

3 June, 2023

## Insurance Net in India and Bima Vahaks

**Context:** Insurance Regulatory and Development Authority (IRDAI) of India has issued draft guidelines for Bima Vahaks to improve the insurance net in India.

- IRDAI (Insurance Regulatory and Development Authority of India) has proposed draft guidelines for Bima Vahak, a **dedicated distribution channel** aimed at improving insurance awareness and penetration in rural areas.
- Bima Vahak is a crucial part of IRDAI's goal of **achieving "Insurance for all by 2047."**
- It will serve as a **last-mile connect for insurers, reaching out to every Gram Panchayat** (local self-governance institution in India).
- The distribution channel will consist of a field force, including both corporate and individual Bima Vahaks, **primarily comprising women.**
- The objective is to build trust among locals and enable the distribution and servicing of insurance products.
- **Insurers will be responsible for ensuring KYC (Know Your Customer) and AML (Anti-Money Laundering) compliance** for policies sourced through Bima Vahaks.
- The draft guidelines are open for comments until June 22.
- Bima Vahak is expected to **enhance insurance inclusion** by adapting offerings to provide comprehensive coverage and address financial protection needs in every Gram Panchayat.

### Who are Bima Vahaks?

According to the IRDAI, Each Gram Panchayat shall have a 'Bima Vahak' who would be tasked to **sell and service simple parametric bundled insurance** products, **Bima Vistar**, covering health, property, life and personal accident.

### Insurance Sector in India

- In the emerging insurance markets, India ranks as the **fifth largest life insurance market**, growing at 32-34%.
- The industry has a **total of 57 insurance companies**, with 24 focused on life insurance and 34 on non-life insurance.
- The public sector company, Life Insurance Corporation (**LIC**), **holds a monopoly** in the life insurance segment.
- In the **non-life insurance segment**, there are **six public sector insurers.**
- The General Insurance Corporation of India (**GIC Re**) **serves as the sole national re-insurer.**

### Face to Face Centres





3 June, 2023

## Insurance Density:

- Insurance density is the **ratio of insurance premium to the total population**. It gives an indication of how much each of the people in a country spends on insurance in terms of premium.
- Insurance density also showed an upward trend, rising from **USD 78 in 2020-21 to USD 91 in 2021-22**.

## Insurance Penetration:

- Insurance penetration measures the **contribution of insurance premium to the Gross Domestic Product (GDP)** of a country in percentage terms.

According to IRDAI, insurance penetration in India witnessed a growth of 11.70%, increasing from **3.76% in 2019-20 to 4.20% in 2020-21**.

## New UGC Guidelines for Deemed Universities

**Context:** Ministry of Education has released new set of Guidelines for Deemed Universities in India.

### Key points in the new Guidelines

- The **governance structure** of Deemed Universities will be **similar to central universities**.
- **Multi-disciplinary institutions** with a **minimum of 5 departments** or a cluster of institutions with a minimum of 5 departments located in the same city/town **can apply** for Deemed University status.
- **Eligibility criteria include NAAC 'A' grade with a 3.01 CGPA** for three consecutive cycles, NBA accreditation for two-thirds of eligible programs for three consecutive cycles, or being ranked in the top 50/100 of specific categories in NIRF rankings.
- The "**De Novo**" category has been replaced with the "**Distinct Institution**" category, which includes institutions focusing on unique disciplines, strategic needs, cultural heritage, environment, skill development, sports, languages, etc.
- **NAAC 'A' grade or top 1-100 ranking in the "Universities" category of NIRF allows the opening of off-campus centers**.
- **Approval** for off-campus centers will be **granted by the UGC**, replacing the previous approval process by the Ministry of Education (MoE).
- Deemed Universities can **establish off-shore campus centers** as per UGC regulations.
- Monitoring and rectification of deficiencies will be done by UGC for institutions with NAAC grade less than 'A' or ranking above 100 in NIRF.
- **Admissions will be based on merit in entrance exams** conducted by a Government Testing Agency or the Deemed University.
- **Fee fixation should be transparent**, considering non-profiteering/non-commercial aspects, with provisions for fee concessions and scholarships.

## Face to Face Centres





**3 June, 2023**

- **Reservation policies in admissions/recruitment must align with the Constitution** of India and applicable acts of Parliament.
- Deemed Universities can **offer online/distance courses/degrees** as per UGC regulations.
- Enquiries/inspections can be conducted by the government or UGC in response to complaints regarding academics, administration, finance, or other university functions.
- Deemed University **accounts should be separate from sponsoring bodies**, and funds should be solely utilized for university objectives.
- Graded penalties, including warnings, program/department closures, and withdrawal of Deemed University status, are introduced for violations of UGC regulations.
- **Existing Deemed Universities must also comply with these regulations.**

## What is a Deemed University?

Deemed university, also known as deemed-to-be-university, is the recognition given to higher education institutions in India by the DHE (Department of Higher Education). On the **recommendation of UGC (University Grant Commission)**, this status is conferred under the MoE (Ministry of Education).

## University Grants Commission:

- The University Grants Commission (UGC) is a **statutory body** under the Government of India.
- It is responsible for the **coordination, determination, and maintenance of standards** of higher education in India.
- The UGC was **established in 1956** by an Act of Parliament.
- Its primary functions include **disbursing grants** to universities and colleges, **formulating guidelines for the establishment** of universities, and **monitoring** their functioning.
- The UGC also **promotes research and development** in universities and provides scholarships and fellowships to students.
- It is **responsible for accrediting universities** and ensuring quality in higher education.
- The UGC works in close collaboration with universities, colleges, and other stakeholders to **enhance the quality and relevance of higher education** in the country.

## World bank

**Context:** Indian-origin Mr. Ajay Banga has taken charge as President of World Bank

- Ajay Banga has **become the president of the World Bank** as of June 2.
- He is of Indian origin and his appointment is **seen as a significant moment for India's presence** in international forums.

## Face to Face Centres



3 June, 2023

- Although Mr. Banga is a **US citizen** and was President Joe Biden's pick for the role, he was previously an Indian national and received the **Padma Shri award in 2016**.
- Traditionally, the **presidency of the World Bank has been held by a nominee from the United States**.
- The **outgoing president, David Malpass**, was appointed by Donald Trump and reportedly lost the confidence of the Biden administration, which aims to reform and expand the World Bank's scope.



Fig. 4.1 The World Bank Group

## About World Bank

- The World Bank is an international financial institution **established in 1944** as a result of **Bretton woods Conference**.
- It consists of the **International Bank for Reconstruction and Development (IBRD)** and the **International Development Association (IDA)**.
- The Bank aims to **reduce poverty and promote shared prosperity**.
- It provides **financial assistance, policy advice, and technical expertise** to developing countries.
- The **President** of the World Bank is **appointed by the Board of Executive Directors**.
- The Bank supports various global initiatives, including the United Nations Sustainable Development Goals.
- Reforms are underway to enhance operational efficiency and address challenges such as representation and environmental concerns.
- The World Bank's work is focused on **areas like infrastructure, education, healthcare, climate change, and social inclusion**.
- Its assistance includes loans, grants, and guarantees.
- The Bank collaborates with member countries and stakeholders to achieve sustainable development objectives.
- **Major Reports:**
  - Ease of Doing Business (Stopped publishing).
  - Human Capital Index.

## Face to Face Centres

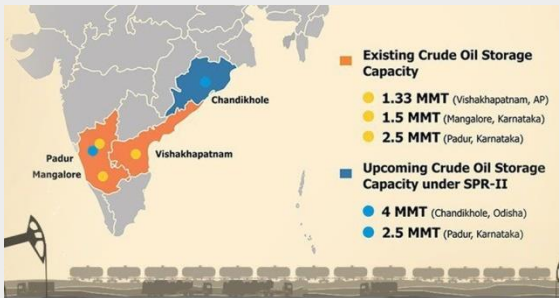




**3 June, 2023**

- World Development Report.
- The **United States is the largest single shareholder**, with 16.41% of the votes, followed by Japan (7.87%), Germany (4.49%), the United Kingdom (4.31%), and France (4.31%). The rest of the shares are divided among the other member countries.
- The World Bank focuses on aiding developing nations, whereas the International Monetary Fund (IMF) has a **primary goal of stabilizing the global monetary system** and overseeing global currencies.

## NEWS IN BETWEEN THE LINES




<p><b>Wrestling federations of India</b></p>	<p><b>Context:</b> The recent allegations on the WFI Chief have brought this body in limelight.</p> <ul style="list-style-type: none"> <li>➤ The Wrestling Federation of India (WFI) is the governing body for wrestling in India.</li> <li>➤ It was established in 1964 and is affiliated with the United World Wrestling (UWW) and the Indian Olympic Association (IOA).</li> <li>➤ The WFI organizes and regulates various wrestling competitions at the national and international levels.</li> <li>➤ It is responsible for selecting and fielding wrestlers to represent India in international tournaments, including the Olympic Games and the Commonwealth Games.</li> <li>➤ The WFI conducts national championships, trials, and selection camps to identify talented wrestlers across different weight categories.</li> <li>➤ It implements and enforces rules and regulations for wrestling competitions, ensuring fair play and athlete safety.</li> </ul>
<p><b>Strategic Petroleum Reserves</b></p>	<p><b>Context:</b> State run state-run Engineers India Ltd (EIL) is exploring the possibility of developing a salt cavern-based strategic crude oil reserve in Rajasthan, near Bikaner</p> <p>Strategic Petroleum reserves: Strategic petroleum reserves are huge stockpiles of crude oil to deal with any crude oil-related crisis like the risk of supply disruption from natural disasters, war or other calamities.</p> <p>Currently, India has strategic crude oil storages at three locations –</p> <ul style="list-style-type: none"> <li>➤ Visakhapatnam,</li> <li>➤ Mangalore and</li> <li>➤ Padur (near Udupi).</li> </ul> <p>The government has also given approval for setting up of two additional facilities at Chandikhol (Odisha) and Padur (Karnataka).</p> <p>The construction of the strategic crude oil storage facilities is being managed by Indian Strategic Petroleum Reserves Limited (ISPRL), a special purpose vehicle, which is a wholly owned subsidiary of Oil Industry Development Board (OIDB) under the ministry of petroleum and natural gas.</p> 
<p><b>Article 371C</b></p>	<p><b>Context:</b> The recent clashes regarding the settlement of Meities in the hilly areas has spotlighted Article 371C</p> <p>Article 371 C of the Indian Constitution pertains to the Special provision for the State of Manipur. Here are its key provisions:</p>

## Face to Face Centres





**3 June, 2023**

	<ul style="list-style-type: none"> <li>➤ Article 371 C which is included in Part XXI was incorporated through the 27th Amendment Act of 1971.</li> <li>➤ The President is empowered to establish a committee in the Manipur Legislative Assembly comprising members elected from the Hill Areas of the State.</li> <li>➤ The term "Hill Areas" refers to those regions designated as such by the President through an order.</li> <li>➤ The President can also assign the Governor with the specific responsibility of ensuring the effective functioning of the aforementioned committee.</li> <li>➤ The Governor is required to submit an annual report to the President concerning the administration of the Hill Areas.</li> <li>➤ The Central Government has the authority to issue directives to the State Government regarding the governance of the Hill Areas</li> </ul>
<p style="text-align: center;"><b>INS Trishul</b></p> 	<p>Context: The INS Trishul visited Comoros as a part of Navy's long-range deployment</p> <ul style="list-style-type: none"> <li>➤ <b>INS Trishul (F43), the second frigate of the Talwar class of the Indian Navy, was commissioned in 2003.</b></li> <li>➤ The ship was named "Trishul" which means "Trident" and joined the Indian Navy's arsenal.</li> <li>➤ The <b>commissioning ceremony</b> took place in <b>St. Petersburg, Russia</b>, on 25 June 2003, at the Western Naval Command.</li> <li>➤ INS Trishul has a <b>crew of 32 officers and 228 sailors.</b></li> </ul>
<p style="text-align: center;"><b>Comoros</b></p>	<p><b>Capital:</b> Moroni</p> <p><b>Region:</b> Comoros is located in the region of East Africa.</p> <p><b>Neighbouring countries:</b> Comoros is surrounded by the following countries:</p> <p><b>Northwest:</b> Tanzania</p> <p><b>Northeast:</b> Mayotte (overseas department of France)</p> <p><b>South:</b> Mozambique Channel (Indian Ocean)</p> 
<p style="text-align: center;"><b>Places in News</b></p>	<p><b>Ziguinchor:</b></p> <p><b>Context:</b> Clashes between two political parties has led to deaths in the city in Senegal.</p> <ul style="list-style-type: none"> <li>➤ <b>Capital:</b> Dakar</li> <li>➤ <b>Region:</b> Senegal is located in the region of West Africa.</li> <li>➤ <b>Neighboring countries:</b> Senegal shares borders with the following countries: <ul style="list-style-type: none"> <li>• <b>North:</b> Mauritania</li> <li>• <b>East:</b> Mali</li> <li>• <b>Southeast:</b> Guinea</li> <li>• <b>Southwest:</b> Guinea-Bissau</li> <li>• <b>West:</b> The Gambia</li> </ul> </li> </ul> 

## Face to Face Centres

