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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.**

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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.

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- **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.

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- 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

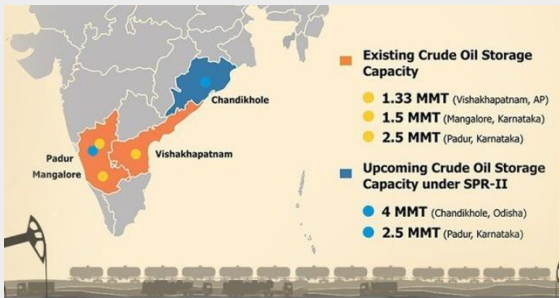
- The World Bank is an international financial institution **established in 1944** as a result of **Bretton woods Conference**.
- It consists of the **International Bank for Reconstruction and Development (IBRD)** and the **International Development Association (IDA)**.
- The Bank aims to **reduce poverty 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.

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- 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




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| <p>Wrestling federations of India</p> | <p>Context: The recent allegations on the WFI Chief have brought this body in limelight.</p> <ul style="list-style-type: none"> ➤ The Wrestling Federation of India (WFI) is the governing body for wrestling in India. ➤ It was established in 1964 and is affiliated with the United World Wrestling (UWW) and the Indian Olympic Association (IOA). ➤ The WFI organizes and regulates various wrestling competitions at the national and international levels. ➤ It is responsible for selecting and fielding wrestlers to represent India in international tournaments, including the Olympic Games and the Commonwealth Games. ➤ The WFI conducts national championships, trials, and selection camps to identify talented wrestlers across different weight categories. ➤ It implements and enforces rules and regulations for wrestling competitions, ensuring fair play and athlete safety. |
| <p>Strategic Petroleum Reserves</p> | <p>Context: 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"> ➤ Visakhapatnam, ➤ Mangalore and ➤ Padur (near Udupi). <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>Article 371C</p> | <p>Context: 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> |

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

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