



VAJIRAM & RAVI
Institute for IAS Examination

The Analyst

CURRENT AFFAIRS Handout

20th February 2025



20th February 2025

Insurance Sector Reforms

CONTEXT: Insurance Regulatory and Development Authority of India has formed a high-powered committee to suggest amendments in Indian Insurance Sector.

Basics

"Insurance is a **contract** between an **insurance company** and a **policyholder**, in which the insurer pays the policyholder for financial losses."

- **Insurance Act, 1938**
 - What **types** of insurance can be offered
 - How insurance companies **should operate**
 - **Rules for insurance agents** who sell policies
- **Insurance Regulatory and Development Authority of India**
- **Why is a New Committee Formed?**
 - **Outdated** laws
 - Amendment **bill**
 - **Modernise** the sector

Numbers tell all

10th largest globally

4.2% insurance penetration (7%)

\$91 insurance density (\$874)

Life insurance: 76%

SwissRe Report: 6th largest by 2032

POSITIVE OUTLOOK

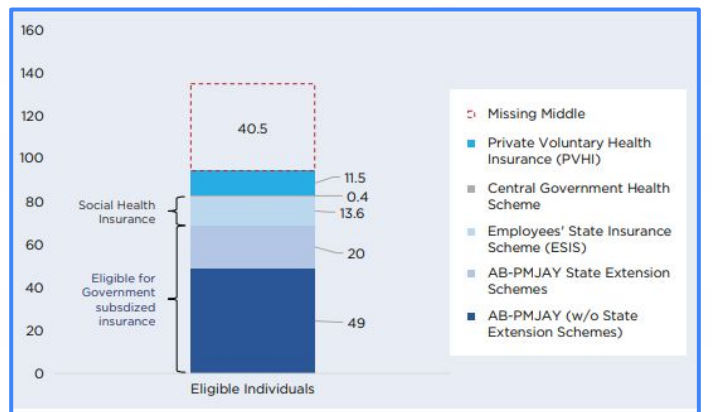
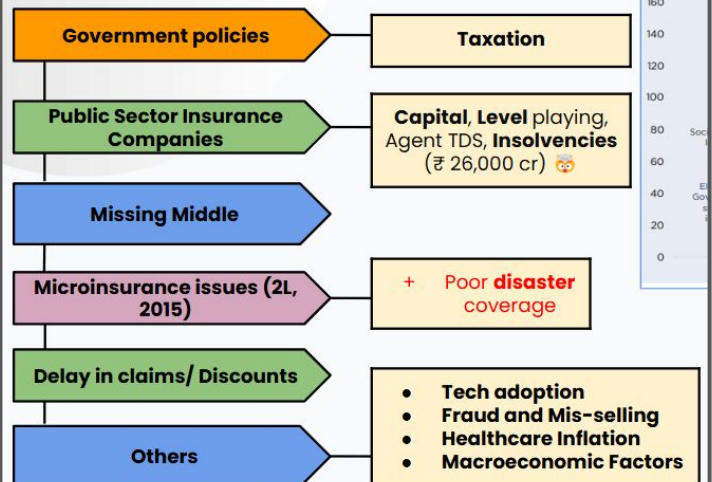
Total insurance business

Region	Growth Y-o-Y in FY24 (%)	CAGR for 2024-28 (%)
India	5.00	7.10
Emerging markets	6.60	5.10
Emerging Asia, excl.China	4.50	6.90
Global	1.60	2.40

CAGR: Compound annual growth rate

Source: Swiss Re Institute

Issues in the sector



20th February 2025

Insurance Sector Reforms

CONTEXT: Insurance Regulatory and Development Authority of India has formed a high-powered committee to suggest amendments in Indian Insurance Sector.

What are the proposed changes?

proposal to raise the foreign direct investment limit in the Indian insurance sector from 74 per cent to 100 per cent. Sitharaman further stated that the Centre is working on more reforms in the insurance sector, along with the 100 per cent FDI move. Guardrails are being put so that citizens' money towards premium payment for insurance is kept within the country, she said.

M Nagaraju, Secretary, Financial Services, Ministry of Finance, had said internal consultations have been completed for the same, and it includes allowing composite licences, details regarding investments and the repatriation of profits in case of foreign direct investment (FDI). "We have almost completed the internal governmental consultations. Then, we will take the next course of action by bringing the proposed amendment bill to Parliament. Once it is approved, those rules will also be notified so that all the reforms we intend to do in the insurance sector to improve penetration will be done through these measures," Nagaraju said on the

proposed reforms.

The government's major reforms proposals include composite licence, differential capital, reduction in solvency norms, issuing captive licence, change in investment regulations, one-time registration for intermediaries and allowing insurers to distribute other financial products. The government had earlier planned to repeal the Insurance Act, 1938, as it has undergone many changes since its inception and has become cumbersome to understand for common people.

The legislative move to amend the Act with new amendments is in line with the government's ongoing overall exercises involving review of all pre-Independence Acts from the point of view of their utility and relevance, said sources. The government now wants that the entire legal code of the country should remain purely Indian and existing laws made by a legislature of the Pre-Constitution era should be replaced with laws made by the legislature which is in place post-independence.

Repeal 1938 law

74% → 100% FDI

Composite lics (LIFE + GEN)

Differential capital req

Reduction in solvency norms

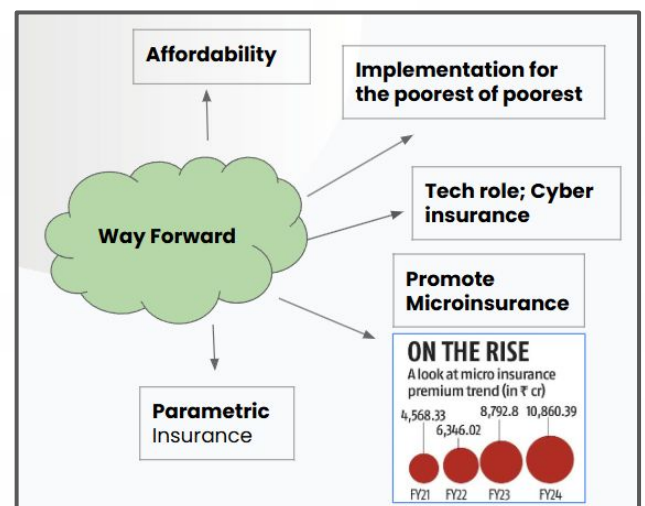
Captive licence

One-time registration for intermediaries

Distribute other financial products



Dinesh Khara Committee



CONTEXT: Insurance Regulatory and Development Authority of India has formed a high-powered committee to suggest amendments in Indian Insurance Sector.

- **Aam Aadmi Bima Yojana:** By paying a Rs 200 yearly payment, policyholders get up to Rs 30,000 in coverage.
- **Awaz Health Insurance Scheme:** It is aimed towards inter-state workers in Kerala without medical coverage.
- **Pradhan Mantri Jan Arogya Yojana under Ayushman Bharat:** PM-JAY offers insurance coverage of up to Rs 5 lakh per year.
- **The Pradhan Mantri Suraksha Bima Yojana:** It provides policyholders with accidental death and disability payments.

Cover drive for the uninsured

The Insurance Regulatory and Development Authority is driving multi-pronged changes to expand citizens' safety nets



■ A new bundled insurance product Bima Vistar to provide life, health, accident and property cover through a single, simple policy



■ A Bima Sugam platform as a one-stop shop for customers, integrating insurers and distributors



■ Linking digital death registries to platform so claims can be settled within hours or a day



■ Permitting insurers to sell value-added services with policies; for example, a yoga class bundled with a health scheme

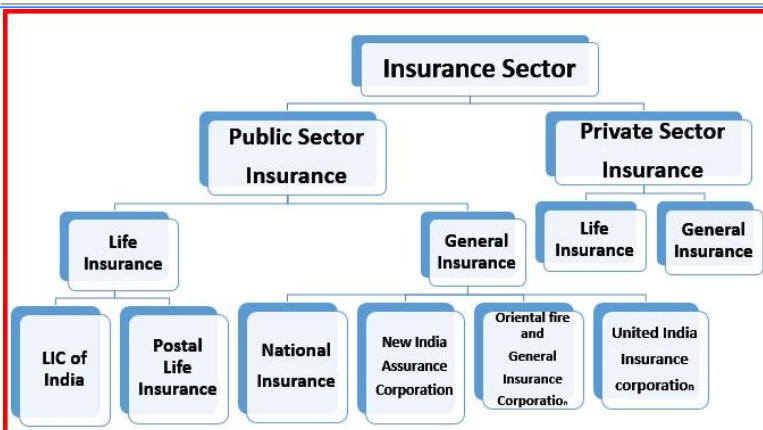


■ Women to lead campaign to spur insurance penetration in each Gram Sabha

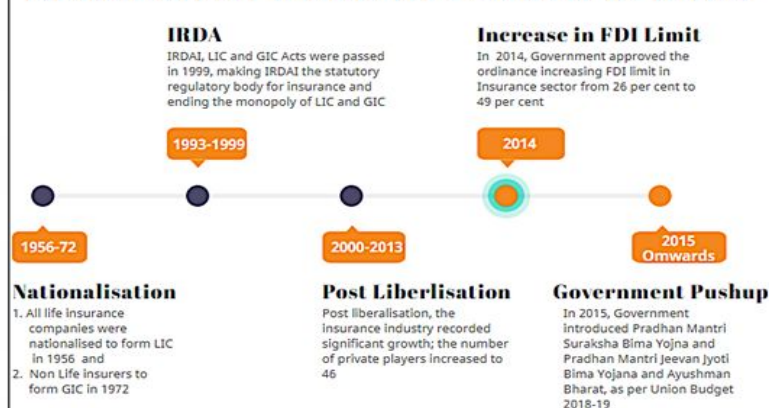


■ Roping in States to form insurance committees and expand coverage across districts

■ Move will also allow smaller, micro and regional insurers to reach different strata of society



Evolution Of Insurance Sector in India



MAINS PRACTISE QUESTION

There is a need to modernize India's insurance sector, attract foreign investment, and increase insurance coverage. Discuss.
(15 Marks, 250 words)

UPSC PYQ (P) 2020

Q: In India, under cyber insurance for individuals, which of the following benefits are generally covered, in addition to payment for the loss of funds and other benefits?

1. Cost of restoration of the computer system in case of malware disrupting access to one's computer
2. Cost of a new computer if some miscreant wilfully damages it, if proved so
3. Cost of hiring a specialized consultant to minimize the loss in case of cyber extortion
4. Cost of defence in the Court of Law if any third party files a suit

Select the correct answer using the code given below:

- (a) 1, 2 and 4 only
- (b) 1, 3 and 4 only
- (c) 2 and 3 only
- (d) 1, 2, 3 and 4



20th February 2025

Building Resilient Telecom Infrastructure

CONTEXT: CDRI emphasises that coastal, earthquake-prone regions should protect telecom assets from disasters

What is disaster resilience?

"Disaster resilience is the **ability** of *individuals, communities, organisations* and *states* to **adapt to** and **recover from** hazards, shocks or stresses."

May 2019, Cyclone Fani

Determination of Disaster Resilience

- **QUANTITATIVE:** Disaster Resilience Index/ Baseline Resilience Indicators for Communities
- **QUALITATIVE:** knowledge, experiences, and innovations
- **Risk mapping**
- Assess the **vulnerability**
- **Capacity analysis**



About Coalition for Disaster Resilient Infrastructure

2019: India launched

Nations + UN agencies + MDBanks + Private sector

"To promote the **resilience of infrastructure systems to climate and disaster risks** ensuring sustainable development."

Members: 40 Nations + 7 Org

Roles: Funding + Technical Support + Capacity building

Initiatives

- Infrastructure for Resilient Island States
- DRI Connect platform
- Intl' Conf on Disaster Resilient Infrastructure
- Infrastructure Resilience Accelerator Fund

CDRI MISSION

Increase awareness and commitments of governments and other stakeholders

Improve availability of knowledge systems

Increase availability of technical assistance and improve capacities



Governance & Policy



Risk Identification & Estimation



Resilience Standards & Certification



Capacity Development



Innovation & Emerging Technology



Recovery & Reconstruction



Finance



Community Awareness & Capacity



Building Resilient Telecom Infrastructure

CONTEXT: CDRI emphasises that coastal, earthquake-prone regions should protect telecom assets from disasters

The Curious Case of TELECOM & Disasters

Telecom networks are essential during disasters

Communication, Rescue Ops, EWS, etc

Why Are Telecom Networks Vulnerable?

Cables/ Towers/ Electricity

How Are Telecom Networks Affected by Disasters?

- **Physical Damage**
 - Network disruptions, internet speed
- **Power Failure**
 - Shuts down telecom towers
- **Network Congestion**
 - Overloaded and slow

MAINS PRACTISE QUESTION

By making small but crucial changes, India can significantly improve its disaster response and communication network resilience. Explain.

(15 Marks, 250 words)

UPSC CSE (M) 2024

What is disaster resilience? How is it determined? Describe various elements of a resilience framework. Also mention the global targets of Sendai Framework for Disaster Risk Reduction (2015-2030).

(15 Marks, 250 words)

How Can Telecom Networks Be Made More Resilient?

Strengthening Tele Towers

- New towers
- Backup power generators

Improving Infrastructure

Dig-once policy

Financial Protection for Telecom Companies

Parametric insurance

Restoring Power Supply Quickly

Odisha provides 50 litres of fuel per tower

Better Disaster Monitoring & Response

- Software to track real-time outages
- Coordination

SYLLABUS : GS 1 : Geographical features and their location—changes in critical geographical features

Newspaper : The Indian Express **Page Number : 17**

GLOBAL SEA ice cover dipped to a new record low last week.

Over the five-days leading up to February 13, the combined extent of Arctic and Antarctic sea ice dropped to 15.76 million sq km, down from the previous five-day record low of 15.93 million sq km in January-February 2023, according to BBC analysis of data from the US National Snow and Ice Data Center (NSIDC).

Sea ice refers to the free-floating ice in the polar regions. While it generally expands during the winter and melts in the summers, some sea ice remains year-round. Note that this is different from icebergs, glaciers, ice sheets, and ice shelves, which form on land.

Sea ice plays a crucial role in cooling the planet by trapping existing heat in the ocean, and thus precluding it from warming the air above. Therefore, a reduction in sea ice cover can have disastrous consequences for Earth.

What is Sea Ice?

- Seawater

Different from **glaciers, icebergs, ice sheets, and ice shelves?**

How Does Sea Ice Change?

Winters: _____
Summers: _____
Perennial sea ice

What Has Happened?

- Arc: 1981-2010:** 12.2% per decade
- Ant: 2014-2017** size of Spain

Understanding further

Why is This Important?

- Sea Ice Helps **Cool** the Planet
 - High albedo effect
 - Less means more GW
- Regulates** Ocean Circulation
 - Source of **freshwater**
 - Reduces salinity**
 - Slow down** deep ocean currents

Causes of this dip

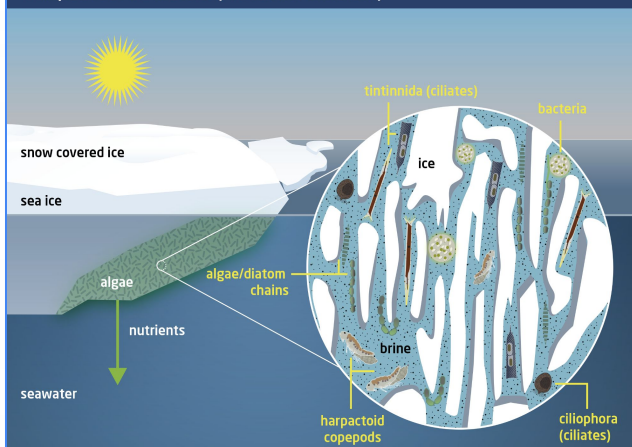
Experts suggest that the 2025 low could be due to a combination of warm air, warm seas and winds breaking apart the ice, the BBC reported.

Antarctic sea ice is particularly vulnerable to ice-breaking winds. Unlike Arctic ice,

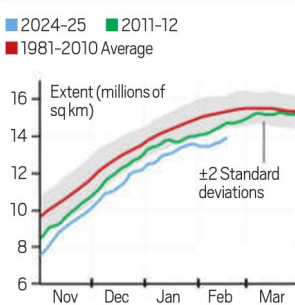
it is surrounded by the ocean instead of continents and is thus more mobile, and also comparatively thinner. The situation has been made worse this year due to warmer air and warmer waters towards the end of the southern hemisphere summer (December to February).

Higher air temperatures led to the melting of the edges of the Antarctic ice sheet — also known as ice shelves — which extend over the ocean. "[The] ongoing ocean

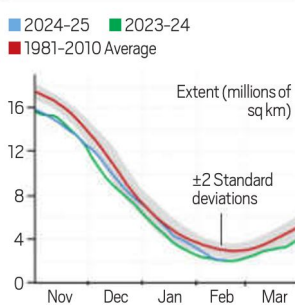
Samples sea-ice habitat (Arctic and Antarctic)



ARCTIC SEA ICE EXTENT



ANTARCTIC SEA ICE EXTENT



SYLLABUS : GS 1 : Geographical features and their location—changes in critical geographical features

Newspaper : The Indian Express **Page Number : 17**

Causes of this dip in Arctic ice

In the Arctic, where winter lasts from November to February, sea ice remained low because of a delayed freezing around the Hudson Bay, a large saltwater body in northeastern Canada. The delay occurred as unusually warm oceans took a longer time to cool down.

The region also witnessed some storms which broke apart ice around the Barents Sea, located off the northern coasts of Norway and Russia, and the Bering Sea, the stretch between Alaska and Russia. Experts say that Arctic ice has become thinner and more fragile over the years, and hence more susceptible to breaking by storms.

Higher than usual air temperatures in areas such as Svalbard, Norway, resulted in further loss of sea ice.



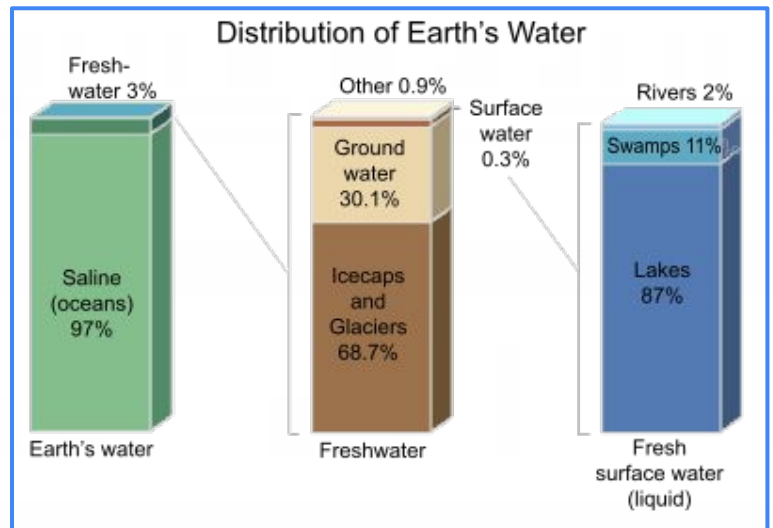
UPSC PYQ (P) 2021

With reference to the water on the planet Earth, consider the following statements:

1. The amount of water in the rivers and lakes is more than the amount of groundwater.
2. The amount of water in polar ice caps and glaciers is more than the amount of groundwater.

Which of the statements given above is/are correct?

- A. 1 only
- B. 2 only
- C. Both 1 and 2
- D. Neither 1 nor 2



20th February 2025

Disaster Relief Funding

SYLLABUS: GS 3: Disaster and disaster management
Newspaper: The Hindu **Page Number:** 04

About National Disaster Response Fund Section 46

Providing immediate relief

Supplement SDRF

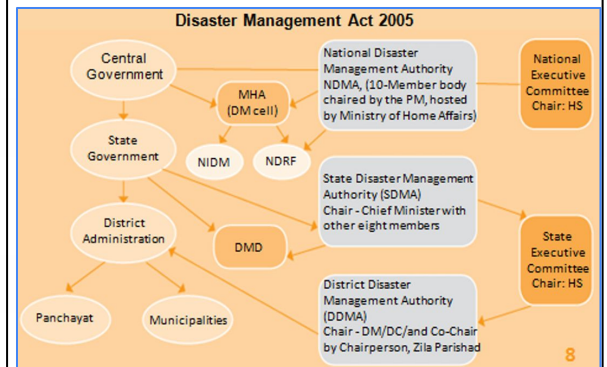
"Public Account" u/"reserve funds not bearing interest"

Sources of Financing

- Finance Bill: Cess, excise, customs
- Beyond: general budgetary resources
- Audit

Not compensation for disaster preparedness, restoration, reconstruction, and mitigation

- National Disaster Mitigation Fund
- National Cyclone Risk Mitigation Project
- National Flood Management Programme



The High-Level Committee, headed by Union Home Minister Amit Shah, on Wednesday approved ₹608.08 crore to Andhra Pradesh as additional assistance under the National Disaster Response Fund (NDRF).

This funding was to support States that faced floods, flash floods, landslides, and cyclonic storms. The funds would be provided from the NDRF, with 50% of the opening balance available in the State Disaster Response Fund (SDRF) being adjusted accordingly.

How Is the ₹1,554.99 Crore Distributed?

- AP – ₹608.08 cr
- Nagaland – ₹170.99 cr
- Odisha – ₹255.24 cr
- Telangana – ₹231.75 cr
- Tripura – ₹288.93 cr

How Does This Fit into the Bigger Picture?

Significance of This Move

- Centre's quick response
- States get timely financial assistance
- Federal cooperation

Gol already given ₹18,322.80 cr to 27 states under SDRF in 2024-25

Centre has also released funds for disaster mitigation

- ₹2,208.55 cr from SDMF
- ₹719.72 cr from NDMF



SYLLABUS: GS Paper 3: Infrastructure

Newspaper: The Indian Express Page Number: 19

BharatMala: Connecting India Like Never Before

34,800 km of roads to be constructed

Rs. 5,35,000 crores to be invested

- Economic Corridors (9000 km): To unlock full economic potential
- Inter Corridor and Feeder Route (6000 km): Ensuring holistic connectivity
- National Corridors Efficiency Improvement (5000 km): Enhancing efficiency
- Border Roads and International Connectivity (2000 km): Boosting Border Connectivity
- Coastal Roads and Port Connectivity (2000 km): Leveraging Ports for Progress
- Green field Expressways (800 km): Express speeds for Express gains
- Balance NHDP works (10,000 km): Boosting all round connectivity

Bharatmala Pariyojana Components to deliver substantial Improvements in Highway Network.

From	To
Six Corridors (GQ, NS-EQ)	Fifty Corridors
40% freight on National Highways	70-80% freight on National Highways
~300 districts connected by 4+ Lane Highways	~550 districts connected by 4+ Lane Highways

Issues with the Project

WHILE AROUND 76 per cent of the total approved length for the project have been awarded so far for construction, no fresh projects will now be taken up under the Centre's flagship Bharatmala Pariyojana, the Ministry of Road Transport and Highways (MoRTH) said in its latest annual report.

many delays and cost overruns, which analysts said could be one of the reasons for fresh projects not being taken up under the scheme. The length of 10,000 km under the National Highways Development Project (NHDP) was also subsumed in this major highway infrastructure initiative.

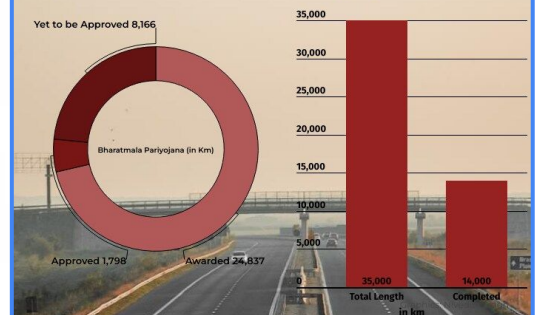
September 2022. However, due to delay and escalation in cost of land acquisition, the project cost has increased manifold. Now, the project is expected to be completed by 2027-28.

Approved in 2017, the Bharatmala Pariyojana is expected to be complete in 2027-28

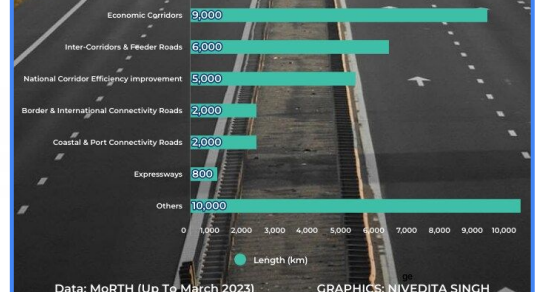
STATE-WISE BHARATMALA PARIYOJANA LENGTH



Length-wise Project Under Bharatmala Pariyojana



Schemes Under Bharatmala Pariyojana



Data: MoRTH (Up To March 2023)

GRAPHICS: NIVEDITA SINGH

FLAGSHIP ROAD DEVELOPMENT PROGRAMME

Bharatmala Pariyojana aims at development of 74,942 km

Total length of 34,800 km was approved under Phase I of Bharatmala for at an Investment outlay of ₹5,35,000cr

FLAGS FUND DIVERSION

CAG flags excess price adjustments to the tune of ₹99.16 cr due to wrong Computation adjustment formula in case of EPC and HAM projects

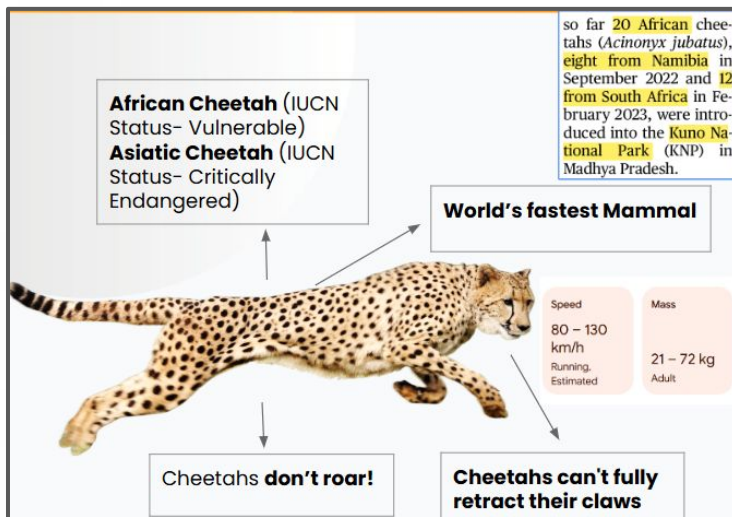
Tune of ₹3,598.5 cr from escrow accounts by concessionaires

Poor monitoring of escrow accounts by NHAI resulted in diversion of funds to the



Cheetah Translocation Issues

SYLLABUS: GS 3 Paper: Conservation
Newspaper: The Hindu Page Number: 04



Outcomes of the study

The study, 'Delineating the environmental justice implications of an experimental cheetah introduction project in India', was published in *Frontiers in Conservation Science*.

According to the CWS, the study highlights that the translocation of African cheetahs to India has resulted in significant challenges, with a mortality rate of 40%-50% in the first phase of the project, far below the expected survival rate of 85%.

The CWS also said that the cheetahs involved in the project have experienced high levels of stress, with over 90 chemical immobilisations and regular veterin-

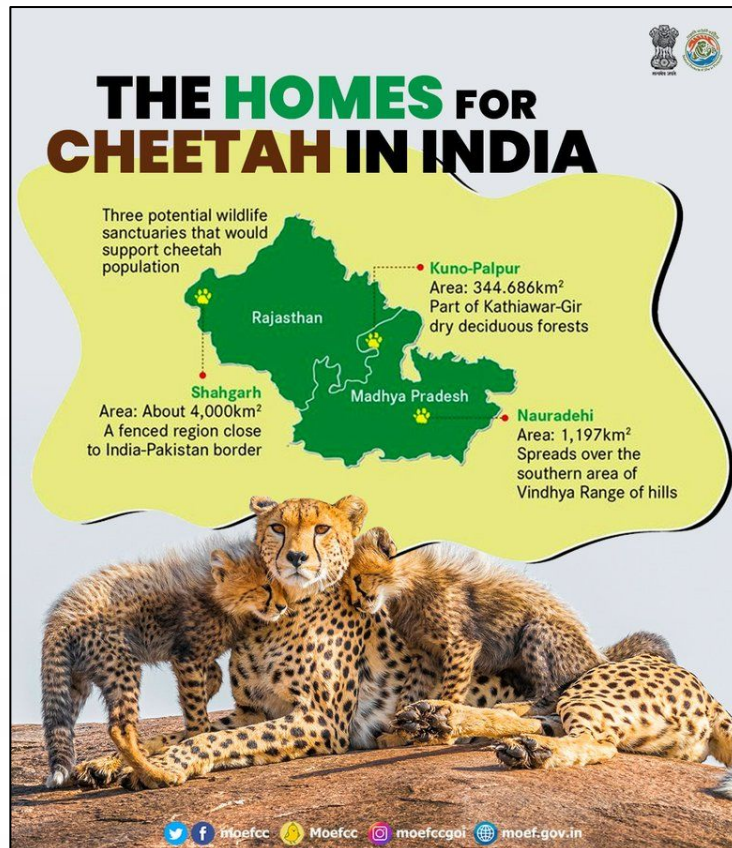
It also said that African cheetah populations are already under pressure, with only around 6,500 mature individuals remaining in the wild.

project's reliance on a continuous supply of cheetahs from southern Africa, is neither ecologically sustainable nor ethical," it said.

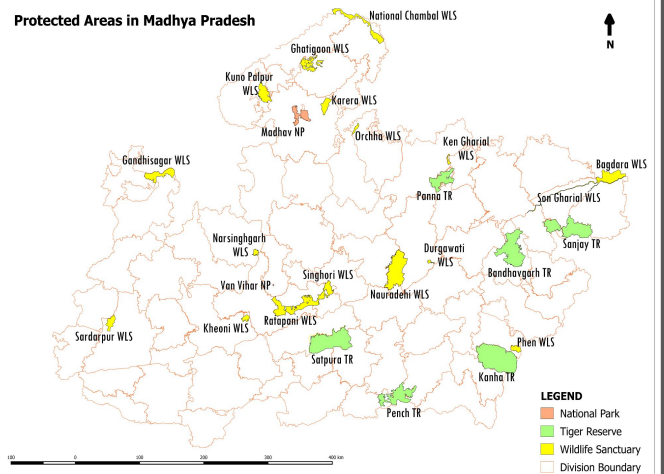
Inclusive approach
The authors have suggested that a more justice-informed approach would ensure that conservation decisions are based on inclusive, participatory processes, which take into account the diverse values people place on nature.

"Our current approach risks overlooking diverse knowledge systems and values, the nuanced ways in which people interact with nature, their perceptions of wildlife, and importantly, their consent to bear the consequences of such initiatives," said Mr. Joshi.

"Conservation efforts should focus more on their ability to maintain sustainable shared spaces between humans and wildlife, rather than causing further division and distress," he added.



Protected Areas in Madhya Pradesh



UPSC PYQ (P) 2012

Consider the following:

1. Black-necked crane
2. Cheetah
3. Flying squirrel
4. Snow leopard

Which of the above are naturally found in India?

- (a) 1, 2 and 3 only
- (b) 1, 3 and 4 only
- (c) 2 and 4 only
- (d) 1, 2, 3 and 4



Indian Smartphone Shipments on Rise

SYLLABUS: GS 3 Paper: Indian Economy
Newspaper: The Indian Express Page Number: 19

PLI scheme

boosting Bharat's global dominance

Modi Govt's initiative is making Bharat a smartphone export leader



Source: Financial Express

Decoding news

RIDING ON the back of the government's production linked incentive (PLI) scheme, India's mobile phone exports surged past Rs 25,000 crore in January 2025, and is expected to cross Rs 1,80,000 crore by the end of this fiscal, marking a significant 40 per cent jump over last year, as per industry body India Cellular & Electronics Association (ICEA).

The surge has been primarily led by a strong push by Apple, which has set up — through its contract manufacturers — a sizable assembly base in the country.

January, close to 70 per cent came from Apple via iPhone shipments. Apple's push to broaden its manufacturing base in India comes on the back of the company looking to diversify such operations away from China, amid geopolitical tensions. India has emerged as a favourable destination for the company as far as iPhone assembly is concerned, even as a substantial chunk of the device's production is still centred in China. The PLI for large scale

Under the PLI scheme for smartphone manufacturing, the government has disbursed close to \$1 billion (Rs 8,700 crore) in the three years from 2022-23 to 2024-25, with Foxconn, Tata Electronics and Pegatron, the three contract manufacturers of Apple receiving cumulatively over 75 per cent of the amount.

Overall, five beneficiaries collectively received more than 98 per cent of the total disbursements: Foxconn (Rs 2,807.17 crore), Tata Electronics (Rs 2,067.51 crore), Pegatron (Rs 1,724.36 crore), Samsung (Rs 1,365.91 crore) and Padi Electronics (Rs 596 crore). Apple's contract manufacturers, Foxconn, Tata Electronics and Pegatron (which was recently acquired by the Tatas), have received a total of almost Rs 6,600 crore over three years — 2022-23 and 2024-25, as per data obtained by The Indian Express through a Right to Information (RTI) application earlier.

FULL REPORT ON

Until June last year, the scheme had helped create 1,22,613 direct jobs as well, The Indian Express reported. The PLI scheme has the allocation at Rs 8,885

EXCLUSIVE INVESTMENT FORUM

INVEST INDIA.GOV.IN

Production Linked Incentive Scheme (PLI) for Large Scale Electronics Manufacturing



Incentive: 4% to 6% on incremental sales (over base year) of goods manufactured in India

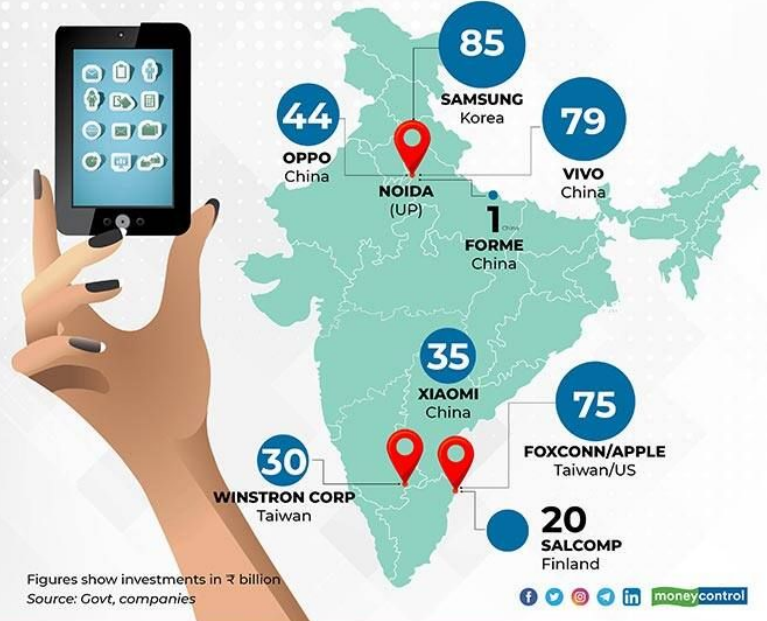
Target Segments: Mobile phones and specified electronic components

Eligibility: Subject to thresholds of incremental investment and incremental sales of manufactured goods

Tenure of the Scheme: Five years subsequent to the base year as defined (FY19-20)

BIG MANUFACTURING PUSH

Summary of key corporate investments announced in India to step up local manufacturing



Daily Quiz

Q1. Consider the following statements :

1. Insurance Penetration refers to the percentage of the population covered by insurance policies relative to the country's GDP.
2. Insurance Density measures the total insurance premium collected per capita in a year.

Which of the statements given above is/are correct?

- a) 1 only
- b) 2 only
- c) Both 1 and 2
- d) Neither 1 nor 2

Answer: c

Q2. Consider the following statements regarding the Coalition for Disaster Resilient Infrastructure (CDRI) Mission:

1. The CDRI Mission aims to promote disaster-resilient infrastructure development in vulnerable regions, particularly in developing countries.
2. The Mission is a global initiative led by India to reduce disaster risks and enhance the sustainability of infrastructure.
3. It primarily focuses on climate change mitigation by reducing the carbon footprint of infrastructure projects worldwide.

Which of the statements given above are correct?

- a) 1 and 2 Only
- b) 1 and 3 Only
- c) 2 and 3 Only
- d) 1, 2 and 3

Answer: d

Q3. Which of the following statements regarding sea ice is correct?

- a) Sea ice is formed from frozen seawater and is typically found in polar regions.
- b) Sea ice is primarily made of freshwater and forms in tropical oceans.
- c) Sea ice only forms during the winter months and melts completely in the summer.
- d) Sea ice is found only in the Arctic Ocean and does not occur in the Southern Hemisphere.

Answer: a

Q4. Which of the following disasters are included in the Notified List of Disasters under the National Disaster Management Act (NDMA)?

1. Earthquakes
2. Floods
3. Pest Attacks
4. Terrorist Attacks
5. Cyclones

Select the correct answer using the code given below.

- a) 1, 2, 3, and 5 only
- b) 2, 3, and 4 only
- c) 1, 2, 4, and 5 only
- d) 1, 2, 3, and 5 only

Answer: a

Q5. Consider the following statements regarding the Bharatmala Pariyojana:

1. The Bharatmala Pariyojana is an initiative aimed at improving the road infrastructure across the country.
2. The Pariyojana focuses only on the development of Brownfield Highways.

Which of the statements given above is/are NOT correct?

- a) 1 only
- b) 2 only
- c) Both 1 and 2
- d) Neither 1 nor 2

Answer: b





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