



## INSURANCE NEWS

### Times Internet launches online insurance platform ETInsure

**E**T Insure platform is starting with car and two-wheeler insurance and plans to soon add health, life & travel insurance products to its online platform. Times Internet\* has launched an online insurance platform ETInsure.com to allow consumers to buy the best insurance plan.

The platform is starting with car and two-wheeler insurance, offering insurance plans from seven prominent insurance companies. It plans to soon add health, life & travel insurance products to its online platform. “The launch of ETInsure.com is in line with our mission to simplify the financial journey of consumers in India. Insurance is a critical part of this mission as the current experience of buying and owning an insurance policy is cumbersome and riddled with rampant miss-selling from pushy sales agents” says Mukesh Kalra, who is leading Times Internet’s foray in FinTech. Designed as a mobile responsive website, ETInsure.com allows consumers to buy the policy without any paperwork instantly with the coverage starting within minutes, the company said in the statement.

### Data-led suggestions to help you buy the right policy

**T**he company claims that ETInsure team talked to more than 100+ consumers to realize that consumers mostly buy products with lowest premiums while buying a car or two-wheeler insurance, ignoring the fact that lowest priced plans would usually put a very low value to their vehicle. “This meant consumers are under-covered & they don’t even realize it until they make their first claim”. ETInsure aims to solve

this problem by providing a suggested value of the vehicle which takes into account multiple data points such as - the age of the vehicle, buyer preferences, number of quotes and competitive prices among others. Consumers can then customize their quotes with a single click to get the best policy with suitable coverage. In addition to this, consumers also get data-led suggestions on the type of add-ons they should attach to their policy, which can increase their coverage at a very nominal cost.

### Decoding the Fine Print

**A**part from this, ETInsure will also apparently decode the complex terms and conditions of every policy digitally and present them in simple visuals and easy-to-understand language to consumers. The company said in a statement that there would also be an expert team to help the consumer during claim settlements. “We have redesigned and re-engineered the entire insurance stack from the ground up. We are excited to empower our consumers to make informed decisions about their insurance needs, so that they feel positive about their future - as they are well-covered,” says Shankar Nath, Principal Officer & Head, ETInsure.com.

<http://tech.economictimes.indiatimes.com/news/internet/times-internet-launches-online-insurance-platform-etinsure/56950243>

3rd Feb 2017

### High attrition at LIC: To retain fleeing agents, insurer hikes gratuity to Rs 3 lakh

**I**n its bid to arrest the high attrition levels and encourage them to do more business, the national insurer Life Insurance Corporation has hiked gratuity for its over a million agents to Rs 3 lakh. The Corporation makes as much as

94 per cent of its premium income through its over 1.1 million agents, while the private sector rivals net around half their business through the agency route. During the past financial year, the Corporation recruited 2.45 lakh agents but as many as 3.40 lakh agents got terminated or voluntarily let during the year. As of March 2016, the Corporation had 10.60 lakh agents, while this rose to 11.05 lakh as of end January. But this year so far, the Corporation has added 45,000 agents on net basis. "So far this financial year, we recruited 2.7 lakh agents while 2.25 lakh were terminated/voluntarily left the Corporation, which is a net addition of 45,000. This takes our total agency strength to 11.05 lakh as of end January," an LIC official told PTI. "Gratuity payable to an agent shall be at the eligible rate for each qualifying year for the first 15 qualifying years and at half the eligible rate for the subsequent 10 qualifying years, provided the maximum amount of gratuity payable shall not exceed Rs 3 lakh," says a Gazette of India notification.

Under the existing rules, an LIC agent gets Rs 2 (rpt) 2 lakh as gratuity on leaving the service after 15 years. On an average an agent gets 35 per cent commission on the premium sold and 2 per cent on single premium policies. At present, the gratuity in the case of an agent who has worked on the relevant date for 15 years or more, means 180th part of the aggregate renewal commission earned by an agent, says the notification says. In the case of an agent who has worked on the relevant date for less than 15 years as an agent, one 12th of the amount arrived at by dividing the aggregate renewal commission in the qualifying years by the total number of agency years, it adds. The notification dated February 2 is signed by the only managing director of the Corporation Usha Sangwan.

LIC gets 94 per cent of its revenue through the agency channel though it also sells online

and through banassurance channels. As of end January, its total premium income stood at Rs 29,000 crore, up 76 per cent from Rs 16,460 crore a year ago. It has set a target of mopping up premium income of Rs 31,000 crore by March.

<http://www.financialexpress.com/money/insurance/high-attribution-at-lic-to-retain-fleeing-agents-insurer-hikes-gratuity-to-rs-3-lakh/539521/>

6th February 2017

### Life insurers' new business premium up 28% in January

The new business premium of life insurance companies grew by 27.8 per cent to Rs 13,138.10 crore in January, compared with the year-ago month. The new business, or the first-year premium of life insurance companies, stood at Rs 10,283.89 crore in January 2016. State-owned LIC, the country's largest life insurer, contributed Rs 8,724.59 crore or 66.4 per cent to the total premium generated during the month, showed data from Insurance Regulatory and Development Authority of India (Irdai). LIC's new business premium stood at Rs 6,720.28 crore in January 2016. Out of the total Rs 13,138.10 crore, other 23 private sector life insurance firms contributed Rs 4,413.50 crore as new premium income for the January month this year. They recorded a rise of 23.8 per cent in first year premium against Rs 3,563.60 crore in January 2016.

Among private sector life insurers, SBI Life's new business rose by 62.7 per cent to Rs 1,094.54 crore in January 2017, as against Rs 672.07 crore a year ago. ICICI Prudential Life new business was at Rs 775.41 crore, up 25.3 per cent; HDFC Standard Life Rs 733.58 crore, up 33.7 per cent and that of Max Life Rs 235.48 crore, an increase of 2.3 per cent. Among others, Bajaj Allianz Life premium recorded at Rs 305.99 crore (from Rs 265.60 crore); Reliance Nippon Life Rs 85.90 crore (against Rs 79.92 crore); Tata AIA Life Rs

105.51 crore (from Rs 67.66 crore) and that of Birla Sun Life Rs 153.99 crore (Rs 125.89 crore in January 2016). However, the total number of policies/schemes in January in terms of first year premium of life insurance companies came down to 23,40,560 from 23,60,809 a year ago. There are a total of 24 life insurers in the country, of which only one LIC, is state owned.

The cumulative new business premium from all the insurers during April-January period of 2016-17 rose to Rs 1,29,555.09 crore against Rs 95,871.62 crore a year earlier.

<http://www.financialexpress.com/industry/life-insurers-new-business-premium-up-28-in-january/547814/>

12th February 2017

### **Liberty Videocon General Insurance aims at Rs1,000 cr in premium collections**

**L**iberty Videocon General Insurance Co. Ltd., a joint venture between Videocon Industries and Liberty Citystate Holdings Pte Ltd., is targeting over Rs 1,000 crore in total premium collections in the next two years. During January-December 2016, Liberty Videocon General Insurance's total premium collections stood at Rs 540 crore against its target of Rs 500 crore. The current year target is pegged at Rs 770 crore and in the following year, it plans to grow by 50%.

"From April-December 2016, without crop insurance, we grew by 40% at Rs 424 crore against Rs 300 crore in the comparable period of last year. During this period, the industry grew by 17%. Currently, non-motor insurance premium accounts for 30% of total premium collections and we would like it to grow to over 40% in the coming years," said Roopam Asthana, CEO and whole-time director, Liberty Videocon General Insurance. Mr. Asthana said they have capital base of ₹984 crore and there was no need to raise further capital. The solvency margin of the company currently stood at 3.5 times, which was

much above the regulatory requirement of 1.5 times. On Wednesday, the company rolled out a special Risk Engineering Practice in the South for large, small to mid-sized industries, to assess internal and external risks of plants and industrial establishments.

"This new initiative will provide property risk assessment, cargo risk assessment, business interruption risk assessment, technical document development, thermography audit and work place safety, to protect assets of our corporate customers as a part of the insurance proposition," he said.

The Risk Engineering Cell has a team of seven qualified specialists, who will work with the customers in effective risk management. The team will also identify and reduce possible loss exposures of its customers before it interrupts business, thereby protecting expensive assets and ensuring that there was no adverse effect on the productivity side, he said.

<http://www.thehindu.com/business/Liberty-Videocon-General-Insurance-aims-at-%E2%82%B91000-cr-in-premium-collections/article17308110.ece>

Date : 15th February 2017

### **Insurance to see rapid growth, say experts at BS Round Table**

**A**t Business Standard Insurance Round Table, Experts Suggested, The insurance sector is growing at a rapid pace, particularly in the non-life segment. A recent focus on crop insurance would add to the momentum for three years at least.

Consolidation is inevitable. But, neither was the big companies interested in growing inorganically nor were the smaller ones ready to offer themselves for sale, the panelists said. This was because growth was so healthy that consolidation could be a distraction from reaping what was available naturally.

The panel comprised G Srinivasan, chairman and managing director of New India Assurance; Arijit Basu, managing director and chief executive officer of SBI Life Insurance; R M Vishakha, managing director and chief executive officer of IndiaFirst Life Insurance; Bhargav Dasgupta, managing director and chief executive officer of ICICI Lombard General Insurance; and Sanjay Kedia, chief executive of Marsh India Insurance Brokers and also president of the Insurance Brokers Association of India.

The government wants crop insurance cover to improve from 22 per cent of farmers to 50 per cent in two years. The premium collected has crossed Rs 1 lakh crore and the thrust on crop insurance would mean the premium collected could touch Rs 1.80 lakh crore in the next few years.

The sector is growing at 30 per cent annually. The crop insurance product has been an ace up the industry's sleeve.

*Source: [http://www.business-standard.com/article/finance/insurance-to-see-rapid-growth-117021701359\\_1.html](http://www.business-standard.com/article/finance/insurance-to-see-rapid-growth-117021701359_1.html)*

*Date: 18 February, 2017*

### **Insurance penetration will improve if regulations are reduced: New India chief**

Insurance is important for the political growth of our country, especially when there is no social security among the below poverty line (BPL) population in India, G Srinivasan, CMD, New India Assurance, said at the recent Fourth Insurers' Conclave here.

The conclave was organised by the Asean Institute of Insurance and Risk Management at the Rizvi Institute Of Management Studies and Research, Mumbai. Srinivasan concluded that insurance penetration will improve if regulations are reduced and people are expected to bring in lesser capital.

The first panel discussion was on the role of commercial insurance, and was moderated by Haris Ansari, former member, IRDAI. He noted that the biggest problem with insurance is that it is a push product and not a pull product and that a consumer can be taken care of only if the product is properly explained to him/her, which is often not the case.

R Chandrasekaran, Secretary-General, General Insurance Council, deliberated on the performance of commercial insurance companies, while PVS Nagaraja Rao, Chief, P&GS, LIC, spoke on LIC's roles in propagating inclusive insurance through socially-relevant insurance policies.

Yogesh Lohiya, CEO & MD, Iffco-Tokio General, highlighted the challenges in the propagation and spread of social and inclusive insurance in India and how they can be overcome.

The second session focussed on the role of alternative insurance, moderated by Liyaquat Khan, Managing Partner of Global Risk Consultant and a former long serving president of the Institute of Actuaries of India.

Abhijeet Chatteraj of Amity Business School, Amity University, Mumbai, one of the very few practising insurers to do a PhD on health insurance, drew a vivid graph of the decline of mutuals and cooperative forms of insurance in India post-nationalisation and post-IRDAI Act.

The second panellist, Kumar Shailabh, Executive Director, Uplift Mutuals, showed how mutuals make insurance work for the poor, while Shariq Nisar, Senior Research Fellow on Takaful or Islamic Insurance from Harvard University, explained the nuances of the concept.

The third session, on the confluence of alternative channels of insurance, was moderated by AK Roy, former CMD, General

Insurance Corporation Re. He was of the view that the confluence of the alternative channels of insurance with the existing one, if brought about with supporting regulations and controlled experimentation, can speed up universal inclusive insurance.

Anil Kumar Singh, Chief Actuarial Officer, Birla Sunlife Insurance, relied upon his vast experience in the field to suggest best practices for cooperative insurance, while G Mallikarjun, General Manager, Reserve Bank of India, and former OSD, IRDAI, expertly blended his experiences of working with both the regulatory bodies to put forward succinct and practical suggestions on the the cooperative format.

Kalim Khan, Director, Rizvi Institute of Management Studies and Research, spoke about the urgent need for sustained mass education to bring about inclusive insurance.

PK Behl, former ED of LIC and Chairman of the Organising Committee of the conclave, gave the welcome address, while KC Mittal, Ex-Chairman of GIC, and RN Bhardwaj, Ex-Chairman of LIC, were felicitated for their contribution to the industry.

Arun Agarwal, India Representative of Lloyds Insurers, gave the concluding address, saying that insurance will only be inclusive when insurance mutual and cooperatives cater to the underdeveloped sections of the economy through instruments such as healthcare management.

<http://www.thehindubusinessline.com/money-and-banking/insurance-penetration-will-improve-if-regulations-are-reduced-new-india-chief/article9552206.ece>

20 february 2017

### **Demonetisation helped life insurance companies:**

**D**emonetisation has come as a boon for the life insurance sector. The move led to a

sudden spike in premium, though a temporary one.

According to figures published by the Insurance Regulatory and Development Authority of India (Irdai), November 2016 saw a surge in total premium collection, especially in the individual single-premium segment.

In November, the growth in total premium was Rs 16,061 crore, against Rs 7,533 crore in November 2015, growth of 113 per cent. In the period, individual single premium grew by Rs 6,692 crore against Rs 1,103 crore in the year-ago period, growth of over 500 per cent. This growth saw a moderation in December, indicating a lot of the money that came into bank deposits found its way to insurance products as well. In December 2016, the total premium for the life insurance sector grew by Rs 13,012 crore, from Rs 11,027 crore in December 2015, a growth of 18 per cent. Of this, individual single premium grew by Rs 1,627 crore, against Rs 1,533 crore in the year-ago period, growth of six per cent.

Source: [http://www.business-standard.com/article/pf/demonetisation-helped-life-insurance-companies-117022100052\\_1.html](http://www.business-standard.com/article/pf/demonetisation-helped-life-insurance-companies-117022100052_1.html)

Date: 21 February, 2017

### **Airtel Payments Bank to sell insurance, MF products**

**A**irtel Payments Bank (APB) is planning to sell third party financial products to boost its revenue from other income category, an official said. "As per RBI guidelines, we are not allowed to carry out lending activity. But we are allowed to sell third party financial products like other banks do", MD and CEO of APB Shahshi Arora said. Starting operations few months ago, the bank had already opened 2.5 lakh banking points across the nation with a total customer base of two million spread across geographies.

"We plan to sell insurance and MF products

through our network in near future. After that, we will also offer loan products of other entities like NBFCs as we are not allowed to do lending directly”, he told reporters here today. Payments banks were now required to park 75 per cent of their total deposits in SLR securities and the balance 25 per cent in other instruments as prescribed by the RBI.

He said that while charges were levied on cash withdrawals, other transactions were free of levies.

*Read more at: [http://economictimes.indiatimes.com/articleshow/57313348.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](http://economictimes.indiatimes.com/articleshow/57313348.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)*

*Date : 23rd February 2017*

### **LIC's total premium income grows 12.43% in nine months of FY17**

**L**ife Insurance Corporation (LIC) posted a robust growth of 12.43% in the total premium income at Rs1.45 trillion for the first nine months

of the current fiscal ending 31 December, 2016 from Rs1.29 trillion in the corresponding period a year ago.

Total assets also grew by 12.81% to Rs24.42 trillion in the reporting period from Rs21.65 trillion in the year-ago period. The life insurance behemoth's gross total income grew 15.76% to Rs3.37 trillion in the reporting period from Rs2.91 trillion a year ago.

According to Shri V.K. Sharma, LIC chairman:

The new business performance saw an impressive increase of 40.11% in first year premium during the period under review. “Our performance is in line with our expectation. The Corporation has recorded healthy results based on its strong fundamentals and core values,”

*<http://www.livemint.com/Companies/pCFcS7jFR99ERDFHuGS1cK/LICs-total-premium-income-grows-1243-in-nine-months-of-FY.html>*

*Date : 27th February 2017*

## INSURANCE DEVELOPMENT

### Insurance industry hails decision to hike coverage under PMFBY

The general insurance industry on Wednesday hailed the Union Budget and welcomed the government's decision to increase the coverage under the Pradhan Mantri Fasal Bima Yojana from 30 per cent to 40 per cent in 2017-18 and 50 per cent in 2018-19. The government has increased its spending on PMFBY to Rs 13,240 crore, which the industry believes will help bring more farmers under the insurance cover. "Indian farmers need risk mitigation mechanism in the form of insurance and PMFBY will compensate them whenever they suffer crop loss during natural disasters," New India Assurance CMD G Srinivasan said.

New India has underwritten premium of Rs 1,100 crore under the scheme in the current fiscal so far and it plans to increase it to Rs 2,000 crore in the next financial year. "The increase in insurance cover under PMFBY will result in increase in premium by 15-20 per cent by the industry in the next fiscal," National Insurance chairman and managing director, Sanath Kumar said. ICICI Lombard MD & CEO, Bhargav Dasgupta said, "This government has done more to promote insurance as a risk mitigation tool and the decision to increase the coverage under the Pradhan Mantri Fasal Bima Yojana to cover 40 per cent of crop

"The budget aims at continuing with the government's agenda of pursuing an inclusive and long-term development of the economy by focusing on the core enablers, including infrastructure, digitisation, rural development, among others. New initiatives, such as a proposed model on contract farming are a

welcome move," he said. "With a view to boost the agricultural sector, the government has increased the coverage under the Pradhan Mantri Fasal Bima Yojana from 30 per cent to 40 per cent in 2017-18 and 50 per cent in 2018-19 which will help farmers get insured," M Ravichandran, President - Insurance, Tata AIG General Insurance said. Farmers will also benefit further with the government spending Rs 13,240 crore in fiscal 18 on crop insurance, he added.

Swiss Re, which has recently opened its India branch, believes that it's a positive move to close the protection gap in agriculture "Increasing allocations for Fasal Bima Yojana and targeting greater insurance coverage is a positive move to close the protection gap in agriculture," Swiss Re India branch chief executive Kalpana Sampat said.

<http://timesofindia.indiatimes.com/business/india-business/insurance-industry-hails-decision-to-hike-coverage-under-pmfby/articleshow/56918648>

1st feb 2017

### Government slashes expenditure on AMRUT, crop insurance schemes

The government has slashed expenditure on various schemes, including Crop Insurance and Pradhan Mantri Mudra Yojana in the 2017-18 Budget. As per the Budget document, funds for Atal Mission for Rejuvenation and Urban Transformation (AMRUT) and Smart Cities have been slashed to Rs 9,000 crore for the next fiscal year, from Rs 9,559 crore (RE) in the current fiscal year.

Similarly, the funds for Pradhan Mantri Mudra Yojana has been cut to Rs 1,040 crore from Rs 2,135 crore While the expenditure for Crop



Insurance Scheme is reduced to Rs 9,000 crore in 2017-18 Budget from Rs 13,240 crore (RE), the fund for Assistance to Promotion of Sports Excellence has been cut to Rs 312 from Rs 365.

Read more at: [http://economictimes.indiatimes.com/articleshow/56917944.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](http://economictimes.indiatimes.com/articleshow/56917944.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)

1st feb 2017

### **Warranty and Indemnity Insurance: Still not adequately tapped in India**

The number of cross border M&A deals in India has steadily been increasing. As M&A transactions are gradually becoming more sophisticated, representations, warranties and indemnity clauses remain the most heavily negotiated clauses. Buyers and sellers negotiate exhaustive lists of representations and warranties, exclusions to the indemnity obligations and other limitations to indemnity liabilities (including survival, cap, de-minimis and basket amounts). However, the concept of warranty and indemnity insurance (W&I Insurance), which is well recognised globally and used as a mechanism to bridge the gap between the parties' negotiating positions, has still not been adequately tapped in India.

#### **W&I Insurance concept**

As the name suggests, W&I Insurance is an insurance product covering contractual warranties which range from fundamental warranties, business warranties, tax warranties to transaction specific warranties. W&I Insurance is a tool to protect both the buyer and the seller against financial loss resulting from a misrepresentation in, or breach of the warranties. It covers parties for any unknown claims which come up post completion of the transaction and relate to the period prior to completion. There are two types of W&I Insurance "Buyer-side Insurance" and "Seller-

side Insurance" based on the party insured (and not the party who pays the premium).

Under a Buyer-side Insurance policy, a buyer is the insured entity/individual and the trigger for the insurance is loss suffered due to breach or inaccuracy of representation or warranty provided by the seller. The sum assured can extend beyond the indemnity coverage under the transaction document (with respect to time limits and caps). The buyer can directly claim under the insurance policy without raising contractual claims against the seller under the transaction documents.

Globally as well as in India, we have observed that Buyer-side Insurance is more common than Seller-side Insurance. The specific terms of each policy differ based on the transaction and the negotiation strength of each party. Parties usually chose to obtain insurance for 10% – 40% of the deal value wherein insurance retention varies from 1% – 2% of the enterprise value and the premium varies between 2% to 3.5% of the insurance limit. While the usage of W&I Insurance is gradually increasing in India, it is still not commonly used in transactions. It still remains untapped largely due to parties' unawareness about its benefits and perception of the premium costs being high. In addition, parties' are sceptical about the coverage of such policies which contain certain standard exclusions such as losses arising out of bribery and acts of corruption, transfer pricing issues, specific indemnity matters which were discovered during the diligence process, contingent liabilities and risks known to the insured or disclosed before completion of the transaction.

<http://www.financialexpress.com/money/insurance/warranty-and-indemnity-insurance-still-not-adequately-tapped-in-india/539763/>

7th Feb 2017

### **Bajaj Allianz General Insurance launches 'Health Guard' insurance policy**

**P**riate sector non-life insurer, Bajaj Allianz General Insurance has launched its redesigned comprehensive health insurance policy 'Health Guard' with the policy period extending to a maximum of three years. The policy tweaks the definition of family and offers coverage to parents, grandchildren, sister, brother, parents-in-law, aunt and uncle under a single policy, a company statement said.

It offers reinstatement of sum insured for the same disease in the policy period. It also offers unique feature of convalescence benefit, wherein a lump sum amount is paid to take care of nutritional supplements, support equipment and so on, required for longer admissions of more than ten days. With this comprehensive health guard policy, an individual including his/her entire extended family now has an access to newer covers that cater to every possible health condition that they may face, at an affordable price. The new policy has also increased the entry age limit for dependent children till 30 years against the previous limit of 25 years. Also the cover for dependent children can now be renewed till 35 years, which takes care of the health expenses at higher age if the child is still dependent on parents. Additionally, the product offers wide range of coverages such as maternity and new born baby coverage, road ambulance, organ donor expenses, daily cash benefit for accompanying an insured child, preventive health check-ups and ayurvedic /homeopathic hospitalisation expenses.

<http://economictimes.indiatimes.com/wealth/personal-finance-news/bajaj-allianz-general-insurance-launches-health-guard-policy/articleshow/57129946.cms>

Feb 13, 2017

### **Aviva Life Insurance launches India's first heart insurance for couples**

**A**viva Life Insurance, one of India's prominent life insurance companies, on the occasion of Valentine's Day, has launched India's first-ever heart insurance plan for couples – 'Aviva Heart Care.' Aviva Life Insurance, one of India's prominent life insurance companies, on the occasion of Valentine's Day, has launched India's first-ever heart insurance plan for couples – 'Aviva Heart Care.' The policy provides coverage against 19 mild, moderate and severe cardiovascular conditions, and procedures and allows lump sum payout irrespective of the cost of treatment.

"Aviva Heart Care – joint coverage for couples – is India's only health insurance plan dedicated to the heart, which covers both you and your spouse. The product allows the insured to cover himself and the spouse in the same policy at a nominal extra premium. 'Aviva Heart Care' also has options to restore policy benefits, once the basic sum assured is exhausted for severe category conditions," the company said in a press release today.

Anjali Malhotra, Chief Customer, Marketing & Digital Officer, Aviva Life Insurance, said, "For the country that has gained fame as the cardiovascular ailments capital of the world, India did not have a single heart disease dedicated plan. So we launched Aviva Heart Care. It urges couples to make a commitment to secure their hearts together. People often depend on mediclaim or critical illness plans, but these may not be enough. This plan is the answer to all these problems." Indians are prone to heart ailments due to multiple factors including genetics, unhealthy diet, sedentary lifestyle, stress etc. making it the cardio vascular disease (CVD) capital of the world. Customer research indicated that people are not adequately covered under a mediclaim

policy, and also that 78% of hospitalisation expenses are out of pocket.

### Key Benefits of Aviva Heart Care plan:

- Comprehensive coverage against 19 cardiovascular conditions
- Benefit paid over & above mediclaim
- Multiple claims allowed basis severity
- Coverage for self & spouse with double the coverage for severe category conditions
- Option to double the coverage for major conditions on exhaustion of initial sum assured
- Couple policy WE comes at an incremental cost basis age, term & sum assured for spouse

For a 40-year-old male with Rs 10 lakh cover for a 10-year term, the premium is only Rs 4279, if the spouse is 35-year old. The combined premium for both would be Rs 4634, including taxes. i.e. just about 8% more to cover the spouse.

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The minimum entry age for buying the product is 28 years and maximum entry age is 65 years. The policy term is fixed between 10 and 25 years, subject to the maximum maturity age of 75 years. The policy has a maximum sum assured of Rs 50 lakh/life.

<http://www.financialexpress.com/money/aviva-life-insurance-launches-indias-first-heart-insurance-for-couples/550662/>  
14th February 2017

**Health insurance with Rs 1 crore cover becomes new normal Health insurance policies with a cover of Rs 1 crore is becoming the new norm in the industry.**

Health insurance policies with a cover of Rs 1 crore is becoming the new norm in the industry. With health inflation on the rise and average out-of-pocket medical expenses on the rise, insurers are increasing their cover sizes. Here, both public sector insurers as well as private insurers are increasing the sum assured under the products. Take New India Assurance, for example. The state-owned general insurer has launched a new health insurance product -- New India Premier Mediclaim. It offers cover up to Rs 1 crore. Earlier, the maximum sum assured under health insurance was Rs 30 lakh for the company. G Srinivasan, Chairman and Managing Director of New India explained that the product was introduced since there was a need felt for

a higher cover in the market and also because there was a demand from customers for this. Anyone from the age of 18 years to 65 years can opt for the product. Here, up to six members of the family including spouse, dependent parents and children can be covered. Features include critical illness benefit, ayurvedic treatment coverage (up to 20 percent of sum insured), baby cover, infertility cover and also air ambulance cover. HIV/AIDS and psychiatric disorders will also be covered. The yearly premium will come to about Rs 45,000-50,000 for a thirty-year-old non-smoker. Private insurers have already taken a lead in providing high value covers. Max Bupa Health offers covers of up to RS 1 crore that cover the individual and their family members. Aditya Birla Health Insurance offers health insurance sum assured up to Rs 2 crore, with a focus on promoting healthy living. Mayank Bathwal, Chief Executive Officer, Aditya Birla Health Insurance said that with the increase in chronic ailments like diabetes and blood pressure on one hand and self-employed on the other, the need for higher value insurance is growing. One to two years ago, the average sum insured for a health insurance policy stood between Rs 10 lakh and Rs 15 lakh. If any individual needed a cover above this, they usually took a super top-up or a rider along with the policy. Insurance companies are also of the view that employer covers are going down. Bathwal said that several employers are either reducing the cover for employees under group health scheme or are introducing co-pay elements in it. Newer standalone health insurance companies who have been set up in the last two to three years have been offering Rs 1 crore and above covers since inception. CignaTTK Health Insurance has ProHealth Premier Plan that offers coverage of Rs 1 crore. Further, it includes a worldwide emergency cover up to full sum insured. With a higher cover,

the waiting period for the diseases is also going down. Waiting period means the duration before which payouts for any medical interventions for critical illness will not be paid for by the insurer.

Read more at: [http://www.moneycontrol.com/news/economy/health-insurancers-1-crore-cover-becomes-new-normal\\_8478821.html?utm\\_source=ref\\_article](http://www.moneycontrol.com/news/economy/health-insurancers-1-crore-cover-becomes-new-normal_8478821.html?utm_source=ref_article)

14 february 2017

## Insurance penetration in India likely to cross 4% this year: ASSOCHAM

The government's policy of insuring the uninsured has gradually pushed insurance penetration in the country and proliferation of insurance schemes are expected to catapult this key ratio beyond 4 per cent mark by the end of this year, reveals an ASSOCHAM study.

Despite the gentle rise in insurance penetration, which is percentage of insurance premium with reference to the gross domestic product (GDP), it is still far below the global average, says the paper titled 'Insurance penetration in India.'

That insurance penetration has started its northward journey is evident from the fact that it has increased from 3.3 per cent in 2014 to 3.44 per cent in 2015 on the back of various insurance schemes launched by the government.

As part of social security initiative, the government has launched low premium insurance schemes both life and non-life in 2015. Last year it introduced crop insurance.

With an objective to provide insurance cover to all, the government launched Pradhan Mantri Suraksha Bima Yojna (PMSBY) and Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) in 2015, noted the study. PMSBY offers a renewable one-year accidental death-cum-disability cover of Rs 2 lakh for partial/permanent disability to all savings bank account holders in the age group of 18-70 years for a premium of Rs 12 per annum per subscriber. The scheme is managed

by general insurance firms.

PMJJBY, on the other hand, offers a renewable one year life cover of Rs 2 lakh to all savings bank account holders in the age group of 18-50 years, covering death due to any reason, for a premium of Rs 330 per annum per subscriber.

Besides, Pradhan Mantri Fasal Bima Yojana (PMFBY) launched last year to provide financial support to farmers suffering crop loss or damage arising out of unforeseen events will also add to insurance penetration.

PMFBY has been approved for implementation in all States and Union Territories from Kharif 2016 season in place of National Agricultural Insurance Scheme (NAIS) and Modified National Agricultural Insurance Scheme (MNAIS).

“PMFBY is a significant improvement over the earlier schemes on several counts and comprehensive risk coverage from pre-sowing to post-harvest losses are some of the salient points. A budget provision of Rs 5501.15 crore has been made for the scheme for the current crop season,” ASSOCHAM President Sandeep Jajodia said.

Rashtriya Swasthya Bima Yojana (RSBY) is a government-run health insurance scheme that provides for cashless insurance for hospitalisation in public as well as private hospitals. The scheme is force since April 1, 2008 and has been implemented in 25 states.

The number of lives covered under health insurance policies during 2015-16 was 36 crore, which is approximately 30 per cent of India’s total population. The number has seen an increase every subsequent year as 28.80 crore people had the policy in the previous fiscal.

The measure of insurance penetration and insurance density calculated as the ratio of premium to population or per capita premium

reflects the level of development of insurance sector in a country, said the ASSOCHAM President.

During the first decade of insurance sector liberalization, the sector has reported consistent increase in insurance penetration from 2.71 per cent in 2001 to 5.20 per cent in 2009.

However, since then, the level of penetration has been volatile and remained below the peak. It declined from 3.9 to 3.3 per cent in 2014 due to certain regulatory changes and unfavourable market conditions.

This trend was observed in the level of insurance density which reached the maximum of USD 64.4 in the year 2010 from the level of USD 11.5 in 2001. During 2015, the insurance density moderated to USD 54.7. The insurance density of life insurance business had gone up from USD 9.1 in 2001 to reach the peak at USD 55.7 in 2010 and declined to USD 43.2 in 2015.

The life insurance penetration surged from 2.15 per cent in 2001 to 4.60 per cent in 2009. Since then, it has exhibited a declining trend reaching 2.6 per cent in 2014.

However, there was a slight increase reaching 2.72 per cent in 2015 when compared to 2.6 per cent in 2014. The insurance penetration for the insurance sector as a whole in 2015 was 3.4 per cent in India, as against world average of 6.2 per cent.

### **Liberty Videocon to launch crop insurance**

Liberty Videocon General Insurance Company, a joint venture between Videocon Industries and US-based Liberty Citystate Holdings, plans to launch crop insurance by September or October, according to its CEO Roopam Asthana. The amount of risk in crop insurance is fairly large and a lot of micro management needs to be done at the ground level for disbursement and

premium collection, he told newsmen. “We would like to have the crop insurance during the rabi season in winter,” he said.

Out of the total disbursement across the industry from April to December, nearly half was for crop insurance, mainly for Prime Minister’s Fasal Bima Yojana. Finance Minister Arun Jaitley had, in the Budget, announced increased coverage under the Yojana to ₹13,240 crore for the next financial year. “We see a huge opportunity for crop insurance,” he said.

The general insurance company also plans to soon launch telematics — use of wireless devices and black box technologies to transmit real-time data back to a company — to monitor a driver’s driving behaviour and based on that charge premium.

In 2013, the company tried installing telematics devices in vehicles. However, there were not many takers. The company plans to launch a mobile-based telematics app that will link both the vehicle and a smart phone through an RFID tag to provide real-time information on driving, he said.

Liberty Videocon expanded its presence in the South with the launch of special risk engineering practice for commercial customers. This includes large-, medium- and small-size industries. It is a service that will assess internal and external risks of plants and industrial establishments. Till now, over 300 clients have used this service that is offered free of cost as a value-added service, he said.

The company, which has issued around six lakh policies, expects 40 per cent growth in premium this year to over Rs 540 crore, he said.

<http://www.thehindubusinessline.com/money-and-banking/liberty-videocon-to-launch-crop-insurance/article9545203.ece>

Date: 15th February 2107

## **Oriental Bank ties up with Chola MS to sell insurance products**

**T**he Public Sector Oriental Bank of Commerce has signed a corporate agency agreement with general insurance provider Cholamandalam General Insurance Company, for distribution of insurance products. Chola MS will offer a wide range of non-life insurance products to customers of Oriental Bank of Commerce through its branches. The insurance products include motor, health, home and travel, a company statement said.

“We are delighted to partner with Chola MS for bringing best-in-class non-life insurance products to our customers”, Oriental Bank of Commerce, MD and CEO, Animesh Chauhan said. “The partnership will greatly benefit our customers and through this alliance, both Oriental Bank and Chola MS seek to fulfil the non-life insurance needs of customers,” he added. On the tie-up, Chola MS, Managing Director, S S Gopalarathnam said, “We are privileged to be the general insurance partner of choice for Oriental Bank.

We are committed to working together with the Oriental Bank team to ensure that customers have access to the best of insurance protection for their personal and business needs.”

<http://www.businesstoday.in/sectors/banks/oriental-bank-ties-up-with-chola-ms-to-sell-insurance-products/story/246827.html>

Date : 23rd February 2017

## **ET Money ties up with HDFC Life to launch data-led insurance policy**

**H**DFC Life today announced the launch of an exclusive data-led group term insurance plan in partnership with ET Money, the Times Internet backed financial services app. This is the country’s first term insurance plan based on the spend pattern of the users, the private insurer said in a release.

We're proud to say that our association with ET Money will enable us to reach out to the millennial customer through one's most preferred medium in a paperless, self-help environment with privacy and convenience. This financial planning management app brings insurance at the finger-tips of the discerning new-age generation," said HDFC Life Managing Director and CEO Amitabh Chaudhry.

Offered as an ET Money benefit, the group term life insurance plan can be availed exclusively by 1 million users of the ET MONEY app. One can get a group term life insurance coverage that ranges anywhere from Rs 25-50 lakh and it will be based on spend pattern of the user, the statement added.

"Young earners in India are still not insured at all. The term plan is designed grounds up for this segment and it acts as a simple, paperless and cost effective way to start their insurance journey. Partnering with an industry leader like HDFC Life substantiates our data-led, mobile-first approach and we are excited to work with them closely," ETMoney COO Mukesh Kalra added.

*Read more at: [http://economictimes.indiatimes.com/articleshow/57377162.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](http://economictimes.indiatimes.com/articleshow/57377162.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)*

*27 february 2017*

### **Apollo Munich Health Insurance expands its bancassurance channel with Dena Bank**

**A**pollo Munich Health Insurance is expanding its footprint across the country with its latest bancassurance tie-up with state-owned Dena Bank, to distribute customized health insurance and personal accident policies to the bank's 20 million customers nationwide. Apollo Munich Health Insurance has developed specialized health insurance solutions with distinctive benefits and an uncomplicated application process, exclusively for Dena Bank

customers. The health insurance policies will be available in the form of individual, as well as family floater plans with flexibility in sum insured beginning with Rs 2 lakh, up to a limit of Rs 10 lakh. Additionally, as a unique proposition this plan will also offer an equal amount of Personal Accident cover as per the chosen sum insured. The customized, comprehensive plan will include benefits such as in-patient hospitalization, pre and post hospitalization, daycare procedures, domiciliary treatment, Ayush benefit and various customer friendly features. This policy aims to enable policyholders to avail hassle-free cashless healthcare treatments at 4,500+ partner hospitals across the country, without entailing any co-pay or sublimit.

Antony Jacob, Chief Executive Officer, Apollo Munich Health Insurance, said, "Since our first bancassurance tie-up in 2013, we have seen a growing trend in the number of people buying health insurance policies through their banks as a result of the specialized features and the heightened awareness of the benefits of health insurance. Our tie-up with Dena Bank helps to strengthen our vision to be a trusted leader in the health insurance sector by providing innovative solutions to the citizens of the country." Speaking on the occasion, Ashwani Kumar, Chairman & Managing Director – Dena Bank, said, "We are delighted to partner with Apollo Munich Health Insurance for bringing best-in-class health insurance products to our customers. The partnership will greatly benefit our banking customers and help Apollo Munich Health Insurance access a wide potential customer base. Through this partnership, both Dena Bank and Apollo Munich Health Insurance seek to fulfil the health insurance needs of customers."

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Bank, to distribute customized health insurance and personal accident policies to the bank's 20 million customers nationwide. Apollo Munich has bancassurance partnerships with eminent banks such as Canara Bank, Indian Overseas Bank, Axis Bank and Citibank. These partnerships have significantly strengthened the insurer's reach over the last three years in India.

*<http://www.financialexpress.com/money/apollo-munich-health-insurance-expands-its-bancassurance-channel-with-dena-bank/568431/>*

27th February 2017

### **Canara HSBC OBC Life Insurance launches iSelect term plan**

**C**anara HSBC Oriental Bank of Commerce Life Insurance today expanded its online product suit with the launch of iSelect term plan meant for family protection. iSelect term plan provides

enhanced protection cover for the family at an affordable premium, the company said in a release. Canara HSBC OBC Life Insurance claims the product to be highly cost effective. It will cover insured person's spouse as well as family's future income with an option to automatically increase insurance coverage as per changing life stage needs, the company said. "Our iSelect Term Plan is a pure protection online term plan that provides life insurance cover along with the option to cover against accidental death/disability," said Anuj Mathur, Chief Executive Officer, Canara HSBC Oriental Bank of Commerce Life Insurance Company.

*Read more at: [http://www.moneycontrol.com/news/business/canara-hsbc-obc-life-insurance-launches-iselect-term-plan\\_8564081.html?utm\\_source=ref\\_article](http://www.moneycontrol.com/news/business/canara-hsbc-obc-life-insurance-launches-iselect-term-plan_8564081.html?utm_source=ref_article)*

27th February 2017



## APPOINTMENTS

### Hemant Bhargava appointed LIC's MD

**H**emant Bhargava was today appointed as Managing Director of State-owned Life Insurance Corporation (LIC) of India. He is at present LIC's Zonal Manager, Delhi. The Appointments Committee of Cabinet has approved Bhargava's appointment to the post till

his superannuation, i.e., July 31, 2019, an order issued by Personnel Ministry said. The top LIC management consists of the Chairman and three Managing Directors.

*Read more at: [http://economictimes.indiatimes.com/articleshow/57082593.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](http://economictimes.indiatimes.com/articleshow/57082593.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)*

*Feb 10, 2017*

## ASSOCHAM VIEWS & SUGGESTIONS

### Insurance penetration in India likely to cross 4% this year: Assocham

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However, there was a slight increase reaching 2.72 per cent in 2015 when compared to 2.6 per cent in 2014. The insurance penetration for the insurance sector as a whole in 2015 was 3.4 per cent in India, as against world average of 6.2 per cent.

*Source: <http://timesofindia.indiatimes.com/business/india-business/insurance-penetration-in-india-likely-to-cross-4-this-year-assochem/articleshow/57168878.cms>*

*15th February 2016*

# INSURANCE PORTAL

[www.bimaassocham.com](http://www.bimaassocham.com) – to be launched soon

An exclusive portal to facilitate simple, affordable insurance plans to provide financial security to all MSME and other interested members of ASSOCHAM would be designed, developed and maintained in collaboration with Insurance box.

The primary purpose of the portal is to serve the insurance needs of MSME segment and the secondary purpose is to provide insurance to the employees and their families at affordable premium rates.

The portal would also make best efforts to capture the unfulfilled needs of the members and their workforce to channelize them in an aggregated manner and negotiate with the insurance companies for a custom made solution, which is more beneficial to the members.

## Benefits to Members

*The key benefits to the members are in 5 areas:*

- Reducing the premium costs to the MSME through online aggregation and offline negotiation
- Custom Designing affordable insurance covers for specific needs of the members which are not easily available in the market
- Extending the discounted rates of Insurance beyond the members to their workforce and their families, especially the senior citizens
- Offering assistance in Insurance advisory services and follow up assistance on claim assistance settlement in a fair and custom friendly manner

- Providing extra benefits to the insured members through various offers and promotional discounts facilitated by other industry players

## Benefits to the Insurance Industry

Insurance Industry benefits from this innovative portal in 5 key aspects :

- It provides easy, level playing and cost effective access to thousands of members to provide their insurance plans in a mutually beneficial manner
- It facilitates industry feedback, risk management research and key insights to understand and improve their insurance offerings
- It helps in reaching newer market segments especially the rural and agricultural sectors in a cost efficient manner
- It improve the image of the industry in leveraging digital technology for customer service and claim settlement
- It assists in continuous and real time engagement with the industry to better manage the risks and the user experience

## Type of Insurance Plans :

[www.bimaassocham.com](http://www.bimaassocham.com) attempts to cater to all 6 kinds of Insurance plans as listed below :

- Category wise: Life, General and health
- Ownership wise: Public sector, Privaste sector and Joint sector
- Segment wise: Industry, Agriculture and services sectors

- Customer wise: Large, Medium, Small, Micro enterprises and Individuals
- Geography wise: Urban, Semi Urban and Rural
- Channel wise: Online and Offline
- Policy wise: Commercial and Retail; Individual and group.

### IRDA CIRCULARS

Date	Ref. No	Title	Short Description
07-02-2017	IRDA/Life/ORD/ GLD/223/2017	To All the Insurers	Modification to Guidelines on Point of Sales Person – Life Insurance

## ASSOCHAM's NATIONAL COUNCIL FOR INSURANCE

<b>Chairman,</b> <b>ASSOCHAM's National Council for Insurance</b> <b>Shri G Srinivasan</b> CMD, New India Assurance Co Ltd	<b>Co-Chairman,</b> <b>ASSOCHAM,s National Council for Insurance</b> <b>Shri Anuj Agarwal</b> MD & CEO, Bajaj Allianz Life Insurance Co Ltd
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*For Further suggestions, kindly contact :-*

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### Forthcoming Program and Bulletins

<b>Bond Market Series</b>	ASSOCHAM's National Conference On Bond Market- 2017	23rd March 2017, Hotel Taj Coromandel, Chennai
		07th April 2017, Hotel Taj Vivanta, Bangalore
<b>ASSOCHAM Banking Bulletin</b>	Vol-23	10th April 2017
<b>ASSOCHAM Insurance Bulletin</b>	Vol-3	10th April 2017
<b>ASSOCHAM Insurance Council Meeting</b>	ASSOCHAM's National Council Meeting on Insurance	April 2017, Mumbai
<b>www.bimaassochem.com</b>	Launch of Insurance Portal	May 2017