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[Bajaj Allianz pitches for 'pandemic pool' as Covid-19 wreaks havoc](#)

With the unabated rise in Covid-19 cases in the country, leading non-life insurer Bajaj Allianz has called for setting up a 'pandemic pool'

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With the unabated rise in COVID-19 cases in the country, leading non-life insurer Bajaj Allianz has called for setting up a 'pandemic pool', on the lines of the terrorism pool, to cover claims arising out of pandemics.

Under pooled insurance, a corpus is created by industry stakeholders and the government from which claim payouts are made. India has a terrorism pool since 2002, which is administered by GIC.

Bajaj Allianz has also mooted a parametric insurance cover to fight the rising incidences of natural calamities.

"We need to create a pandemic pool to help individuals and businesses affected by the pandemic to tide over the crisis which sees no end in sight as vaccine is still months away, leave alone a drug to cure the deadly virus.

"Such a pool can pay home loan EMI to individuals who have lost their jobs due to the lockdowns and can cover the standing charges of companies with which they can pay their dues/or their employees the salaries," Tapan Singhel, the managing director and chief executive officer of Bajaj Allianz General Insurance told PTI.

Sectoral watchdog Irdai had recently constituted a working group to study the possibility of creating a pandemic risk pool which can be a long-term solution to deal with the economic fallouts of pandemics in the future.

"There is a need to examine long-term solutions to address various risks triggered by the current pandemic and offer protection in case of a future similar crisis," the Insurance Regulatory and Development Authority of India (Irdai) had said in a statement on July 8.

The nine-member working group is headed by Irdai Executive Director Suresh Mathur and has representatives from regulators, reinsurers and insurers. It is tasked to submit the report within two months.

Since losses from the pandemic can be huge and beyond the capacity of governments, insurers and reinsurers, "there is a need to explore the possibility of addressing these risks and any other related risks arising out of a pandemic through a pandemic risk pool", the regulator had opined.

India's COVID-19 caseload went past 28 lakh with arecord single-day spike of69,652 infections, while the recoveries increasedto 20,96,664 on Thursday, according to the Union Health Ministry data.

Meanwhile, explaining the need for parametric insurance, Bajaj Allianz, which is the largest private sector general insurer in the crop insurance space, said with natural calamities becoming more common, such a cover can help property-owners from losing their life savings due to catastrophes.

"With fast-changing climatic conditions, we are turning more perilous in terms of getting affected by flash-floods, droughts, cyclones, earthquakes, storms and other disasters.

"Lives and properties are lost, mostly due to the disastersand even more so because of the lack of adequate pre- and post-disaster preparedness, and insurance can play a critical role in safeguarding against financial losses," Singhel explained

Attributing the low penetration of general insurance products like fire cover or home insurance to poor awareness, Singhel said thankfully mass-scale insurance schemes are gaining momentum in health and crop segments. On similar lines, a home insurance scheme can be also launched.

"A home insurance policy will not cost as much as one dinner with the family, yet, people are ready to risk 15 years of hard work," he said and urged the government to "introduce an affordable home insurance scheme that can cover losses to property due to natural calamities."

Parametric insurance acts like weather-based crop insurance that can cover property damagesdue to natural calamities according to pre-defined triggers.

Premium can be collected along with property tax and once the claim is triggered, the amount can be directly transferred to beneficiary's bank account linked to the home insurance policy, Singhel added.