



New India Udyam Bima Policy



Market Need for the Product



- With almost every sector feeling the effects of the coronavirus, economies bear a loss of billions per day.
- Revenue loss of MSMEs in India estimated at more than 12 lakh crore since lockdown.
- To enable stabilizing the economy, Government of India is taking various steps to encourage the growth of MSMEs.
- To provide a comprehensive insurance cover to MSMEs, Deptt. of Financial Services mooted the idea to design a customised product to cater to the needs of MSMEs
- New India Udyam Bima Policy is one such policy being introduced by us . to provide security to MSMEs from unforeseen events.



Definition of MSMEs

- MSME stands for Micro, Small, and Medium Enterprises.
- In accordance with the Micro, Small, and Medium Enterprises Development (MSMED) Act in 2006, the enterprises are classified into two divisions.
 1. **Manufacturing enterprises** – engaged in the manufacturing or production of goods in any industry
 2. **Service enterprises** – engaged in providing or rendering services



Classification of MSME

Revised Classification applicable w.e.f 1st July 2020

Composite Criteria: Investment in Plant & Machinery/equipment and Annual Turnover

Classification	Micro	Small	Medium
Manufacturing Enterprises and Enterprises rendering Services	Investment in Plant and Machinery or Equipment < Rs.1 crore and Annual Turnover < Rs. 5 crore	Investment in Plant and Machinery or Equipment < Rs.10 crore and Annual Turnover < Rs. 50 crore	Investment in Plant and Machinery or Equipment < Rs.50 crore and Annual Turnover < Rs. 250 crore

Coverage



Package-A (Compulsory)

- Standard Fire and Special Peril Policy(SFSP)
- STFI (Storm, Tempest, Flood, Inundation) and Earthquake
- Business Interruption
- Personal Accident (For MSME owner and employees)
- Burglary Insurance

Package-B (Optional)

- Terrorism
- Public Liability
- Employee Compensation

Premium Rates



Package (A) - Compulsory

- 1) Standard Fire and Special Peril Policy (including STFI)- IIB rate
- 2) STFI (Storm, Tempest, Flood, Inundation) and Earthquake- As per standard guidelines
- 3) Business Interruption – As per standard guidelines
- 4) Personal Accident (For MSME owner and employees) – Rs 20 per lac of sum insured
- 5) Burglary – 0.1 per mille

Package (B) – Optional cover

- 1) Terrorism –Terrorism Pool rate
- 2) Public Liability – 0.2 per mille
- 3) Employee Compensation – 0.5 per mille

UNDERWRITING CONSIDERATIONS



- Valid MSME Certificate/Udyam Aadhar No
- Insured details to be obtained in Proposal Form
- Options available to the insured –
- Option I :- Package A (Compulsory) , Or
- Option II :- Package A (Compulsory) + One or more sections of Package B (Optional)
- Fire and Business Interruption coverage shall follow the IIB guidelines
- Burglary, Personal Accident, Employees Compensation – As per our standard covers and guidelines
- Public Liability (Industrial) – For manufacturing enterprises
- Public Liability (Non Industrial) – For enterprises rendering services



THANK YOU !!



NEW INDIA ASSURANCE

दि न्यू इन्डिया एश्योरन्स कंपनी लिमिटेड
The New India Assurance Co. Ltd