to get insurance covers for emerging and difficult risks. Pandemic, climate change, cyber, and supply chain risks are a challenge for insurers, and risk managers are looking for ways to respond.

### **Learnings from the pandemic and way forward**

COVID has brought crisis management and business continuity management to the forefront, practically and in the policy. There is a heightened sense of awareness of the impact of risk on the organisation’s income and brand/reputation.

Improvements are likely to require a role for the government and may need us to rethink how we manage catastrophic risk. India is susceptible to multiple natural disasters of varying degrees. When a natural calamity strikes, it results in huge economic losses. With the majority of the assets damaged being uninsured, the burden of reconstruction, support, and relief largely fall on the government.

Instruments such as catastrophic bonds or natural catastrophe pools will help the government save on unplanned relief expenses, which can be diverted to education, governance, health, welfare schemes, etc.

Creating a natural catastrophe/pandemic pool will also reduce the volatility and uncertainty for the government in dealing with these big risks.

In conclusion, building of a resilient, sustainable business is a journey and insurance wants to aid and collaborate with you in this task, rather than being an annual activity that needs to be completed.

We hope the yearbook will help engage our clients and other stakeholders of the insurance industry in continuing the conversation on risk. Your feedback and ideas are important to us.

Please write to us at [contact.India@marsh.com](mailto:contact.India@marsh.com).

Best regards,



SANJAY KEDIA  
Country Head and CEO,  
Marsh India


# MARSH INDIA STORY 2021

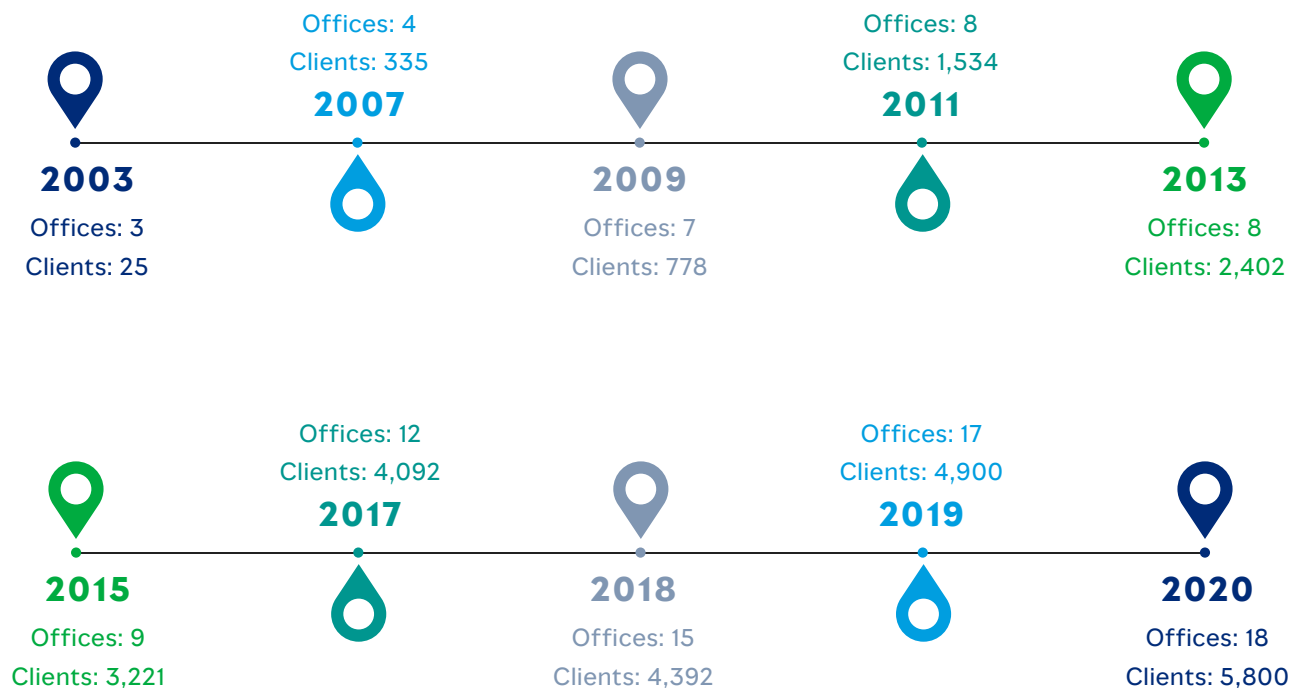
In 2021, Marsh India celebrated its 18th anniversary. Marsh India Insurance Brokers Pvt. Ltd, commenced its journey in India on March 3, 2003 as one of the first foreign insurance broker to be registered as a composite broker with the Insurance and Regulatory Development Authority of India (IRDAI).

At the end of its first year of operation, Marsh India had three branches with 25 colleagues handling 25 clients across the country. In the next ten years, by 2013, Marsh had grown to have eight branches with 200 colleagues, managing more than 2,400 clients.

Today Marsh India is the largest insurance broker in the country, with 18 offices. We have close to 1400 colleagues managing around 6000 clients, which includes 80% of India's top 500-listed corporations.

## WHERE WE ARE NOW

  
**2021**  
Offices: 18; Clients: 6000





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# BENEFITS LANDSCAPE AND TRENDS

Due to the pandemic, people are now more concerned and aware of better health coverage leading to a surge in demand for health insurance covers and term life plans. A shift in trend from traditional insurance products to more customized insurance products through IoT (internet-of-things) with ease of buying and a plethora of options is evolving as a new trend in the insurance industry. We are seeing the industry adapting in terms of three main aspects of employee wellbeing: Health and Wellness, Global Benefits, and Technology.

## HEALTH AND WELLNESS

**Unique opportunity for unique times:** Redefining health and well-being for sustainable business.

The COVID 19 pandemic has not only accelerated the ascendance of employee health, wellbeing, and safety as a top priority boardroom agenda, it has also emerged to be a core component of an employee value proposition.

As per Mercer Marsh Benefits - Health on Demand India Report 2021, supporting employees when it matters most

was shown to have a direct impact on their well-being and outlook on life. About 44% who felt their employer did not provide support during the pandemic viewed it as a 'mostly' or 'entirely' negative experience, compared to just 21% of those who felt supported. Overall, the pandemic highlighted the ways in which employer support was able to impact positively on employees.

- Organizations recognized the need to build a robust health risk management strategy as an anchor in the overall business strategy.
- The pandemic also made organizations revisit their benefits offering and transform their overall benefits strategy with focus on Digital Healthcare, Mental wellbeing, Home Healthcare, etc.
- Flexible working was seen as the most important and valued well-being benefit. In India over three out of five employees (65%) would 'highly' or 'extremely' value this benefit, similar to 65% across the rest of Asia and 60% of employees globally
- Personalization and customization of services and benefits have emerged to be highly critical. 84% of organizations are exploring health and wellbeing and flexible benefits solutions to manage employee engagement and retention.





In 2021, as healthcare consulting partners, MMB, India continued supporting various organizations in defining their overall health and wellbeing strategy to facilitating effective delivery of customized healthcare solutions. We were also able to support our clients in achieving success measures like high employee satisfaction and engagement scores leading to few organizations winning Health and Wellness Excellence Award and Healthy Workplace Recognition.

## GLOBAL BENEFITS

### International Health Insurance Policy – for Corporate CXO's

The median sum insured of the corporate health insurance cover for employees India is around INR 340,000 which is around USD 4500. The way the policies structure is built is traditionally is not comprehensive. There is a big gap between what is needed and what is available through traditional policies.

International Health insurance program is first of its kind a comprehensive health cover that offers access to the global network of quality hospitals, providing the widest array of medical treatments. The major advantages of such programs are as follows:

**Global Benefits Management:** As Indian employers expand their operations globally, they are required to look at the scope and level of benefits they provide to their local and overseas workforce.

COVID-19 have added to the complexities in managing health care for HR professionals. The health care inflation is increasing the costs of claims unlike ever seen before. Therefore given the varied global healthcare spending, there is a need to reduce costs, increase efficiency, and provide a framework through which benefits are managed holistically.

A global benefits strategy can go a long way and reduce risks faced by employees.

The objective of a Global Benefits Program:

- Better control – with better visibility over benefits and costs
- Consistent employee experience – which will also make employee offerings meet their requirements
- Costs savings – Leverage the economies of scale with pooling insurance partners.
- Overall Efficiency and governance – through a single point of contact and robust benefits philosophy framework

## BENEFITS TECHNOLOGY

### Evolution of Global Benefits Technology Platform in Post Pandemic World

The proliferation of high-speed-data-enabled handheld devices and new media content has changed not just the way employees want to interact with benefits, but also how HR teams wish to manage benefit programs today. According to our recent survey findings:

- 50% of employers think they provide “great HR technology experience” compared to only 33% of employees.
- Almost 40% of employers say they have too many data sources, which makes analytics difficult.
- More than 50% of employers today spend 11 hours or more each month manually transferring data between various systems and more than 78% are using basic excel to collect and analyze benefits data.

While in 2018 only 46% employers had the “Globally Consistent Employee Experience” in the high-priority list, by 2021 this went up to 80%.

Pandemic has added few more aspects to technology purchase expectations, which existed before as well, and were negotiable to a certain extent. Post pandemic, these have become integral part of global technology purchase decision making.

#### A. Remote working enabled

Employers want cloud-based platforms that are accessible securely from anywhere. Employers want self-administration functionalities with role-based access to manage operations with minimal external support

#### B. Health, Wellness, and Insurance Integration

As a result of the pandemic, investment in health and wellbeing has increased by 60%. While 57% of newly introduced benefits are on health and wellbeing and insurance. Employers want integrated Health and Benefits Consulting and Insurance support to meet rapidly changing support requirements and local regulations. Over 52% are very likely to adopt the integrated model in next 12 months.





## DARWIN JOURNEY IN 2021

MMB's Darwin® has emerged as the most preferred benefits management technology platform in India, which met the maximum of globally consistent technology platform requirements. Not only does Darwin® has cloud-based agile architecture and proven global deployment capabilities. It now comes loaded with the local MMB India team's Health and Benefits consulting and insurance broking support. As pandemic and work-from-home in the year 2021 continued, Darwin witnessed an over 200% increase in new orders with active user count crossing over 50,000 mark and putting MMB India as 3rd fastest-growing region in technology adoption.

While Darwin was in use in India since 2009, the addition of MMB India's expertise in delivery model brought together an integrated benefits ecosystem for clients, which had integrated wellness services, voluntary insurance programs, beneficiary nominations, health underwriting, local benefits marketplace, mediclaim TPA support, all under one roof.

## THE CHANGING PERCEPTION OF CYBER INSURANCE

As per a recent report published by Allianz Risk Barometer 2022, while COVID 19 continues to cast its effects during the third wave, Cyber Incidents continue to rank as the number one concern for India with many corporate giants and multinational companies with footprints across the globe continuing to suffer from these attacks.

These incidents have changed the way cyber as risk is being perceived not only by insurance companies but by also customers. There is now an increase in awareness to invest and tighten the IT security systems, focus on practicing a cyber-hygiene policies, educate and train employees at regular intervals.

### Major Market Trends:

#### 1. Increasing Premiums

There was an average premium increase of 38% - 50% year-on-year during 2021 depending on risk profile.

The increasing rates are primarily due to:

- Higher losses - Over the period of the last 18 to 24 months, many insurers have experienced a significantly steep increase in loss ratios — with deterioration of profits — due to the rising frequency and severity of ransomware claims.
- Systemic risk concerns - Insurers are paying closer attention to the risk that a single cyber event could affect a considerable number of insureds

simultaneously. This has led to a significant increase in the catastrophe load as part of the overall premiums charged.

- Reinsurance support - Reinsurers having witnessed large losses are increasing their rates which have added to the premiums for cyber insurance. The demand for reinsurance capital is greater than the available supply.
- Available capital- The pool of capital available from insurers has been dwindling in light of increased cyber claims, thereby leading to a disproportionate amount of cyber premium pool to fund a large loss. This has resulted in insurance carriers deploying limited capacities to order curtail their exposure and tread cautiously.

Looking at the current trend, it is anticipated that the rates will further undergo a change in 2022 since most of the insurers would have their renewed treaties in place by April 2022.

#### 2. Reducing limits/coverages

Carriers have scaled back on capacity in particular ransomware-related coverages. The worsening loss ratios have led to corrective actions such as limiting capacity and cover to maintain portfolio integrity. Some Insurers are sub limiting cyber extortion to a maximum of US\$5M with a 50% coinsurance clause.

#### 3. Increased claims frequency and severity

Ransomware is now entrenched as a dominant threat, rising in frequency and severity and deepening insurance market concerns over attritional losses, accumulation and systemic risks. Ransomware is now more accessible for bad actors and the short tail nature of losses is changing insurer profitability weekly.

Average downtime from ransomware is up 53% y-o-y to 19 days and most ransom demands are in the millions. We expect ransomware attacks to increase in sophistication and more often include data exfiltration in 2022.

#### 4. Stringent underwriting approach

Insurers have developed their own internal mechanism including having IT domain experts to assess and evaluate the cyber maturity levels and systems of the organizations. They are doing so by seeking additional ransomware questionnaires and an in-depth understanding of the insured's IT infrastructure. Responses now dictate the pricing, coverage, and capacity offered by insurers. An uptick in ransomware losses has also led some Insurers to run outside vulnerability monitoring using third-party vendors for common vulnerabilities and exposures (CVE).

We anticipate underwriters will continue to demand

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additional information to assess risk and may further restrict cover for systemic loss.

### **How the solutions helped**

Our cyber risk consulting services, exclusive tie-ups, and value-added offerings such as BitSight, Cymulate, Security Scorecard, Privacy Breach Tools and BI modeling analytics have helped clients understand their current cyber maturity levels, helped them in arriving at an optimal cyber insurance value, also in identifying areas for improvement.

A cyber incident response plan, mock scenarios or drills being tested would only result in minimizing the impact of the attack.

### **Looking ahead**

The enhanced digitization has opened up new avenues for the technology sectors and has accelerated the already ongoing process of erasing distinction between old and new economy.

Needless to say that in some cases, it has also led to the implementation of less robust technology, exposing it to a host of cyber-attacks and ESG non-compliance risks, particularly ransomware and data breaches.

## **POWER AND UTILITY**

The insurance market for the power and utility sector is on the cusp of change with the ever-evolving risk landscape. With the power sector is shifting focus towards low carbon/no carbon, the key challenge faced by most of the power companies is arising from the energy transition and the move to cleaner fossil fuels.

The power industry will be one of the key sectors to adopt new measures and practices to meet these targets. These changes have affected the insurance needs of the clients in 2021 and is expected to remain the same going forward.

### **Impact of the Pandemic**

The challenges in the power industry amid the pandemic times are primarily driven by continuity of operations with workforce issues and the deferring of maintenance programs for critical equipment.

Property pricing in Asia has followed the global trend and it has increased steadily over the last five quarters. Besides, the Indian reinsurers including GIC Re are also getting more stringent in risk selection with a strong focus on pricing, offered coverages and limiting the exposure in their books in terms of higher deductibles.

Insurers were looking to limit exposure in the domestic market, with the inclusion of specific Communicable Disease Endorsements on all property policies issued by GIC Re for treaty and facultative participation.

It is worth noting that the domestic underwriting market has been impacted by the introduction of IIB rates by the GIC Re since 2019. Besides, the capacities of insurance companies for underwriting large thermal and hydropower

plants were also impacted by the revised Probable Maximum Loss (PML) guidelines, as per changes in GIC Treaty.

### **Coal Exit Policies**

In July 2021, the launch of the Net-Zero Insurance Alliance (NZIA) was announced alongside various other Net-Zero Alliances being formed. Out of 17 major insurers, controlling 46% of the reinsurance market and 9.5% of the primary market have decided to either stop writing cover for existing/new thermal plant or are gradually moving away from it. This move has left few potential underwriters for the thermal power industry to turn to.

Ahead of Cop26, many insurers are stating commitments to individually transition their underwriting portfolios towards net-zero emissions by 2050.

## **Managing New Emerging Risk Post Pandemic and Risk Management Solutions**

### **ESG and Climate Risks**

Across the world, energy demand is growing, alongside governments, organizations, and communities are committing to reduce carbon emissions and accelerate the transition to clean energy sources. As environmental, social, and governance (ESG) principles and practices continue to gain traction, accounts that include coal, experienced increases of up to 40% on premium outgo.

Embedding ESG into business is increasingly a source of competitive advantage for the companies that do it right. Additionally, ranges of stakeholders, including insurers, are increasingly interested to understand ESG performance for insureds. Marsh ESG rating tool provides a framework through which to understand how your ESG performance may be perceived and, potentially, to communicate your company's performance to insurers.

### **Cyber Risks**

Power and utility companies are key targets for hackers. Attacks are made on Supervisory Control and Data Acquisition (SCADA) systems and other Industrial Control Systems (ICS), which gather the data from various electrical substations and correspondingly process it, not just through brute force and insiders, but also through advanced persistent threats, spear phishing, SQL injection, distributed denial of service, and social engineering attack. There were at least 10 such cyber-attack on the Indian power sector in different cities in the last year.

Marsh has worked on various power sector proposals and created solutions for general cyber and crime insurance and a very specialized cyber gap cover to extend cover for physical damage and business interruption emanating from a cyber-event.

### **Environment Pollution Liability**

Considering the nature of operations in the power and utility sector, pollution or environmental damage could

occur at any time. This is also gaining traction due to a stronger ESG push from the global communities and alliances. Pollution can often affect a site and its surroundings and it can remain undiscovered for a long period. This has created the need for insurance cover to respond to either historic or new pollution conditions, or both.

### Way Forward

The risk landscape of the power industry is going through a very dynamic phase, and power corporations are being exposed to a growing number of risks from various areas in and around the industry. Many of the challenges in this sector are long-term in nature and shall be successfully addressed using a judicious and systematic risk management approach.

Power Plants have now started taking extensive action to ensure they remain operational, especially throughout maintenance periods. With on-site risk engineering surveys not as feasible, there was a much higher importance placed on virtual risk engineering. This is now playing a vital role in many placements.

To ensure the reliable long-term operation of plants, power companies must be able to rely on the financial protection provided by their insurers.

## RENEWABLE ENERGY



With India working on the world's largest renewable energy expansion program of reaching 175 GW by 2022 and renewable power tariffs touching record lows, it becomes highly critical for the renewable energy industry to ensure a concrete risk management plan, especially in a scenario where the world was in war with COVID-19.

### Impact of the Pandemic

Since renewable energy was under the essential businesses criteria, renewable energy companies were all

geared up to ensure that the show goes on even during the second wave. However, external factors like - supply chain disruptions, workmen unavailability, tender delays, ambiguity in government policies, delayed operations, and maintenance, site inaccessibility etc, came up as major challenges. All of this was somewhere reflected in the health of the renewable projects and it was important for us to ensure that complete support could be provided to our clients in this segment even with us working remotely.

### Emerging risks

Areas like contractors' non-performance, breach of cyber security leading to property damage, climate change leading to high-frequency natural catastrophes, lack of natural resources like solar irradiance or wind speed. Marsh is heavily invested and we have designed bespoke risk transfer solutions on all these emerging risks for our clients so that post-pandemic their growth story is not hampered and our clients continue to succeed risk-free.

### Key Learnings:

- Staying connected virtually with our clients or exploring the right insurance solutions for the constantly changing risk exposures.
- Review risk management and business continuity plans, update risk registers, and conduct regular risk mapping exercises.
- Constantly update your insurance programs with adequate coverages, limits and also evaluate the latest insurance solutions that can be innovated to cover your emerging risks.

## MARINE

### Cargo

#### Impact of the Pandemic

The global premium for cargo markets stood at \$17.2 billion with India forming a 1.9% share of the same. Considering cargo insurance operating in the post-pandemic era, we see that it has a positive outlook for business opportunities as Global trade appears to have returned more strongly than expected post the outbreak of COVID-19. The cargo markets have hardened although the coverages remain more or less the same and continued irrespective of the pandemic.

Also, in India, the public sector reinsurer GIC Re revised the rates for War and SRCC in 2021 for 37 named ports in the Middle Eastern Region. Cargo originating from or destined to the countries in the Middle East Region will attract a rate of 0.05 % for the risk of War and SRCC over and above the base rate effective from 15th October, 2021 for all types of Cargo. This might not prove to be great news for our clients trading in the Middle Eastern region and having their cargo insured.



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### What is the impact on claims?

Marine claims are highly transactional in nature. Various insurers have adopted digital ways of claim processing and settlement by designing portals for intimation and document handling. We also see virtual surveys being conducted as well to prevent delays in the assessment of the losses due to lockdowns and movement restrictions. This has overall helped in making the process seamless and reduced the turnaround time for settlement of the claims.

### Non-Cargo

#### Impact of Pandemic

Global hull premiums have grown by 6% standing at \$7.1 billion and loss ratios have improved coming at a technical break even in 2020 with a minor increase in the Asian markets.

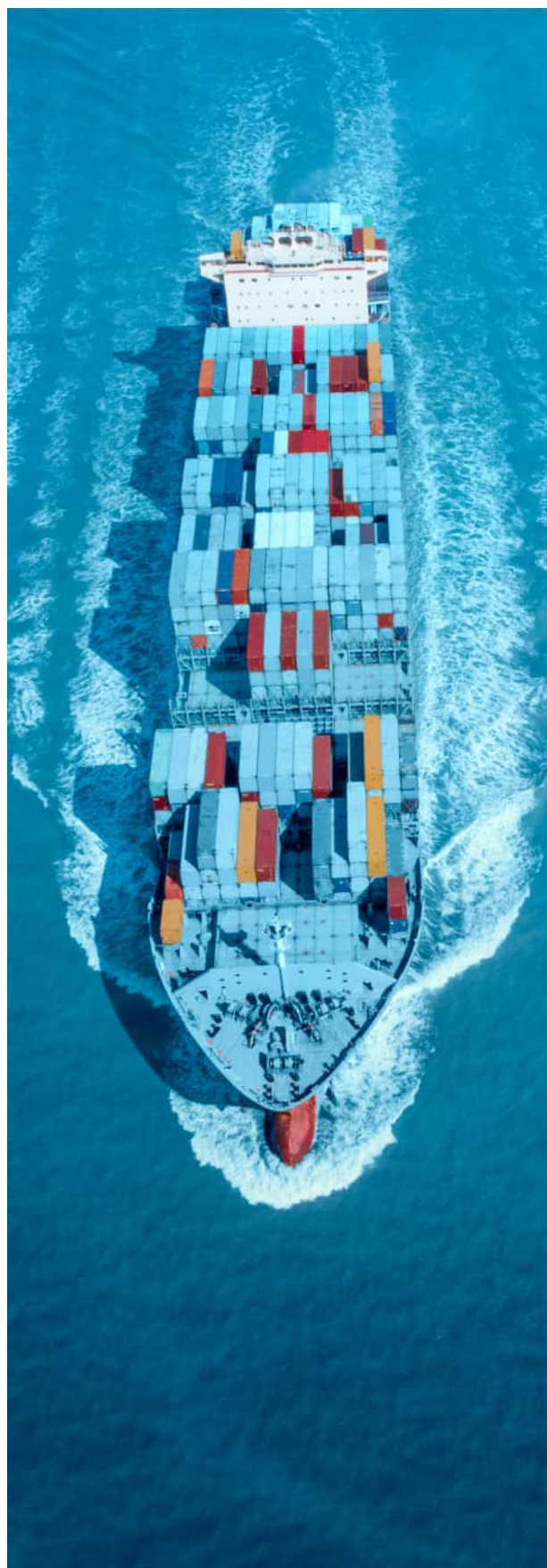
Due to the frequency and intensity of claims, reinsurers are shying away from the Indian port insurance market resulting in the shrinkage of Indian market capacities. We expect that for the renewal of risks with clean records, the premium rise could be between 20-30% and for the risks having claims, the renewal terms are totally dependent on records and existing policy terms.

### What is the impact on claims?

The frequency of hull and machinery claims has on the lower side due to the reduced shipping activity in some sectors. However, the frequency of fires on container vessels has not declined the working conditions of seafarers which needs attention and reluctance of ship-owners towards digitization of operations.

#### New emerging risks for Marine sector and risk management solutions

- The emerging risks from the pandemic have paved the way for better risk management solutions. We need to look into risks of delay, deviation, demurrage charges, or interruption in transits (mainly global supply chain disruption) carefully now as the frequency of such risks has started increasing.
- Fires, collisions, and groundings are dependent on external support for the safety of the vessel and its crew, as well as the protection of the environment. Delays in emergency response could lead to major losses. Many tankers are also idling around major oil ports and terminals, with potential exposures to extreme weather, piracy and political risks.
- Changes in the geopolitical situation in various countries and rapidly changing climate risks are also a concern. A way forward would be flexibility in adapting to digitization as a core part of how we conduct marine insurance business. Managing these emerging risks can be initiated through designing shorter supply chains and adopting digitization with respect to potential risk modeling and reducing the delay in surveys, crew/engineer responses to the situation.





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## INDUSTRY PRACTICE

### Automotive Industry

#### Impact of the Pandemic

In view of the lockdown restrictions imposed by the government, several automotive companies had shut down their facilities on a temporary basis

- From a property perspective, automotive companies witnessed an impact in terms of limited or no coverage for business interruption, challenges in coverages for stocks at job workers' premises as well as warranties imposed by insurers towards security, maintenance etc.
- From a marine cargo perspective, there were coverage challenges on account of change of voyage, termination of the contract, limitations in duration clause, increased storage at customs/bonded warehouses as well as warranties imposed by insurers (pre-dispatch surveys).
- In view of lack of coverage clarity in liability and trade credit policies, automotive companies witnessed challenges after reporting claims.
- There were also delays in projects resulting in total or partial cessation of work which resulted in independent coverage challenges for clients.

#### How the existing insurance solutions helped

There were limitations in coverage in existing policies. As Marsh, we stepped in to review the coverages under the various policies and played an important role while presenting the claims to the insurers. Clients faced bigger challenges during renewals when insurers inserted a communicable diseases exclusion under majority lines of business. There were some innovative solutions to cover Non-Damage Business Interruption risks arising due to pandemic but the markets and capacities were limited and premiums were high.

#### What is the impact on claims?

Limitations in coverage resulted in a large number of claims getting rejected. Additionally, due to travel restrictions, the physical site inspections, submission of documents, has been getting delayed further prolonging the claim settlement period. However digital solutions have been adopted by clients, insurers and surveyors to manage the challenges on account of claims management. Additionally, clauses like Nominated Adjustor's Clause have gained immense importance over the past two years.

#### New emerging risks post-pandemic and Risk management/solutions

The automotive industry has witnessed the following key emerging risks:

- Supply Chain - Shortage of Key Components,

Selection of Alternate Suppliers

- Cyber - Increased Data Privacy and Breach Risk due to Increased Automation, Digitalization, Handling of Critical Data, Remote Working
- ESG- Climate Change, Focus on Product Safety, Employee Health and Safety, Stringent Corporate Governance

#### Learnings from the pandemic and way forward

- The automotive industry has recognized the importance of resilience as a means of being better prepared for such black swan events as well as to ensure improved operational and cost efficiencies.
- In view of the changing customer preferences towards mobility, automotive companies have started investing in innovation in product development (including alternate powertrains), distribution networks as well as customer engagement.
- In view of the fact that the automotive industry is manpower heavy, employee health and safety have gained immense importance with a special emphasis on mental well-being as well as adaptive working.
- Sustainability is a key focus area across the industry and automotive companies are demonstrating their commitment towards ESG by way of sustainable mobility, green energy in manufacturing and supply chain, and efficient waste management practices.

### Construction Industry

#### Impact of the Pandemic

The market dynamics in the construction sector have changed significantly in the past two years, wherein an unprecedented number of reinsurers have declined to participate in complex projects, which are crucial for our economic growth.

Before the onset of the COVID-19 pandemic, there had been a series of losses because of calamities like hurricanes and typhoons, flash floods in large construction projects: power, hydroelectric, oil and gas plants and has led to tremendous losses to the construction insurers globally. The COVID-19 pandemic has only accelerated insurers' drive to push pricing levels higher and enforce further policy coverage restrictions. Underwriters have to take HO approval for participation in large and complex risks, and hence broader terms and conditions are a challenge. This has resulted in capacity shrinkage when there is a need for delay-in-start-up (DSU/ALoP) insurance.

#### Impact on Claims

During the COVID-19 pandemic, most of the underwriters had imposed a communicable disease exclusion which excluded any liability arising directly or indirectly from the pandemic or similar communicable disease. Since there

were no standard wordings for this exclusion, there were a myriad of different versions used by different insurers participating in the same risk. There was also a wave of discussion with respect to Non-Damage Business Interruption losses faced by clients due to COVID-19 effects

### Way ahead and Emerging Risks

However, the future of global construction looks positive with a total of US\$1.75 trillion growth in construction being forecasted between 2020 and 2023.

Indian construction over the next decade will have below central drivers: Demand for new infrastructure and huge infrastructural investments. The growth of new infrastructure will lead to demand for new transportation and logistics development, power grid and transmission lines development and manufacturing units, and other utility works development.

Since this growth will be driven majorly by increased use of technology, the new/unproven technology along with Cyber risk will become crucial to be addressed by the insurance industry along with traditional constructions risks.

As part of the National Infrastructure Pipeline of India, ports along the Indian coastline are developing at a rapid rate. However, there have been cyclones along both the east and west coasts of India with major increase in 2020 and 2021. This has led to insurers being cautious for the placement of port construction policy due to major losses.

Thus we can infer that the pandemic has had a very significant impact on the construction sector, which is a backbone of our economic cycles.

### Real Estate Industry

#### Impact of the Pandemic

**Hybrid working and the flight to quality:** Hybrid working models are set to alter the built environment as the demand for real estate use evolves and occupiers seek

improved quality and flexibility. Locational decisions will become more complex and involve more stakeholders.

**A more central role for insurance capital:** A deeper understanding of operations and owner challenges will create opportunities for insurance capital. Innovative solutions can give owners greater flexibility and better match risk exposure to risk profile. The result is better transparency around risk-adjusted returns.

**Prop-tech is now a vital competitive feature:** As corporate occupiers take a more holistic approach, the roll-out of prop-tech innovations will accelerate. This is aimed at improving the user experience, in alignment with ESG principles. Alongside, prop-tech adoption is a greater need for cyber security and risk transfer solutions.

### Key Emerging Risk

**ESG credentials are becoming ever more critical:** ESG initiatives, with its potential implications on Real Estate top and bottom line, is expected to gather momentum. The industry is witnessing:

- Investors are increasingly using ESG criteria to screen investments, such as financial risk attributable to climate change, policy support for green assets, financial benefits and reputational considerations.
- Verified sustainability and wellness attributes of real estate developments, and its impact on the surrounding community are now critical to occupiers and owners
- Global Industry Standards like GRESB (Global Real Estate Sustainability Benchmarks) are helping in creation of a benchmark for sustainable compliance across geographies and businesses.
- Several firms are increasingly modelling their assets against climate change scenarios to assess their exposures and direct portfolio management strategies.





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## Life Science Industry

### Impact of the Pandemic

Life Sciences industry continue to be agile and resilient during the pandemic with the development of vaccine and generics at an unparalleled skill and pace this sector holds prominent hope to tide over the pandemic. The sector was already under pricing pressure due to recent increase in rates for property and marine.

With major players putting onerous exclusion for drugs and vaccines battling COVID, the sector has seen shrinking capacity, territories, widening exclusions and a substantial increase in the premium for product liability, clinical trials, and cyber. The anxiety of underwriters is clearly visible in reduced participation in these lines.

### New emerging risks post-pandemic and Risk management/solutions

The Pandemic has led to a rise in many new risks and exposures

- **Supply chain management:** Critical planning for key starting material (KSM) and reducing overdependence on fewer players is a major key risk to be addressed.
- **Business continuity:** With Indian life sciences players witnessing equilibrium of capacity and opportunity business continuity remains critical. Managing this exposure with a property risk evaluation and business interdependency review can be critical to address this exposure.
- **Digitization:** The advantage of technology in all spheres right from product development to clinical trials, production, automation, the last-mile delivery, cannot undermine and its great space to grow but poses challenges of cyber and crime risk.
- **ESG:** Measuring ESG progress is critical to building trust and advancing the sector's role in society, Marsh can help the clients to achieve their ESG objectives

### Learnings from the pandemic and way forward

Pandemic offers many lessons on risk and preparedness. The key learning is that the industry should look beyond their perception of risks and pragmatically measure them and scale how prepared they are. Assessing the immediate risk situation is the first step but gauging the long-term disruption due to these events and what effect they have on the organization's business operations, assets and revenue stream can enable organizations to transform their risk management strategy and make them more resilient.

## Communications Media and Technology

### Impact of the Pandemic

The insurance industry, adapted to these unprecedented times by working with the clients to understand the risk



in greater detail, but some of the key results with serious implications have been:

- More focused risk selection with a reduction in risk appetite
- Casualty policies with a specific exclusion for COVID-related events.
- Cyber policies seeing a general hardening of the rates, reduction in capacities across the board reflecting enhanced exposure. There have been instances where even without any claims or notification of any claim-like circumstance, the premium rates and deductibles have increased by 3-5 times.
- A sustainable, though more gradual than Cyber liability, the process of increase in the premium rates of professional indemnity policies is also in the way for services companies, largely to the extent of 10-15% on the program, but the premiums on the primary rates have zoomed by 50% in some cases.
- Insurers remained selective on the D&O policies for companies listed on US-based stock exchanges, with rate increases ranging from 50% to 100% depending on the industry, client profile, and claims history.
- An in-line trend of enhancing of rates on employment-related cover, anticipating employee issues.

### How the existing insurance solutions helped clients

Rapid digitization has established information technology, as a cornerstone of the company operations. However, not all sectors/companies were prepared to the same extent, to face the impact of the Pandemic, bringing the key roles played by insurance to the fore, whether it be in:

- Re-starting of operations



- Supporting companies faced with increasing anxious employees effects leading to mental health issues.
- The unprecedented number of cyber intrusions detected, especially on companies that delivered essential services or products.
- Wherever they arose for services or manufacturing companies for supply chain issues or support issues, insurers came forward to fulfill their obligations.
- Some companies that had to resort to downsizing as a means to sustain themselves during such situations faced a backlash from employees. Employment Practices Liability policies picked up wrongful termination and harassment allegations that were initiated against such employers.

#### Enhanced claims activity in numbers

Cyber claims have contributed to almost 20% of the total claims reported, whereas Professional Indemnity contributed by 32% to the total claims. Human errors, loss of business intelligence, and technical failures have also contributed toward the rise of cyber claims. The business interruption came out as an unfortunate outcome of the cyberattacks that were perpetrated threatening to disrupt essential supplies.

Increased cyber-related litigations, in the form of class action suits, and regulatory actions, are also on the rise. Likewise, the novel working styles have created newer problems faced by companies in terms of employee retention and satisfaction.

#### Key Learnings

One of the key learnings that we have picked up is to keep bench capacity or buffers to tide over any unprecedented situation.

The companies that came out stronger from the pandemic may not have funding issues for the immediate future. The bigger companies have started buying out companies at a ferocious pace, not just to acquire business, but as an investment into skill-sets that hold great promise.

Lastly, circular economy, green economy and sustainable

practices finally came out to be established as the primary motive rather than an after-thought for businesses.

## CONSULTING SOLUTIONS, MARSH ADVISORY

### Impact of the Pandemic

While the world was dealing with the subsequent waves, the initial period of 2021 saw a record vaccination drive across various countries including India. This gave a new ray of hope to the markets and slowly but gradually, the situations started to improve once again and businesses started coming back to normal.

- Large real estate groups prioritized having their properties reviewed for compliance with Fire and Life Safety (FLS) requirements.
- There has been an off-take for NATCAT (Natural Catastrophe) exposure evaluation.
- There has been an increased focus to realign and improve the supply chain aspects amongst corporations to avoid stoppage of operations for want of input materials.

### How the existing solutions helped

#### Property Risk Consulting

The growing fatality and accident rate in India, new IS (India Standard) for Design, Installation and Maintenance of Fixed Automatic Sprinkler Fire Extinguishing Systems was released in 2021. The new standard highlights the use of innovative types of sprinklers such as early suppression fast response (ESFR) sprinklers and large drop sprinklers which were missing in earlier version of the standard.

Although the said standard, released in August, is applicable for extension, repair or other modification to a sprinkler system, there is still a lack of awareness among the fire protection contractors/consultants about the new IS standard. From the last 6 months, we have seen 90% of the new projects, the new standards were not followed.

#### Fire and Life Safety Consulting

As the second wave of the pandemic subsided, we delivered FLS assignments covering over 50 million sq. feet in the last quarter of 2021.

Amidst the pandemic, our return to work solution has helped organizations to effectively manage their business facilities and set robust hygiene protocols ensuring safe workplaces for the employees.

Business Interruption evaluations remained one of the niche services in the insurance world. We have helped several clients in identifying gaps in the current business interruption program, guided on with enhancements measures to safeguard against possible business interruption scenarios and downtime in a catastrophic event, if any.

Though travel to the client sites was restricted due to pandemic outbreaks and travel restrictions, our unique



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Virtual Risk Inspections (VRI) ensured effective data management and COPE info generations in line with the underwriting needs of local as well as international insurance mark.

## **SOLUTIONS FOR MULTINATIONAL COMPANIES**

In 2021, **Multinational Client Services (MCS)** was renamed as **Marsh Multinational**, most of the companies in India have embraced the work from home culture and have continued this to the extent possible with the country facing multiple waves of COVID. Companies have embraced digital means for the wellness of employees and doctor consultations

### **How we helped**

The Marsh Multinational consulting team has grown over the years and currently caters to 1,000+ Marsh Multinational Employee Health and Benefits clients,

helping client executives in retention, prospecting, and improving engagement with their clients.

The key highlights for 2021 include :

- More than 1650+ analytical reports
- 93% of the clients rated us Excellent/ Good in the Client feedback survey (285 Clients)
- Mandatory reports for all renewals and prospects

Marsh Multinational has launched Customer Relationship Management Tool (CRM Tool) for the Employee Health and Benefits clients through which we want to streamline the servicing and improve the rapport with the client through their representatives.

Marsh Multinational India is paying special attention to the international client prospects with help of our global colleagues.



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## CONSUMER AND AFFINITY

### Impact of the Pandemic:

Affinity Insurance is built around the needs of its participants in the client ecosystem provides greater control over risk management, the ability to capture new cost efficiencies, reduce claims frequency, improve claim settlement and customer loyalty.

We have partnered with clients in different industry segments such as retail, e-commerce, healthcare, agriculture, auto, travel, banking, shared economy, and manufacturing to successfully embed insurance in their product and service offerings through an effective digital solution. This has helped organizations to great extent in their revival efforts from the COVID-19 pandemic impact.

### Doing business during Pandemic

**Effective use of data:** Our solutions used comprehensive client data such as location, peak sales periods, average purchase value, demographics, and related data to offer customized insurance products. This includes the ability to offer different insurances and related content based on client profiles instead of one product for all customers.

**Risk Management solutions:** Developed customized business insurance covering property, workmen compensation, motor, and related insurances for business partners associated with our clients.

**Optimized Operations:** Centralized claims and customer support helped improve customer experience and delivered better value to our clients. This helped our Dealer and Distributor programs, Voluntary Benefits and other group programs.

**Digital Delivery:** We continued to innovate and offer comprehensive solutions digitally to our clients. Solutions include API, Mobile app and customized Web platforms.

### How we helped our clients

Here are few examples that demonstrate our thought leadership, innovation, insurer relations, digital delivery and client centric approach.

**Travel Industry:** Developed solutions to take care of ticket cancellation due to any reason, rescheduling, COVID-related tests and quarantine expenses, and loyalty programs.

**Auto Industry:** To support long-term insurance need for drivers on an anonymous basis that act as a reward mechanism to increase customer loyalty, use of post-sale support, and related services.

**Logistics Industry:** Implemented easy-to-administer marine insurance for a large logistics aggregator. The complete solution is driven by a robust technology platform.

**Vendors, Dealers, and Associations:** Multiple business solutions offered through mobile and web applications for clients having thousands of vendors, members, and dealers in their ecosystem. Our services include –product design, placement, training, technology development, and ongoing program administration.

**Electric Vehicle Ecosystem:** Keeping pace with the growth potential of EV segment, we have partnered with many start-ups and established organizations to offer comprehensive insurance covering – customers, infrastructure, charging stations, battery protection, and related insurance needs.

**Warranty:** Innovative extended warranty and accidental damage-related insurance for leading brands in the e-commerce and retail segment has been implemented. This includes simplified claims administration processes which is typically viewed as the most important aspect for customer satisfaction in this industry.

**Voluntary Insurance (B2B2E):** We have enhanced our product offering in Voluntary insurance segment and improved program administration through process optimization and simplified claims process. We have managed to significantly increase the Employee participation in Voluntary programs across our client base.





## CLAIMS

### Property Claims

#### Impact of Pandemic

The pandemic has not really affected the pricing in the domestic property insurance market in India. The Insurance Information Bureau (IIB) pricing mechanism that came into play before the pandemic began continues to be the basis for rating property risks. However, clients having a large asset base requiring reinsurance capacity have continued to see a hardening of rates. Global reinsurers have suffered significant losses in the last 2 years thereby compelling them to harden the rates and restrict coverage.

The policy coverage is now very clear in terms of excluding losses, directly and indirectly, attributable to communicable diseases. In light of the claims reported under employee benefit policies, especially health, property-related covers are now increasingly being used to achieve cross-subsidy. Insurers are adopting a portfolio-based approach more than ever in today's insurance marketplace.

#### How the existing insurance solutions helped

Certain clauses that have come under the spotlight due to the pandemic are the **cessation of works**

**clause, occupancy clause, and communicable diseases exclusion.**

Marsh was proactive in reaching out to insurers to get clarity on continuity of cover for our clients as several manufacturing facilities as well as offices were shut down or operating on lower capacity due to a shortage of manpower.

The communicable disease exclusion is now applied by all Indian insurers for all property damage and business interruption losses caused directly or indirectly by the pandemic.

Insurers and reinsurers also laid down minimum risk management requirements in order to keep the coverage active for assets covered under property insurance. Marsh was proactive in not only enabling clients to achieve the minimum requirements but also safeguarding their business from unforeseen risks related to manpower shortage, maintenance, inspection, and upkeep of their assets.

#### What is the impact on claims?

We have observed that at the height of the pandemic, remote management of claims became the need of the hour. Insurers, intermediaries like Marsh, and surveyors adopted some innovative and unique practices to keep the

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claims settlement process moving for both ongoing as well as new claims reported.

Whilst movement of surveyors comes under the category of essential services, physical inspections, submission of documents, carrying out repairs and/or replacement, salvage disposal, and loss minimization were impacted due to logistical issues.

Marsh executives relied heavily on technology in terms of organizing video calls for insured's with surveyors and insurers to allow the settlement process to continue despite the challenges. Inclusion of the nominated loss adjustor clause in our policies also allowed us to sensitize the surveyors on the process to follow from claims intimation to settlement.

### **Learnings from the pandemic and way forward**

The greatest lesson from the pandemic is that organizations can no longer view risks as a single threat vector. Organizations must identify, understand, and prepare for the impacts of systemic and emerging risks across their complete value chain.

Here are a few key highlights on property claim management in recent times:

- Insurers/surveyors are still in a process of adapting to processing files based on digital documents and meetings are increasingly being conducted over video calls.
- As the newer ways of claims servicing evolves, the client may also consider some unique ways of fulfilling evidential requirements that can stand remote scrutiny and validation for a speedy claim settlement.

- Providing remote access to surveyors or insurance companies for verification of data or information without compromising your companies IT security protocols. This may help expedite the claim settlement process.
- The delay in reinstatements of damages due to logistics issues are noticeable. In many instances, the clients are opting for market value settlement as against reinstatement.

Marsh India in its endeavor to facilitate better claims experience for the clients focuses on pre-loss engagements with a range of activities to have prior sensitization of desirable claim responses internally within clients' set-up and external stakeholders.

- Having Service Level Agreements (SLA) on claims with insurers at the time of policy inception with pandemic and post-pandemic new normal in perspective is helpful.
- The policies with a pre-agreed surveyor panel is an effective way to reduce post-loss hassle.
- Having periodic interactions with panel surveyors and insurer(s) to have bespoke response to situations unique to business is also recommended.

The above are a few from the host of other pre-loss engagements that Marsh India recommends and facilitates for its customers.



# CASE STUDIES



## THE CASE



## THE CHALLENGE



## THE SOLUTION



## KEY LEARNINGS

### CYBER

#### 1. How we helped our client with ransomware claim - I

##### THE CASE

Our client, an Indian information technology company, with global presence, experienced a ransomware attack when their servers were affected and workstations became non-functional. A ransom demand of around USD 800,000 was received. The backups were not affected and the insured was able to restore its systems and return to operations in a clean environment. No ransom was paid.

##### THE CHALLENGE

Forensic expert and legal counsel engaged without the insurer's prior written consent. Claim amount on the account of Forensic & Breach Counsel Costs stood at around USD 500,000.

##### THE SOLUTION

Marsh engaged with the forensic experts and the insured to make sure timely updates were shared with the insurers. We explained to the insurers the necessity to engage experts in the absence of their prior consent. As a result, full forensic costs over USD 500,000 were recovered (net off deductible).

##### KEY LEARNINGS

Do not engage forensic experts and/or breach counsels without the insurer's prior written consent. Keep the insurers informed of all developments.



#### 2. How we helped our client with ransomware claim - II

##### THE CASE

Our client, an Indian global information technology company became aware of a malware (ransomware) attack when some users experienced inaccessibility of their database files. The impacted applications were shut down immediately to avoid any further spread, but there was a threat of code, data, and customization being lost. The world's leading Forensics and Cyber security firms were engaged. No ransom was paid.

##### THE CHALLENGE

The insured lodged a claim of around USD 120,000. However, the insurers challenged the claim arguing, that duplication of work done by the multiple vendors engaged to be discounted from the overall claim. Retainer costs were not covered.

##### THE SOLUTION

With the help of the insured, Marsh justified the engagement of multiple forensic/IT experts and how their roles were distinct and involved no duplication of work. As a result, insurers agreed to pay forensic costs of around USD 108,000 subject to some deductions.

##### KEY LEARNINGS

Duplication of work done by vendors/forensic experts should be avoided. Costs incurred under the retainer agreement are not payable – suggest a separate engagement/scope of work specific to the incident to be made outside of the retainers.

#### 3. How we helped our client during a phishing attack

##### THE CASE

Our client, an India-based global information technology company, noted suspicious activity on their network regarding certain employee accounts, which were subjected to a sophisticated phishing campaign. This led to a total claim of around USD 3 million, as forensic and breach counsel costs.

##### THE CHALLENGE

The insurers challenged the claim arguing, multiple forensic experts/ IT experts were engaged by the insured. Experts engaged without the insurer's prior written consent.

##### THE SOLUTION

Marsh convinced the insurer to cover some of the costs, which the insurer believed were not forensic/betterment costs. As costs were reasonable and engagement of experts

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was an urgent requirement, Marsh successfully helped the client in getting the vendor costs covered despite the initial challenges. The insurers agreed to pay forensic costs and breach counsel costs of around USD 1 Million. (net off deductible)

#### KEY LEARNINGS

Try to engage experts (forensic/legal) who are already empaneled with the insurer. Any engagement outside the panel should be with the insurer's prior written consent. The cyber policy does not cover costs, which are incurred to update, upgrade, enhance or replace any computer system to a level beyond that which existed prior to the incident. It usually covers costs related to reinstatement.

#### 4. How we helped our client during a malware attack

##### THE CASE

Insured an Indian information technology company had a breach incident in the form of malware activity on their website. Forensic experts were appointed with the insurer's prior written approval. Insured filed a first-party claim seeking coverage for the forensic costs of around USD 126,000.

##### THE CHALLENGE

The insurer demanded that the insured prove the incident falls within either of the three categories, namely: theft of data, loss of data, or denial of access. In the absence of a third-party claim, a question was raised about the insuring clause under which the policy triggers.

##### THE SOLUTION

Marsh was able to convince the insurer that the first-party claim for recovery of forensic costs was independent of a third-party claim and policy responds to it. As a result full forensic costs of around USD 68,000 (net off deductible) were accepted by the insurer.

#### KEY LEARNINGS

Keep the broker informed of developments at all stages and engage with the insurer immediately. What is covered and what is not, should be discussed with the broker as well as the insurer. Cyber policies cover first-party forensic costs irrespective of a third-party claim.

### CONSUMER

#### 1. How we helped placing a large insurance program

##### THE CASE

One of the leading after-sales services providers for consumer durables and electronics products aimed to launch its own device protection program from an e-commerce platform. Marsh helped them in designing a

very competitive Extended Warranty & Accidental damage plans for devices that were successfully listed on one of the largest e-commerce platforms in India.

##### THE CHALLENGE

Stiff competition from established service providers and insurance companies and therefore requirement was for a very competitive price which could not only help the client in listing its protection plan but also monetize through it. Requirement of tech platform to administer the entire program.

##### THE SOLUTION

Consumer Team with its good experience in such programs helped the client in getting a very competitive rate and in a very short span executed other critical activities, like customer T&C, SLA, NDA & policy placement, which was very much appreciated by client.

This enabled them to quickly launch their protection plan before festive season and the tech platform and ops support offered to them was an added advantage from Marsh. The solution offered by Marsh helped them in opening a new revenue stream which has bolstered their confidence to roll out these programs from the offline retail channel in 2022.

#### 2. How we helped placing an insurance program for an association

##### THE CASE

Our client is one of the largest doctors associations in the country, with more than 13,000 multi-specialty doctors and more than 1,000 associated hospitals, was looking for a holistic insurance program. The association represents consultants practicing at both corporate and non-corporate tertiary care referral hospitals (both government and private sector) and individual consultants practicing on their own. It also holds a medico-legal cell constituting 30 advocates and 9 doctors.

##### THE CHALLENGE

The program was initially placed directly with insurers for Doctors Personal Liability policies and medical establishments E&O (errors and omissions), with an enrollment of 5000 policies scattered throughout the year with different start dates making it operationally challenging to administer the program.

The client had no monitoring mechanisms of enrollments, data collections, reporting, etc, thus leaving the entire program in administrative chaos.

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## THE SOLUTION

Marsh India Consumer team with its long-held experience and expertise in organizing such programs consulted the client on viable solutions on all challenges. Accordingly, the program was re-organized to a 'master policy' concept where all individual policies were aligned to a single start and end date, hence easing out on month-on-month renewal tracking. Marsh Consumer team went a step ahead and introduced the power of technology which enabled the client to monitor all enrollments, claims, renewal tracking, payment status etc. via a tech portal.

Also introduced a doctor-facing application enabling them to manage their renewals and policies just on a few clicks, thus giving an enhanced experience to the end customers as well.

### 3. How we helped placing an insurance program for an online travel agent

#### THE CASE

One of the largest OTAs in India, which caters to all services to a traveler, starting from booking a flight to a hotel to train. They aim at providing the single most comprehensive travel experience to a user.

#### THE CHALLENGE

Marsh India Consumer team had consulted the client over the emerging needs and relevant insurance products suitable to the travel segment like 'flight cancellation insurance' for customers. **The insurance program was structured** in such a way that no manual intervention was required not only at the time of issuance of a certificate of insurance but also while registering and payment of a claim. As the program evolved there were a certain set of challenges emerged from a user claims experience perspective. Users faced challenges in managing and tracking refunds from the OTA and insurer.

## THE SOLUTION

To resolve this concern and further enhance customer experience, a solution was designed wherein the customer can receive the complete payment via a single-mode. This was facilitated by the insurer setting an escrow account with the OTA to facilitate such a transaction, hence resolving the problem.

## MARSH MULTINATIONAL

### 1. How we helped out client faced with claim losses

#### THE CASE

Our client, one of the largest OEMs, was having an extremely adverse marine claims ratio for the last 3-4

years, dealers demanded hefty settlement amounts from the insured. However, the same could not be recovered from the insurer due to a lack of proper documentation. Client requested Marsh to devise a program for efficient control management.

#### THE CHALLENGE

As there were 200+ dealers who were lodging claims and hence it was difficult for the client to check with each dealer so as to what was going wrong. Also IT integration of the client system and dealer portal was a challenge due to internal compliance.

## THE SOLUTION

Marsh MCS helped a client by first doing a deep analysis of the claims which captured the top dealers, routes, carriers, and also average claim size per dealer for the last three years. This helped the client to capture the trend for some of the dealers and monitor them. Moreover, Marsh made an arrangement that for all claims lodged in a week will be sent to the insured for its approval. The claim file should definitely have a damage certificate and without the same, it will be outright rejected. This approach resulted in lowering the marine claims loss ratio by around 55%.

### 2. How we helped out banking client faced with claims tool

#### THE CASE

Our client, from the BFSI sector with over 100 claims annually, managed all the claims manually for the last three years. However, for the current year, the client wanted to have a centralized claims portal, where all their ROs can access the claims data and also could upload the claims documents in order to avoid the transactional delay.

#### THE CHALLENGE

The requirement was known and but the tool had to be made ready within 30 days including choosing the vendor and having all the trial runs completed

## THE SOLUTION

Marsh provided the tool to the client within 30 days, it helped with the claims MIS issues and the client can access the live data at any point in time. Also, the document submission could be routed through the tool itself.

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### 3. How timely asset valuation helped our client

#### THE CASE

One of the Japanese medical equipment manufacturing companies faced a fire accident.

#### THE CHALLENGE

The claim lodged by the client was around INR 500 million. Surveyors and insurers tried to cut short the claim value sighting reasons of higher re-installation charges from preferred vendors.

#### THE SOLUTION

Prior to the loss, Marsh India has suggested an extensive asset valuation exercise with proper indexing being applied across all asset categories. This proved vital at the time of claim assessment as there was a minimal score of underinsurance. Also while drafting the policy Marsh India recommended vital clauses like “on-account payment” and “nominated adjuster’s clause”. Post the loss was established and immediate on accounts payment of INR 150 million was made to support client operations.

### 4. How we helped with claim negotiation for a client

#### THE CASE

Our client is a manufacturer of printing ink based out in Germany.

#### THE CHALLENGE

The client supplied ink to a bottle cap manufacturer who in turn supplied printed caps to a liquor bottling plant. On coming in contact with the liquor, the ink on the cap was peeling off resulting in contamination of the liquor. This caused the bottler to stop production and destroy the damaged product. The liability claim was lodged on cap manufacturer and in turn on our Marsh client.

#### THE SOLUTION

Even though this was a global policy the insurer did not agree to admit the claim. A discussion was held by Reinsurance with GRM where he was convinced it to be a 'No Claim'. The local client asked Marsh India for intervention. Marsh India post evaluation of all facts negotiated with insurance company for a settlement of INR 1 crore (in line with clients expectation).





# REGULATORY CHANGES 2021

## FIRE

Introduction of new standard products covering fire and allied perils for Home, SME with De-notification of All India Fire Tariff (AIFT), 2001

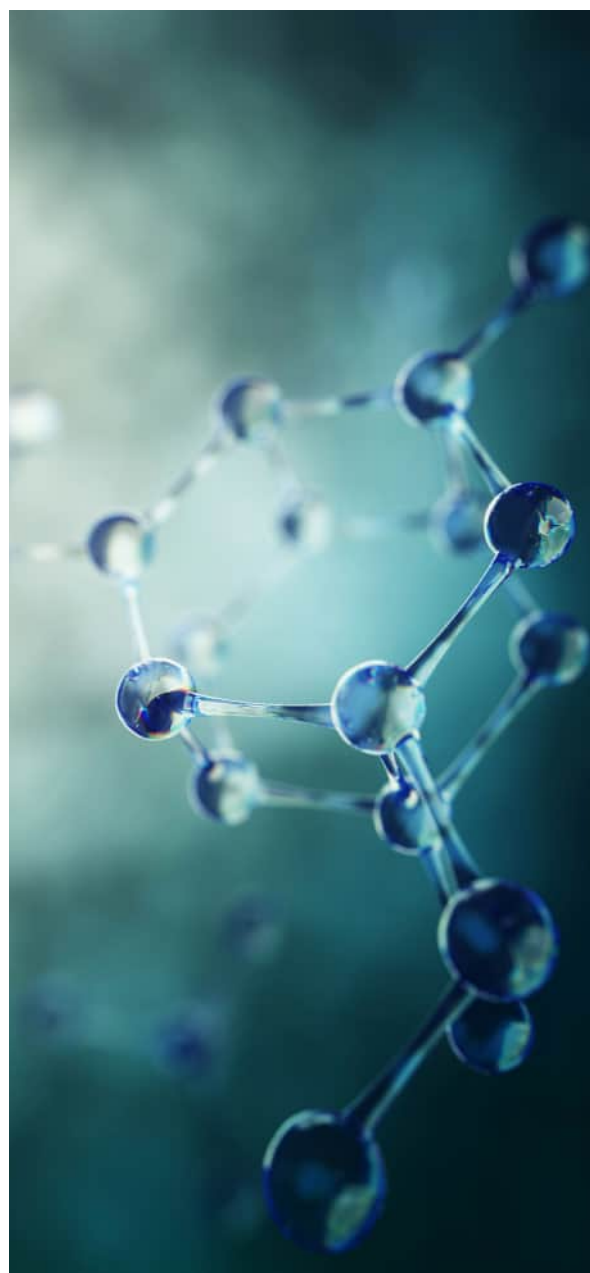
- Bharat Griha Raksha (meant for Home Building and Home Contents)
- Bharat Sookshma Udyam Suraksha (meant for enterprises where the total value at risk is up to INR 5 Crore)
- Bharat Laghu Udyam Suraksha (meant for enterprises where the total value at risk is more than INR 5 Crore and up to INR 50 crore)

The products have all been designed with policyholder-friendly features and are worded in simple language for the convenience of the general public.

## HEALTH

- Basic information on health insurance policies to the policyholder: Information like number and amount of claim settled (under relevant period), if any, balance sum insured and accrued cumulative bonus available, if any, the premium amount due on renewal
- Claim settlement for COVID-19 claims- In case of "Cashless Claims" under a health insurance policy, the claims shall be settled as per the tariff decided by the parties in compliance to provisions of Regulation 31 of IRDAI (Health Insurance) Regulations, 2016. However, the insurers shall make efforts to have an agreement with health providers on rates for treatment of COVID-19 similar to other diseases for which rate agreements are in place.
- Reimbursement claims: All the insurers were directed to ensure that the "Reimbursement claims" under a health insurance policy shall be settled as per the terms and conditions of the respective policy contract. Hence, the insurers shall honor all the health insurance claims as per the terms and conditions of the policy contract.
- Constitution of Health Insurance Advisory Committee: To advise the IRDAI on various aspects of Health insurance policies
- Any adverse reactions to Covid-19 vaccination that require hospitalization will be covered by the health insurance policies.

- Enhance the coverage available under "Arogya Sanjeevani Policy insurers shall mandatorily offer the sum insured between INR 50,000 to INR 10,00,000
- Insurance companies to facilitate vaccination against COVID-19 for their policyholders
- All insurers to offer and renew short-term COVID-specific health policies including "Corona Kavach Policy" and "Corona Rakshak Policy" up to March 31, 2022.



# INSURANCE PRODUCTS

## TITLE INSURANCE

To ensure that the general insurers offer basic Title Insurance covers the following:

- Promoter Legal Expenses (Defence Cost) Policy: This cover will indemnify the insured against legal defense costs only against suits challenging the Title of the project.
- Allottee/Individual Buyer Retail Policy: This cover is designed to indemnify the insured against loss from a defect on the title of the property. The policy may be opted by the individual buyer and financiers of the property at the time of possession.

## CYBER INSURANCE

Main objectives of the IRDAI's guidance document on product structure for Cyber Insurance are:

- To enable insurers to evaluate new technologies posing heightened cyber risk, identify protection gaps in the existing products and address the changing needs of market.
- To facilitate insurers in developing stand-alone cyber insurance products, specifically designed to address the evolving cyber risks.
- To provide a set of recommendations on maximum possible coverages that could be included in the cyber insurance products.
- To encourage insurers to adopt best practices and provide additional covers in response to customer needs.
- To improve the development of the cyber insurance market with new products and enhance benefits for policyholders.

## TRADE CREDIT

- The trade-credit policy can now be sold to Banks and FIs conducting Factoring business
- There is no regulatory cap on indemnity, which was earlier restricted to 85%. Now the negotiation is open between the insurer and insured on level of indemnity
- The policy can also be offered on Invoice-trading E-platforms like TReDS conducting invoice discounting, thus safeguarding lenders' interest.

- There is no cap on minimum buyers for a policy, except for single buyer policy which can only be issued to SME & MSME companies and Contractors engaged in long term contract.
- Trade Credit insurance policy is now freely assignable to Banks and Financial institute, which was restricted earlier

## SURETY

### A Surety Insurance Contract

- A contract of guarantee under Section 126 of the Indian Contract Act, 1872.
- Contract to perform the promise or discharge the liability of a third person in case of his default. The person who gives the guarantee is called the "Surety"
- Person in respect of whose default the guarantee is given is called the "principal debtor"
- The person to whom the guarantee is given is called the "creditor"

### Major underwriting guidelines

- Applicable from 1st April 2022, Surety may be offered to infrastructure projects of government/private in all modes.
- Surety shall be issued only to specific projects and not clubbed for multiple projects
- The limit of Surety shall not exceed 30% of the contract value.
- Surety shall not be issued where the underlying assets/commitment are/is outside India
- Payment for risk covered under the surety shall also be made in Indian rupees.
- Sureties can be issued for Contracts (Bid Bond, Advance Bond, Performance Bond and Retention Bond), Customs Bonds and Court Bonds



# MAJOR REGULATIONS 2021

- IRDAI (Insurance Advertisements and Disclosure) Regulations, 2021
- IRDAI(Indian Insurance Companies)(Amendment) Regulations, 2021

## INSURANCE ACT

- **The Insurance (Amendment) Act, 2021**
  1. The foreign investment ceiling at Indian insurance companies has been increased from existing 49 percent to 74 percent.
  2. The requirement of “Indian owned and controlled” has been omitted.
  3. The definitions of “Control”, “Indian Control of an Indian Insurance Company” and “Indian Ownership” have been omitted.
- **Indian Insurance Companies (Foreign Investment) Amendment Rules, 2021**

In an Indian Insurance Company having foreign investment,— (a) a majority of its directors, (b) a majority of its Key Management Persons, and (c) at least one among the chairperson of its Board, its managing director and its Chief Executive Officer, shall be Resident Indian Citizens.

## EXPOSURE DRAFT

- IRDAI (Regulatory Sandbox) Regulations - to facilitate innovations in the insurance sector, especially those triggered by technology

- Draft on IRDAI (General Insurance Products) Regulations, 2021
- Draft Guidelines on Trade Credit Insurance
- Draft Insurance Regulatory and Development Authority of India (Insurance Information Bureau of India) Regulations, 2021
- Draft on IRDAI (Surety Insurance Contracts) Guidelines, 2021

## REPORT

- Report of Committee for standardization of professional indemnity insurance policy – insurance intermediaries
- Report of the Committee to review MISP Guidelines [Motor insurance service provider]
- Report of the Working Group (WG) to Study Cyber Liability Insurance.
- Report of the Working Group (WG) for revisiting the retail business of engineering tariff.
- Report of the Working Group (WG) to revisit the product structure of Title Insurance



# VIEW FROM RISK STREET

## HEALTH, ECONOMIC SHOCKS, AND CYBER ATTACKS REMAIN TOP RISK CONCERNS FOR INDIAN COMPANIES: MARSH/RIMS STUDY

The continued effects of the COVID-19 pandemic and concerns about future public health crises remain top-of-mind for Indian business leaders for the second consecutive year, according to the latest report Marsh, and RIMS, the risk management society®,

The report, Excellence in Risk Management India 2021: Advancing Towards Resilience, is based on research among over 200 c-suite executives and risk professionals from India's leading firms. Nearly one-third (30%) of respondents identified the continued effects of the COVID-19 pandemic as the most impactful short-term risk facing their organisations, followed by a prolonged recession (19%), and cyberattacks and data fraud (13%).

Notably, only 10% of respondents stated they are fully prepared for the continued fallout from COVID-19 or a new health crisis, while over half (58%) said their organisations are "not or somewhat prepared" – highlighting a worrying gap in their deeper understanding of risk preparedness and building resilience against future critical events.

Fundamentally a human crisis, 90% of respondents believe that their employees have been adversely affected by the pandemic, which in turn has had a negative impact on their supply chains and clients. In response, according to the report, many organisations have actively taken steps to safeguard both the physical and mental health and well-being of their employees.

This year's report also points to the need for greater development and innovation around insurance solutions that cover critical and emerging risks. The majority of respondents (53%) said that the insurance products currently available in today's market do not cover all of their organisation's critical emerging risk needs.

## GLOBAL RISK REPORT 2022

### Climate Failure and Social Crisis Top Global Risks 2022

- Top risks are climate crisis, growing social divides, heightened cyber risks and an uneven global recovery, as pandemic lingers on
- Global survey of experts finds only 1 in 6 are optimistic and only 1 in 10 believe the global recovery will accelerate
- To resolve these systemic issues, global leaders must adopt a coordinated multistakeholder response, even as room for cooperation narrows
- Read the Global Risks Report 2022 here and find out more about the Global Risks Initiative here. Join the conversation using #risks22

Climate risks dominate global concerns as the world enters the third year of the pandemic. According to the Global Risks Report 2022, while the top long-term risks relate to climate, the top shorter-term global concerns include societal divides, livelihood crises and mental health deterioration.

Now in its 17th edition, the report encourages leaders to think outside the quarterly reporting cycle and create policies that manage risks and shape the agenda for the coming years. It explores four areas of emerging risk: cybersecurity; competition in space; a disorderly climate transition; and migration pressures, each requiring global coordination for successful management.



*Health, economic shocks, and cyber attacks remain top risk concerns for Indian companies: Marsh/RIMS study*

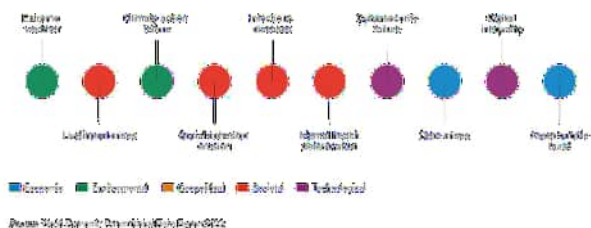


*Global Risk Report 2022*

The report closes with reflections on year two of the COVID-19 pandemic, yielding fresh insights on national-level resilience. The chapter also draws on the World Economic Forum's communities of risk experts – the Chief Risk Officers Community and Global Future Council on Frontier Risks – to offer practical advice for implementing resilience for organizations.

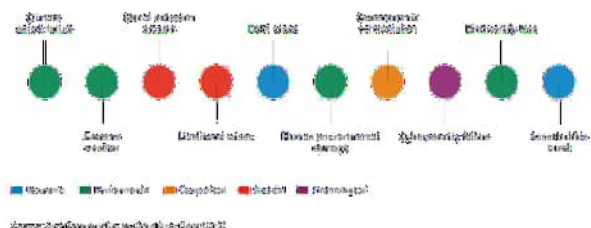
### Top Short-Term Global Risks

Over the next 5 years



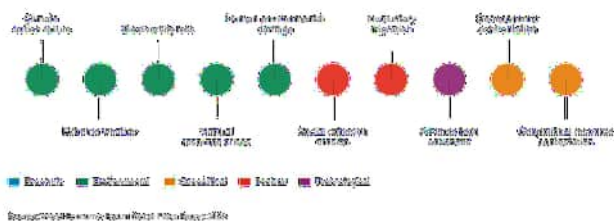
### Top Medium-Term Global Risks

Over the next 10-20 years



### Top Long-Term Global Risks

Over the next 30+ years



### Top 10 Global Risks by Severity

Over the next 10 years



# MARSH CARES

## SOCIAL IMPACT @ MARSH INDIA

Social Impact via building communities has been one of our key focus areas every year and we firmly believe in our shared purpose—to make a difference in the moments that matter—which manifests through our people and culture of giving back.

Our efforts have always been aligned with ensuring we are able to make a meaningful and positive impact for our communities as well as business by driving initiatives which can serve as a testament to our commitment of promoting the causes of our CSR partners to the best of our ability.

Social Impact @Marsh India has always been driven around our core CSR focus areas i.e. promoting education, health and wellbeing, sustainability, etc. In line with the same, our endeavor has been to partner with the NGOs / Associations, which are actively working in these areas.

### Udaan India Foundation

Udaan has been working with children from low-income communities in the field of education. Marsh India has partnered with Udaan to support their Youth Program which aims at training around 800 youth from low income groups to gain meaningful employment

### Teach for India

TFI is India's one of the largest NGOs working towards developing leadership in education to promote education equity across the country. Marsh India has collaborated with TFI to for their Fellowship Program which aims at exposing the fellows towards grassroots realities of India's education system and cultivate the knowledge, skills, and mindsets needed to attain positions of leadership in and beyond education, working collectively to build a vibrant movement for educational equity across India

### Concern India Foundation

The NGO has been working in the field of education, health and overall community development through various initiatives. We have partnered with CIF for Project Matrubhoomi which aims at



Fam Jam

infrastructure development, refurbishment and advancement of school at Rahatoli, Belapur

### IHCL- Towards the Taj Public Service Welfare Trust

The Trust (TPSWT) in partnership with Tata Sons has been actively working towards Covid Relief and has been supporting our front line warriors throughout the pandemic. In line with Tata values, they serve the frontline heroes through their campaign #MealsToSmiles. They have arranged accommodation for doctors and medical staff of BMC hospitals across their hotels in Mumbai.

Addressing the Insurance Protection Gap, Marsh India is strongly committed to building awareness on insurance and risk management knowledge amongst the students who are the flagbearers of the future of this nation. We partnered with National Insurance Academy (NIA) to aid their efforts in the development of a robust insurance centric curriculum and aligned initiatives so as to support them in their journey of bolstering their mission.

Marsh India contributed though:

- Scholarship for students belonging to the weaksectionson of the society
- Developing online learning resources and tools (Computers, Content development, etc.)
- Protection Gap, Healthy Societies, Climate Resilience – research/ white papers / Seminars

### Other CSR Activities

Another major area of our CSR efforts was partnering for volunteering with Junior Achievement India and conducting workshops for their Safe Journey Program aiming towards educating the youth around critical areas like risk management, work readiness, financial literacy etc. to prepare them to succeed in business as well as in life. Our colleagues have also volunteered for various other volunteering initiatives launched in partnership with **Udaan India Foundation, IVolunteer, Bhumi Foundation** in the areas of vocational skills development and sustainability.

Another testimony to our colleagues' efforts in supporting the community was the **Flood Relief Initiative – Pargaon Village Kolhapur, Maharashtra**. Pargaon Village was among the worst hit villages in the region to heavy flooding. Despite the pandemic, our colleagues came together to extend support to around 153 affected families by distributing ration kits to them worth INR 2 Lakhs.



The overall CSR Contribution made by Marsh India was INR 3.41 crore.

## EMPLOYEE ENGAGEMENT @ MARSH INDIA

At Marsh India, our efforts are always aligned towards fostering a sense of community and belongingness amongst our colleagues which is an integral part of building our ethos of "One Marsh". While in 2020 we were agile in adapting and catering to the virtual engagement needs of our colleagues across all parts of India, 2021 was the year where we continued our efforts of identifying new platforms, occasions, and opportunities to engage with our colleagues.

We started the year with Marsh India Anniversary Celebration which was done entirely through a virtual platform. Our colleagues across locations and practices actively participated and we saw it as an opportunity to not just create a meaningful virtual engagement experience for our colleagues but also their families so as to evoke the feeling of oneness in a much larger sense.

We also conducted virtual events around major festivals to get everyone together and share some moments of joy together. Women's Day celebration, Fantastic Fridays, Marsh's Fam-Jam (Musical Night), Diwali Celebration, Marsh's kids Carnival (Children's Day), Jingle Ball 2021 (Christmas celebration) were some of the highlights of the year.

We organized "Popcorn Quiz Series" for all our colleagues as well as their families. It was one of the events which garnered maximum participation from colleagues across all locations.

We had also organized an Independence Day – Tricolor Cooking Challenge wherein

we tried to blend cooking competition with community service. Colleagues prepared tricolor delicacies and served them to the people in need around their communities as part of the Food for Joy campaign.

Additionally there were multiple other engagement initiatives planned across different branches including Virtual Birthday Celebration, Happy Hours, "KYC – Know Your Colleagues" session and activities around Women's Day Celebration and Holi celebration.

All these activities were focused on promoting engagement by celebrating the festive season and other engagement activities with colleagues as well as their families since one of the upsides of working from home is that we get ample time to spend with our family members as well as loved ones.

In addition to the abovementioned initiatives, we also introduced new ways of keeping colleagues engaged by conducting regular Focused Group Discussions with them to get their feedback and understand areas of excellence and the areas we need to invest more in to strengthen our agenda of enhancing colleague engagement.

HR Open House – A platform launched to collectively update the colleagues about new policies, processes and to clarify their queries pertaining to any of the HR functions. The sessions were well received and were quite interactive enabling us to ensure effective change management and smooth business operations.

We value the voice of our colleagues and make an effort to factor in their inputs and feedback while designing or implementing any of the initiatives. Our endeavor has always been to cater to our colleagues' needs and enhance overall colleague experience. To ensure we drive our efforts in the right direction, we conducted regular surveys like All Colleague Survey, Pulse Survey etc. to review the impact of our initiatives and an all-time high engagement scores in these surveys is a testimony to our collective efforts in this area.



Diwali



## MARSH IN THE MEDIA



“Amid Covid scare, life insurers go slow on renewing group-term plans”.

**Sanjay Kedia**, Country Head and CEO, Marsh India. **Business Standard**, April 22, 2021.



“The cornerstone of successful virtual transition rests on the agility to address the situation in the most comprehensive way possible by means of frequent communication”.

**Kadambini Joshi**, Senior Vice President - HR, Marsh India. **ET HRWorld**, May 8, 2021.



“Flexible work arrangement has not just opened new doors for us in terms of the way we operate but has also presented us with the opportunity to expand our horizons when it comes to learning and developing new skill sets”.

**Sanjay Kedia**, Country Head and CEO, Marsh India. **ET HRWorld**, Jul 21, 2021.



“The revised guidelines on trade credit insurance, Irdai (Trade Credit Insurance) Guidelines, 2021, is a very positive step from the regulator. This will help suppliers and licensed banks and other financial institutions get insurance protection, which will help them manage country political risk, open up access to new markets, and manage non-payment risk associated with trade financing portfolio”.

**Sanjay Kedia**, Country Head and CEO, Marsh India. **HT Mint**. Sep 14, 2021.



“As the number of data breaches rises, their impact on organizations has increased multi-folds too. A single data breach costs businesses an average of around \$3.7 million globally”.

**Sanjay Kedia**, Country Head and CEO, Marsh India. **ETBFSI**, April 26, 2021.



“Premium tariffs have already climbed up to a fifth for large D&O buyers having tie-ups with global reinsurers and could rise further as the financial ecosystem assesses the impact of the pandemic”.

**Anup Dhingra**, Managing Director, FINPRO & Private Equity M&A leader, Marsh India. **The Economic Times**, Jun 18, 2021.



“Employee health and benefits or health insurance will continue to be the biggest growth driver for Marsh India”.

**Sanjay Kedia**, Country Head and CEO, Marsh India. **Financial Express**. Dec 18, 2021.



“We have seen a rate rise of 300 to 1000% on group corporate policies largely due to pandemic driven claims. This is owing to the current pandemic scenario where there has been an increased incidence of claims experiences for various insurance and insurance support has been minimal on the group side of the business. The reinsurance rates are high leading to insurance term life rates being high”.

**Sanjay Kedia**, Country Head and CEO, Marsh India. **The Economic Times**. Nov 18, 2021.

**MARSH INCREASES STAKE IN MARSH INDIA  
FROM 49% TO 92% (DEC 23, 2021)**

Marsh, the world's leading insurance broker and risk advisor, today announced that it has increased its shareholding in Marsh India Insurance Brokers Pvt. Ltd. from 49% to 92%. The enhanced investment will enable Marsh to more effectively meet the increasingly complex needs of companies across all sectors of the fast-growing Indian economy and provide a platform from which it can further strengthen its presence in the future.

Alex Moczarski, Chairman of

Marsh McLennan International and chairman of the board of Marsh India, said: "This is an exciting investment for Marsh that will further our leadership position in one of the world's most dynamic markets. For our clients, growing supply chain challenges, a heightened cyber threat, and the impacts of the pandemic mean that they need the very best risk and insurance advice to help them navigate an increasingly complex risk landscape. The decision to raise our stake in Marsh India reflects the success we have had, and our ongoing commitment, in bringing the very best in global expertise to support clients in India."

Formed in 2003 as a joint venture between Marsh International Holdings Inc. and India-based Rampart Trust, Marsh India was one of the first foreign insurance brokers to be registered as a composite broker with the Indian insurance regulator, the Insurance Regulatory and Development Authority (IRDAI). Since then, it has grown to achieve market leadership with 18 branches across India, employing more than 1,300 professionals, and servicing over 5,500 corporate clients across all business sectors.





# POST-COVID, WORLD HAS ACCELERATED HEALTH BENEFITS TO THEIR EMPLOYEES: SANJAY KEDIA



**SANJAY KEDIA**

**COUNTRY HEAD AND CEO,  
MARSH INDIA INSURANCE BROKERS**

*ETHealthworld, spoke to Sanjay Kedia, Country Head and CEO of Marsh India Insurance Brokers, to know more about the impact of Covid-19 on employees' health and the emerging trends in employee engagement.*

## **Post-pandemic, what benefits have emerged as top priority for the employees?**

According to the 'Health on Demand, India Report 2021', an Annual survey of Benefits in India, the topmost benefits which employees are looking at includes: Flexible working, which was seen as the most important well-being benefit. In India over three out of five employees (65%) would 'highly' or 'extremely' value this benefit, similar to 65% across the rest of Asia and 60% of employees globally; 60% voted for 'Time off' allowed during the workday to spend on health and well-being appointments; Almost an equal number expected an app that would help them find the right doctor or medical care when needed; 65% expressed their desire to effectively video chat or text with personal doctor or nurse.

## **What measures are progressive employers taking or have taken to demonstrate a caring culture towards their employees' health in recent times?**

Post-Covid, world has accelerated health agenda with progressive employers. Our recent annual survey shows that employers are keen to offer a bouquet of health benefits to their employees. The more health and well-being resources employees have access to, the more cared for they feel, and the more likely they are to stay at a company. While there are some benefits that most people want, there are others that a small portion of employees would value intensely. For example, tools to address addiction and substance abuse, support with family planning or financial wellbeing initiatives. Offering a broad range of supports makes it more likely you will have something for everyone and aligns well with other efforts to improve flexibility, leadership and communication.

To create a caring culture, along with varied and meaningful benefits that help to manage family responsibilities, habits and life goals, progressive organizations are offering meaningful flexibility to address what is important personally and professionally; supportive leadership that embraces health and safety; thoughtful communications that are empathetic, relatable and simple; finally, financial support for prevention and treatment.

## **In the era of the Great Resignation, what do you think are the advantages if an employer adopts benefits that are aligned to what the employees want?**

Overall, employees who had access to ten or more well-being resources were 20 percentage points less likely to move to another employer, 18 percentage points more confident they can get the healthcare they need and 8 percentage points more energized, than those who did not receive any benefits through their employer.

## **Have employers recognised the significant role that employee benefits play in the retention of their employees? Has this translated into higher insurance covers?**

Yes, employers have recognized the significant role benefits play in employee retention. It has translated to the introduction of new benefits, benefit enhancement, benefit benchmarking & market corrections including higher insurance coverage.

According to a pulse survey by Mercer Marsh Benefits titled, Resilient India Inc - Rising to COVID-19 2021:

- 80% of organizations surveyed enhanced their insured benefits – additional health insurance, home care treatment, pandemic buffer
- Organizations added benefits to reduce employee's out of pocket expenses by introducing co-payment waivers, room rent waivers, enhanced hospitalization benefits, OPD Programs
- 84% of organizations are exploring flexible benefits solutions to manage employee engagement and retention.

*Source: <https://health.economictimes.indiatimes.com/news/industry/post-covid-world-has-accelerated-health-benefits-to-their-employees-sanjay-kedia-marsh-india-insurance-brokers/88172050>*



## CLIENT SPEAK



### BHAVANA HIREMATH

Deputy General Manager,  
C&B, India, ME, SSA,  
Kohler Co.

Marsh has partnered with Kohler strongly in the last few years at every bold step that we have taken in the space of benefits and wellness. We can proudly say that Kohler is the pioneer of a holistic flexible benefits program today amongst mid-size manufacturing MNCs in India, thanks to Marsh providing us end-to-end support on this journey. I can safely claim that today Marsh is not just an insurance broking partner but a great wellness solution provider as well. During the Covid situation, at a time when we were in grave need of wellbeing support, Marsh partnered with us at every step. We have had a great experience so far with the Client Management team. Best wishes to the Marsh team!



### CHITRA GUPTA

Assistant Vice  
President, Total  
Rewards, Hindustan  
Coca-Cola Beverages  
Pvt. Ltd.

We have had an excellent support from the Marsh Team in terms of overall services.

Especially during the COVID times we had proactive support with respect to mediating between TPA services and our expectations, timely dashboard updates and resolution of our escalations on all fronts.

We have always had good counsel basis their extensive experience in this area and it has helped us take the right decisions to enhance the employees health cover and also staying conscious of our overall costs and creating a win-win solution for us.



### NAVEEN MANSHANI

Associate Director, Total  
Rewards, UnitedHealth  
Group India

Just wanted to share some feedback: Marsh India Account management team has relentlessly worked with us for past few years and ensured all end to end services to delight our employees. Whether its insurance company or TPA, Marsh team will go out of the way to make things happen and all of this was done even during pandemic. Thank you for being great partners!



### MEDHAVINI KATHURIA

Total Rewards Leader,  
APAC, Ultimate Kronos  
Group

Marsh has been UKG's true partner for years now to provide multiple services such as Insurance, telemedicine, wellbeing etc. Their deep industry knowledge coupled with extensive engagement support has really helped us as an organization to support our employees proactively during the times when it was most needed by our employees. Marsh has always kept us first and brought the most competitive pricing to help enrich our benefits portfolio within budget!

I would esp. like to thank Sachin, Prakash, Dr Jay Reddy & Pawan for always supporting us!



### SARVESH KUMAR SINGH

Deputy Manager, Finance  
(Network Services Business),  
Sterlite Technologies Ltd.

Managing insurance is not just managing the outflow of premium but aligning risk management with your corporate goals. The need for flexible but effective operational and strategic planning in insurance has been brought about by a number of factors like growth in business complexity, rapid changes in economic environment, competition etc. The tab of umbrella covers which insurance offers supports organisations to manage unforeseeable losses which may jeopardize the very existence of the organisation.

The objective of the insured should be to create a truly viable and cost-effective speciality insurance program not only covering the physical assets but human assets as well. On the other hand, the objective of the insurance companies should be to create value at core for its esteemed clients who lay trust in the insurance products. Charting development between all stakeholders will depend on how stakeholders collaborate. An ideal arrangement will be an industry which is extremely efficient in managing costs, generates high returns for stakeholders and most importantly attracts high customer loyalty.

We have been associated with Marsh for more than 4 years and they have always been instrumental in advising the emerging risks and solutions. Marsh is always on forefront bringing in efficiencies in our program and delivered the best value.

**SWAROOP KHADILKAR**

Associate Director, Risk Management & Head of Insurance, Cleantech Solar Energy (India) Pvt. Ltd.

As one of the most recently developed and fastest growing energy sector, Renewable Solar energy has a very dynamic and demanding insurance requirements. Throughout the last 5 years, Team Marsh was a pivotal partner at Cleantech Solar, to address those requirements and build one of the best insurance practices in the solar renewable sector.

They helped us structure and implement important insurance programs in India as well across the globe, for e.g., Global D&O program, global general Liability solutions, Employee health benefits, Property insurance, Project Professional Indemnity covers etc. Their expert opinions in assessing insurance clauses from customer PPA's is a key input for the company. We sincere thank them for their assistance in managing the difficult times of the Covid-19 Pandemic.

Renewable Energy Industry Practice of Marsh is proactive, agile, and always approachable, their rich and extensive industry experience defines their relationship of 'a trusted partner' for the company. We look forward for a long and prosperous relationship with Marsh and we wish them to achieve 'the endless possibilities'.

**UJWAL SUNIL GUPTA**

Manager, Insurance, Lupin Ltd.

Marsh is our global partner providing accurate insurance solutions as per our business requirement. They have designed a comprehensive Global marine program covering all our subsidiaries.

We also engaged Marsh risk consulting (MRC) for marine loss control program across Lupin and its subsidiaries. Their recommendations are highly insightful and valuable as it has helped bring down severity and probability of claim post implementation of their risk mitigation measures. MRC team is highly experienced with in-depth subject knowledge and provides practical and innovation solutions to reduce risk exposure.

**GAURAV GUPTA**

Principal Benefits Consultant, Amazon India

We have partnered with Mercer-Marsh Benefits team in India over past 2 years and during this period we have worked on bringing in meaningful changes in our insured benefits and health & wellbeing programs at Amazon India. In times of ambiguity posed by the pandemic, MMB India team supported us with helpful analytics, suggested potential interventions and worked on enabling them through various partners which in turn enabled us to structure a sustainable and cohesive COVID-19 support strategy.

**SHASHI KUMAR**

Manager HR Optimization, Allscripts India

Flex Benefits program, designed and supported by Marsh India, is giving us a competitive platform to offer a customizable benefits program to our associates. Darwin tool used for enrollment platform, provides a plethora of options for both employer and employee to manage benefits portfolio efficiently.

**NAGESH VARANASI**

Finance Controller, Ineos Composites India Llp.

Marsh India Trade Credit team has overall been highly supportive and our esteemed risk partners.

Their overall deliverables with respect to the credit insurance policy, especially claims have been excellent. Through the years of the policy, claims have been dealt with care and Marsh offered guidance and has been instrumental in seamlessly delivering the results. We appreciate the entire team at Marsh India for keeping their clients at priority.

**HIMANSHU DHADDHA**

Chief Financial Officer, AYM Syntex Ltd.

AYM Syntex Limited is associated with Marsh India since last few years and they have never let us down in terms of services. We had a good experience to date. Marsh's dedicated team is assisting us in various Trade-related insurance products and is extremely knowledgeable and prompt in addressing issues. In the past couple of years during pandemic, the team was very active and ensured deliverables in a timely manner. We look forward to Marsh for their services which are well complimenting to our Company's requirement in terms of overall products and cost-effectiveness.

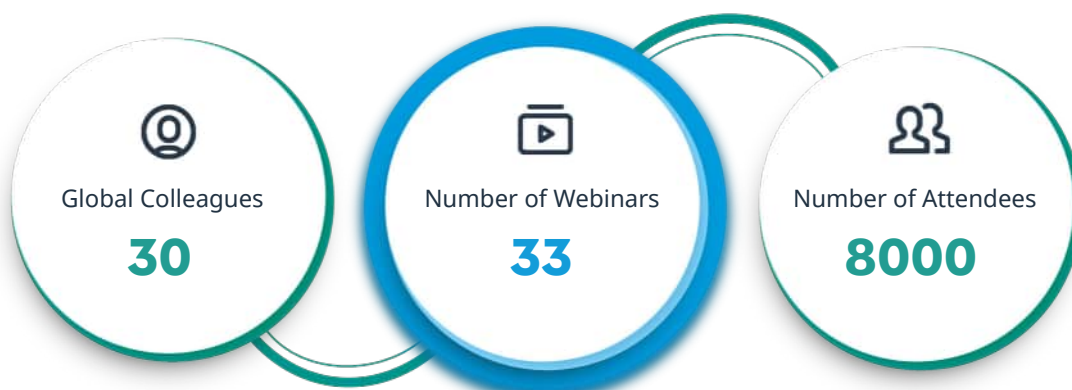
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# MARSH INDIA CLIENT WEBINARS AND DIGITAL ENGAGEMENT

As the COVID-19 situations intensified across India and the measures such as lockdown led to remote work and isolation, Marsh India initiated client webinars as one of the ways to engage our clients to address the social, emotional and physical wellbeing of the employees during this stressful period.

Marsh India continued its webinar initiatives to help clients with emerging risk solutions and policy implications post COVID-19 pandemic. We conducted 33 webinar sessions on various topics, which were attended by more than 8000 participants.

## 2021 WEBINAR UPDATE



## WEBCAST LINKS

To watch the replay of the Marsh India Webinars please visit our YouTube channel: <https://www.youtube.com/user/TheMarshChannel>





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## ABOUT MARSH

Marsh is the world's leading insurance broker and risk advisor. With around 40,000 colleagues operating in more than 130 countries, Marsh serves commercial and individual clients with data-driven risk solutions and advisory services. Marsh is a business of Marsh McLennan (NYSE: MMC), the world's leading professional services firm in the areas of risk, strategy and people. With annual revenue over \$18 billion, Marsh McLennan helps clients navigate an increasingly dynamic and complex environment through four market-leading businesses: Marsh, Guy Carpenter, Mercer and Oliver Wyman. For more information, visit [mmc.com](https://mmc.com), follow us on LinkedIn and Twitter or subscribe to BRINK.

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