

Insurance agent seen as least reliable by policy buyers: Assocham study

Misrepresentation of benefits is an area of concern

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An insurance agent is considered the least trustworthy in the sales chain of insurance policy across different segments among the financially literate as well as non-literate consumers, according to a study.

In the Assocham study, 72 per cent with no specific knowledge of insurance and finance in the age group of 18-60 years said their agent/sales person is the least trustworthy source when it comes to insurance policy sale.

The second is the insurer itself, though the percentage of respondents who believe so is much less at 29 per cent.

Misrepresentation of benefits remains an area of concern.

Among those covered, the financially-suave in the age group 25-40 years felt more let down, with 65 per cent of them facing issues in this regard.

A good 43 per cent of the not-so-financially educated too encountered the problem of misrepresentation.

"There is a need for simplification of processes and procedures of insurers to take away the awe and fear of the common man on different products.

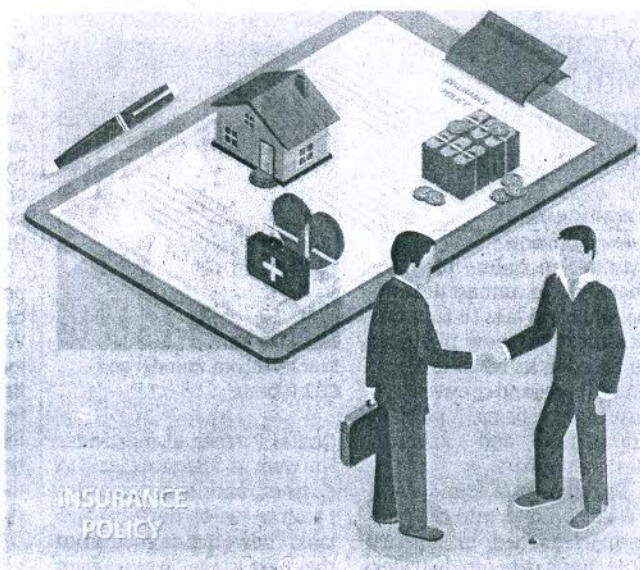
"Demystification of insurance concepts is a necessary requirement for people to take to this in a large way, particularly against the backdrop of low financial literacy," Assocham Secretary-General DS Rawat said.

He suggested that the industry needs to hasten the process of insurance inclusion, pointing out that the product space is cluttered with a number of complex policies.

The study suggested that since the insurance agent or sales person is the face of the industry, it is of utmost importance that we select these ambassadors very cautiously.

"Right from spreading awareness to conducting the need analysis for a sale to servicing the customers' request in time to explaining and supporting customers in times of claim, sales representative must do it," the study added.

"The lack of information of our customers is what creates the disconnect. Once that is taken care of, all apprehensions will slowly begin to disappear."



The insurance product space is cluttered with a number of complex policies SHUTTERSTOCK

Economy to slowdown to 7.1% in FY'17

Govt data shows the GDP data without factoring demonetisation figures; Manufacturing, mining, construction sectors are the most hit

PNS ■ NEW DELHI

With the slump in manufacturing, mining and construction sectors across the country, India's economic growth is losing momentum. The country's Gross Domestic Product (GDP) growth is estimated to slow down to 7.1 per cent in current fiscal, from 7.6 per cent in 2015-16, the Government data showed on Friday.

As far as the current data is concerned, the Government did not factor the figures post-demonetisation. Releasing the data compiled by the Central Statistics Office

(CSO), Chief Statistician TCA Anant said the figures for November were available and examined but 'it was felt in view of the policy of denotification of notes there is a high degree of volatility in these figures and conscious decision was taken not make projection using the November figure'.

Several economists and experts have said the demonetisation move could drag down growth in the next fiscal year to 6.5 per cent to 7 per cent, as small businesses fired workers, consumer demand fell and farmers' sowing efforts were badly hit by the note ban move. Following the move, nearly 90 per cent of transactions used to be in cash in the country, which was gripped by a severe shortage of currency after Prime Minister Narendra

Modi's November 8 decision to take Rs 500 and Rs 1,000 notes out of circulation overnight.

India Inc also said further downward risks to growth prevail as demonetisation may pull down economic growth in the next one or two quarters. Given the current scenario, corporate biggies are pinning hopes on a growth-oriented Budget to unleash investments and set the pace for economic growth of 8 per cent and above in the near future.

As the Finance Minister, Arun Jaitley, is heading to present the Budget for 2017-18 on February 1, the industry giants said policymakers should take doable steps to revive fixed investments and production of capital goods which are falling continuously, and urged the Government to unveil policy initiatives to unplug the cash flows in large projects.

"No doubt, the demonetisation drive is anticipated to result in a downward bias to GDP growth in the next one or two quarters, but this is likely to be a blip in the growth momentum as demand has only been deferred and will re-emerge once the situation becomes normal," said CII Director General Chandrajit Banerjee, adding that as per the Advance Estimates, while there is an

upsurge in the growth of public investment, this has yet to crowd in private investment which continues to be sluggish thereby stymying growth.

Accordingly, the First Advance Estimates of National Income, 2016-17 did not reflect the impact of demonetisation, effected on November 9 for ban of old Rs 500/1,000 notes, and are based on the sectoral data for only seven months or till October.

The real GDP or Gross Domestic Product (GDP) at constant (2011-12) prices in the year 2016-17 is likely to attain a level of Rs 121.55 lakh crore, as against the Provisional Estimate of GDP for the year 2015-16 of Rs 113.50 lakh crore, released May 31, 2016.

However, industry body Assocham said further downward risks to growth still prevail in the form of continuous fall in fixed investments and index of industrial production, unsolved problem of bank NPAs in India, political risks in the euro area and the UK, emerging geo-political risks and the spectre of financial market volatility. "In addition to this, rising crude oil prices will adversely affect the current account deficit and exchange rate and unpredictability in the Indian economy due to recent policy stances and announcements on demonetisation and other related factors could adversely impact the GDP," it said.

Note ban may pull down near-term economic growth: India Inc

NEW DELHI: With India's GDP growth expected to slow down to 7.1 per cent during 2016-17 from 7.6 per cent in the previous fiscal, India Inc on Friday said further downward risks to growth prevail as demonetisation may pull down economic growth in the next one or two quarters.

India's GDP growth is expected to slow down to 7.1 per cent in the current fiscal mainly due to slump in manufacturing, mining and construction activities in figures which do not take into account the possible impact of demonetisation. Given the current scenario, India Inc is pinning hopes on a growth-oriented Budget to unleash investments and set the pace for economic growth of 8 per cent and above in the near future.

Finance Minister Arun Jaitley will present the Budget for 2017-18 on February 1.

The industry said policymakers should take doable steps to revive fixed investments and production of capital goods which are falling continuously, and urged the government to unveil policy initiatives to unclog the cash flows in large projects.

The 'First Advance Estimates of National Income, 2016-17' released by the Cen-

tral Statistics Organisation (CSO) do not reflect the impact of demonetisation, effective from November 9, 2016 because the estimates are based on sectoral data available till October.

"No doubt, the demonetisation drive is anticipated to result in a downward bias to GDP growth in the next one or two quarters, but this is likely to be a blip in the growth momentum as demand has only been deferred and will re-emerge once the situation becomes normal. "As per the Advance Estimates, while there is an upsurge in the growth of public investment, this has yet to crowd in private investment which continues to be sluggish thereby stymying growth," CII Director General Chandrajit Banerjee said.

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GDP REACTION

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(GDP) at constant (2011-12) prices in the year 2016-17 is likely to attain a level of Rs 121.55 lakh crore, as against the Provisional Estimate of GDP for 2015-16 of Rs 113.50 lakh crore, released May 31, 2016.

The CSO projections on national income are in line with the Reserve Bank's estimates, which too had lowered the GDP growth prospects to 7.1 per cent.

Besides, growth in manufacturing is expected to slow to 7.4 per cent (from 9.3 per cent) and construction activities to 2.9 per cent (from 3.9 per cent).

"ICRA expects GDP and GVA growth for FY2017 at 6.8 per cent and 6.6 per cent, respectively, appreciably lower than the Advance Estimates. "Given the unfolding trends, we expect actual FY2017 growth to be lower than the Advance Estimates for sub-sectors such as manufacturing, agriculture, electricity and construction," Aditi Nayar, Principal Economist at ICRA said.

