



# INSURANCE e-BULLETIN



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**The Associated Chambers of Commerce and Industry of India**

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## INSURANCE NEWS

### Reliance General signs bancassurance deal with Catholic Syrian Bank

**N**on-life insurer Reliance General Insurance -- part of Reliance Capital Ltd -- on Wednesday said it has signed a bancassurance deal with private-owned Kerala-headquartered Catholic Syrian Bank.

In a statement, Reliance General Insurance said it would target the 1.5 million-strong customer base of Catholic Syrian Bank spread across its 430 branches in Kerala, Tamil Nadu and Maharashtra.

Reliance General is delighted to partner with Catholic Syrian Bank. The tie-up will enable RGI (Reliance General Insurance) to leverage Catholic Syrian Bank's unparalleled retail and SME (small, medium enterprises) customer base, robust distribution network, strong technology platform, strong brand name and offer them innovative and comprehensive range of insurance products from RGI. The strategic partnership with Reliance General Insurance, well known for its state-of-the-art non-life insurance products, will make it extremely easy for our customers to access a comprehensive selection of customized general insurance solutions at affordable rates. The corporate alliance will enable Catholic Syrian Bank serve our customers' banking and insurance needs under one roof

Bancassurance tie-up forms an important part of RGI's growth strategy and the company has been forging strong alliances with various banks to enhance its distribution footprint in the country.

Source: [http://economictimes.indiatimes.com/articleshow/57411279.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_](http://economictimes.indiatimes.com/articleshow/57411279.cms?utm_source=contentofinterest&utm_medium=text&utm_)

*campaign=cppst*

*Date: 1st March 2017*

### Gujarat, Bengal fraud-prone red zones for rampant insurance con jobs

**I**nsurers have ticked several pockets in Gujarat, West Bengal, Bihar, Andhra Pradesh, Uttar Pradesh, and Odisha as fraud-prone with instances of misuse of insurance cover and fraudulent claims increasing exponentially in these areas.

The move follows insurance companies' complaints last year about the high claims ratio of the Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY), a pro-poor government-sponsored policy that offers a renewable life cover of Rs 2 lakh for a premium of Rs 330 a year.

Data revealed that 30% of the claims came within the first 30 days of the person getting insured under this scheme. Corrupt practices and fraud were suspected as in most of these cases the insured person "died" within a month of taking the insurance cover.

Instances of medical insurance cover being used by relatives of the beneficiary are common in these areas. Besides, there have been several reports of life insurance cover being claimed producing fake death certificates.

All insurance companies, based on their internal assessment, have marked as red zones several areas in Gujarat, West Bengal and the other states from where such claims have been reported frequently.

The rise in suspected fraudulent claims has impacted the insurance sector's plans to take their schemes to people in rural and semi-urban areas.

Central Vigilance Commission (CVC), the country's anti-corruption watchdog, is looking into the suspected fraud in insurance claims.

Frauds in the country's insurance segment have risen rapidly. Industry estimates suggest a more than 40% increase in corrupt practices compared to a couple of years ago.

Source: <http://www.hindustantimes.com/india-news/gujarat-bengal-fraud-prone-red-zones-for-rampant-insurance-con-jobs/story-vcDSE3yjqYXWEGa15ZGtEI.html>

Date : 2nd March 2017

### **NCDRC asks insurance firm to reimburse claim of Rs 1.5 lakh**

The patient's claim for reimbursement of Rs 1,62,522 was rejected by the insurance company on the basis of exclusion clause in the policy schedule.

The apex consumer commission has asked an insurance firm to reimburse Rs 1.5 lakh medical claim to a man, saying it cannot be presumed that certain expenses incurred in treatment were excluded from the cover.

"Merely because it has been mentioned that insurance under the policy was subject to conditions, clauses, warranties, exclusion etc. attached, (and) in the absence of attaching conditions, exclusion, etc., it cannot be presumed that expenses incurred in treatment of disease were excluded from the coverage," the National Consumer Disputes Redressal Commission (NCDRC) stated. The commission made the observation as it dismissed a revision petition filed by Star Health and Allied Insurance Company Limited against the State Commission's order to reimburse over Rs 1.5 lakh to Haridas C K, a Kerala resident. Haridas had taken an insurance policy of Rs 2 lakh but was denied the claim when he got hospitalised.

According to the complaint, Haridas was admitted to a hospital in Kerala with chest pain on

February 10, 2012, and underwent angioplasty. He was discharged on February 13, 2012. It alleged that his claim made on March 15, 2012 for the reimbursement of the expenses of Rs 1,62,522 was rejected by the insurance company on April 28, 2012, on the basis of exclusion clause in the policy schedule.

He submitted that there was no such condition at the time of issuing the policy and receiving the premium. The insurance firm contended that the schedule attached with policy contained the exclusion clause. The Commission noted that the firm remained ex-parte before District Forum and before the State Commission despite the opportunities given to it.

The NCDRC had dismissed the firm's application for taking the exclusion clause on record in October last year. "Once exclusion clause is not on record, order passed by learned State Commission dismissing appeal is in accordance with law, as there was no exclusion clause attached to the policy," the Commission stated.

Source : <http://indianexpress.com/article/india/ncdrc-asks-insurance-firm-to-reimburse-claim-of-rs-1-5-lakh-4552440/>

March 3, 2017

### **LIC forced to cough up Rs 13 lakh insurance amount to elderly couple in Chennai**

After battling for over 14 years, an elderly couple will finally be able to get the insurance claim following their son's death. Taking into consideration the long drawn legal battle, a consumer forum also directed the company to pay interest for all these years, which together add up to Rs 13 lakh.

In August 1999, B Sivakumar had taken a policy for Rs 5 lakh with Life Insurance Corporation of India, with his mother, B Rajamani, as the nominee. After paying the premium amount of Rs 6,396 for months, he got it changed to half-yearly instalments from 2000.

The next year, Sivakumar moved to the United States for work, but continued to pay the premium instalments. However, he failed to pay his due on February 2001, and that July, he died suddenly due to cardiorespiratory arrest.

When his parents, R Balakrishnan and Rajamani, wrote to LIC enquiring the procedures for claiming the insured amount, the company responded saying the policy had lapsed, leading to the legal fight.

In its defence, the company argued that the policy conditions allowed a grace period of only one month after the due date to pay premiums. If death occurs during this period, the policy is still valid. However, the counsel for the complainant stated that in many cases, the insurance company usually deducts the last instalment amount and pays the balance amount to the nominee, and cited the 2009 case between LIC and Gowramma.

“If insured failed to pay the premium, the company is required to intimate whether the policy has lapsed or not. In the instant case, there is no such intimation. Therefore it is clear the insurance company kept the policy alive as on the date of death of the insured,” argued the counsel for the complainant.

Considering the arguments, District Consumer Dispute Redressal Forum, Chennai (South), presided by S Pandian directed the company to pay the insured amount with interest.

The forum directed LIC to pay Rs 4,87,645 towards the policy amount, with interest at the rate of 12 per cent per annum from the date of complaint (2003) till the date of order (2017) which works out to Rs 8,20,638.

Besides, the forum directed the company to pay Rs 15,000 towards mental agony and hardship, and Rs 10,000 towards litigation expenses.

Source : <http://www.newindianexpress.com/cities/chennai/2017/mar/03/lic-forced-to-cough-up-rs-13-lakh-insurance-amount-to-elderly-couple-in-chennai-1576929.html>

3rd March 2017

## **Oriental Insurance Company aims at Rs 400 cr premium via PoS terminals**

**P**ublic sector general insurance major Oriental Insurance Company Ltd plans to beef up its point-of-sale (PoS) swipe machines by 2017 end and hopes to collect around Rs 400 crore via this mode, a senior official said on Monday.

Public sector general insurance major Oriental Insurance Company Ltd plans to beef up its point-of-sale (PoS) swipe machines by 2017 end and hopes to collect around Rs 400 crore via this mode, a senior official said on Monday. “We will be installing 500 more PoS terminals in our operating offices across the country by the end of this year (2017). Currently we have around 200 terminals and the weekly collection is around Rs 2 crore around Rs 100 crore a year,” the official, not wanting to be named, told IANS here.

According to him, the collection of premium through the swipe machines was expected to be around Rs 400 crore. “Based on the experience we will decide on adding more machines,” he added. The official said the use of swipe machines has increased post demonetisation. “Only for one month premium collections were affected due to demonetisation. After that the collections were normal for the company,” he added.

The company is also looking at empowering its agents to issue policies at the time of premium collection through the agent’s portal.

Source: [http://www.business-standard.com/article/news-ians/oriental-aims-at-rs-400-cr-premium-via-pos-terminals-117030600466\\_1.html](http://www.business-standard.com/article/news-ians/oriental-aims-at-rs-400-cr-premium-via-pos-terminals-117030600466_1.html)

Date : 6th March 2017

## IndusInd Bank plans to launch general insurance arm:

IndusInd Bank, a bancassurance partner for Cholamandalam General Insurance and Religare Health Insurance, plans to start its own general insurance firm. The bank, led by Romesh Sobti, plans to make general insurance products and not just be a distributor.

The insurance business is generating a bulk of fee income for banks. The insurance regulator allows a bank to sell insurance policies of three life insurance, three general and three health insurance companies.

Many private and public sector banks are looking to open up their own distribution networks to sell products of multiple insurance companies.

Source: <http://economictimes.indiatimes.com/markets/stocks/news/indusind-bank-plans-to-launch-general-insurance-arm/articleshow/57567716.cms>

Date: 10 March, 2017

## Non-life insurers' February premium up 33 per cent at Rs 10,287.74 crore

Non-life insurance companies' total premium grew 33.4 per cent to Rs 10,287.74 crore in February this year. Their gross premium stood at Rs 7,710.81 crore in the same month a year ago. Of the total premium collected in February 2017, public sector companies cornered Rs 5,289.09 crore, up 34.9 per cent against the year-ago month.

Private sector companies garnered Rs 4,998.65 crore, up 31.9 per cent from a year ago, data from Insurance Regulatory and Development Authority of India (Rs 4,998.65 crore, up 31.9 per cent from a year ago, data from Insurance Regulatory and Development Authority of India (Irdai) showed.

While, specialized PSU insurers' underwritten premium during the month rose by 124 per cent to Rs 890.22 crore.

Source: <http://economictimes.indiatimes.com/industry/banking/finance/non-life-insurers-february-premium-up-33-per-cent-at-rs-10287-74-crore/articleshow/57604920.cms>

Date: 14 March, 2017

Reliance Capital to carve out health biz from general insurance, plans to bring in global equity partners

Reliance Capital has announced plans to carve out retail health insurance business from its subsidiary Reliance General Insurance Company to increase its stake in India's growing health insurance sector.

The company also has plans to bring in global equity partners to unlock value in the company in the future.

The board of the general insurance company has approved the proposal to form Reliance Health Insurance Ltd, which will, for the time being, be a wholly owned subsidiary of Reliance Capital, the Anil-Ambani led Reliance Group Company. The plan, however, requires approvals from Insurance Regulatory & Development Authority of India.

The proposal will enhance management focus on health insurance and provide flexibility to the company to unlock value by bringing in global leaders in this space as strategic and equity partners.

Source: <http://economictimes.indiatimes.com/industry/banking/finance/reliance-capital-hives-off-health-insurance/articleshow/57667785.cms>

Date: 16 March, 2017

## Non-life, health insurance: Norms eased for recruiting PoS persons

The Insurance Regulatory and Development Authority of India (IRDAI) has eased norms for recruitment of Point-of-Sales (PoS) persons by non-life and health insurers.

With effect from April 1, insurers/intermediaries will be allowed to appoint PoS

persons with the mandatory training and passing of NIELIT examination, which is already being allowed in the case of life insurance.

The insurers, however, should ensure that the applicant for PoS position is not engaged with any other insurer or insurance intermediary by cross-checking with the database of the Insurance Information Bureau.

They should also conduct an in-house training of 15 hours for the candidate which would be followed by an exam. Successful candidates should be engaged as PoS persons by entering into a written agreement, which would specify the terms and conditions.

Source: <http://www.thehindubusinessline.com/money-and-banking/irdai-eases-pos-norms-for-nonlife-health-insurers/article9589103.ece>

Date: 17 March, 2017

### **IRC introduces specialized industrial insurance services in India**

Mumbai based Entrepreneur Suresh Khairwar lead International Risk Consultants Insurance Brokers Pvt. Ltd. (IRC) rewrites the history of Indian Insurance industry by introducing Specialized Industrial Insurance to the Indian clients who are aligned to do business with best global practices. With around 20 years of work experience working in the Insurance industry Khairwar and IRC bring a good understanding of the specialized Insurance offerings on the table for large Indian and Multinational corporate houses, which is coupled with a good knowledge of the global banking and financial markets as well.

IRC has had the privilege of working at crucial decision making positions with the Investment department of General Insurance Corporation of India (GIC Re) before setting up the Credit Insurance Department at GIC Re.

Source: <http://www.financialexpress.com/money/insurance/irc-introduces-specialized-industrial-insurance-services-in->

[india/563418/](#)

Date: 21st March 2017

### **Paytm introduces insurance cover to safeguard wallet balance**

Money lost due to fraudulent transactions as a result of theft, burglary, loss of device or unauthorised access of a users Paytm wallet will now be refunded. This cover is being provided to users at no additional cost. With this move, Paytm has taken yet another step to guarantee complete safety of money stored in the Paytm Wallet. All customers will be insured up to a limit of Rs. 20,000 or their wallet balance, whichever is lower.

In case of phone loss or theft, the customer must report the same to Paytm via e-mail or by calling its customer care within 12 hours. This would come as a big relief to customers and merchants as it proactively addresses any concern around the usage and security of their e-wallet. Paytm PCI DSS-compliant payment system follows the best security standards in the industry. The companys multi-level security system combined with 128-bit SSL encryption is trusted by over 20 Crore Indians.

Paytm QR code-based payment solution is already powering more than five million merchants today and is heavily used by consumers to pay for their spends at tolls, food courts, hospitals and large retail outlets among others. With no cost of the POS terminal and zero transaction charges coupled with the vast Paytm user base, this makes the solution a viable and an attractive payment option for all large and small merchants. The company is acquiring almost a million merchants a month and aiming for over 10 million merchants in 650 districts of the country.

Paytm has also registered strong growth across its newly launched use-cases including tolls, canteens, parking and healthcare among others.

Paytm QR code-based payments has also been welcomed by the country's healthcare industry, which includes all leading pathology labs, diagnostic centers, pharmacies and hospitals chains.

It has also made its platform available in 10 different regional languages - Hindi, Tamil, Telugu, Gujarati, Marathi, Bengali, Kannada, Malayalam, Oriya and Punjabi, thereby resulting in an increase in traffic on the platform from smaller towns. It has also launched a 24x7 Merchant Helpline to assist merchants across India accepting payments using its cashless payment solution.

Source: <http://www.dnaindia.com/money/report-paytm-introduces-insurance-cover-to-safeguard-wallet-balance-2361748>

21st March 2017

### **Paytm to insure your wallet balance, ties up with Reliance General Insurance**

**D**igital payments and commerce platform Paytm will now provide an insurance for the money stored in a customer's wallets, the company said Monday. Paytm's move comes at a time when there have rising instances of theft, loss of device and unauthorized access of a user's wallet. The insurance cover is being provided to users at no additional cost. The Alibaba-backed Paytm has roped in Reliance General Insurance for this partnership, which will provide all its customers insurance of up to Rs 20,000 or the amount wallet balance, whichever is lower. The company did not disclose the size of insurance deal or the premium it will have to pay. Incidentally, the government recently released the draft guidelines for e-wallets which focuses on protection of consumer's financial data along with introducing a strong grievance redressal system at wallet companies to address such issues. Digital wallet players have also been asked to strengthen their technology infrastructure to

prevent hacking of their platforms along with following adequate due diligence procedures and identification of users prior to on-boarding them onto their respective platforms.

<http://timesofindia.indiatimes.com/companies/paytm-to-insure-your-wallet-balance-ties-up-with-reliance-general-insurance/articleshow/57745972.cms>

Date : 21 March 2017

### **Government considering 100 per cent FDI in insurance broking**

**T**he government is considering allowing 100 per cent foreign direct investment in insurance broking with a view to giving a boost to the sector and attracting more funds.

The FDI policy, at present, allows 49 per cent foreign investment in the insurance sector that encompasses insurance broking, insurance companies, third party administrators, surveyors and loss assessors as defined by the Department of Industrial Policy and Promotion. The representations have been made to the government that insurance brokers should be treated at par with other financial services intermediaries, where 100 per cent FDI is permitted.

According to Prudent Insurance Brokers Director Pavanjit Singh Dhingra, the decision would help strengthen distribution as it is not high capital intensive business.

The removal of foreign investment limit will encourage more players in the markets with high technology, he said, adding it will help increase insurance penetration as India has low penetration.

Insurance penetration in the country was 3.4 per cent in 2015 against the world average of 6.2 per cent. It was 3.3 per cent in the country in 2014.

Source: [http://economictimes.indiatimes.com/articleshow/57750099.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](http://economictimes.indiatimes.com/articleshow/57750099.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)

Date : 21st March 2017

## Bank of Baroda said to consider cutting insurance firm stake

**B**ank of Baroda, India's third-largest state-run bank by assets, is considering a sale of some of the minority stakes it holds in its insurance and asset-management ventures, according to people familiar with the matter. The Mumbai-based bank is seeking to pare its 44% stake in IndiaFirst Life Insurance Co. and the 49% stake in Baroda Pioneer Asset Management Co., the people said, asking not to be identified as the information isn't public. They didn't give a time frame for executing the sales.

A Bank of Baroda spokesman didn't immediately respond to emails and phone calls seeking comment. Any sale would help the 109-year-old bank helmed by chief executive officer (CEO) P.S. Jayakumar free up capital to bolster its balance sheet. The lender would be joining larger rivals like State Bank of India (SBI) and ICICI Bank Ltd in divesting stakes in units or ventures to buttress themselves against mounting bad debt in India.

Andhra Bank owns 30% of IndiaFirst, which was launched in 2010, with the UK's Legal & General Group Plc holding the remaining 26%. Baroda Pioneer is a venture set up in 2008 between Bank of Baroda and Pioneer Investments.

Source: <http://www.livemint.com/Industry/s2TP1rtQYnY4mRBG5hpDOK/Bank-of-Baroda-said-to-consider-cutting-insurance-firm-stake.html>

Date: 23rd March 2017

## Insurance companies must play active role in investee firms' meetings: Irda

**T**he insurance regulator has asked companies to play an active role in the general meetings of investee companies and engage with the management at a greater level to improve governance so as to increase returns on investments for insurers. "Insurance companies

are significant institutional investors in listed companies and the investments are held by them as custodians of policyholders," Insurance Regulatory and Development Authority (Irda) stated in a circular. "Therefore, it is felt that insurance companies should play an active role in general meetings of investee companies and disclosures relating thereto.

The regulator said the state of governance at the companies where insurance companies have invested is important. It has also laid out a set of principles, which insurers will have to adopt. The principles are being uniformly adopted for institutional investors like mutual fund, pension funds, foreign portfolio investors and alternate investment funds. Irda has also decided to implement a code of stewardship for insurers. The regulator said all insurers need to draw up a policy based on principles spelt out in stewardship code within six months from date of issue of these guidelines and the board of directors should approve the same.

Globally, companies are required to say which are the companies they have voted for and against in general meetings and disclose their stance.

Source: [http://economictimes.indiatimes.com/articleshow/57804606.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](http://economictimes.indiatimes.com/articleshow/57804606.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)

Date : 24th March 2017

## SBI Life plans IPO; SBI to dilute 10% stake in insurer

**S**tate Bank of India (SBI) today said it plans to dilute 10 percent of its stake in the life insurance venture SBI Life through public offer. SBI plans to dilute 10 percent of its stake in the life insurance venture SBI Life through public offer.

The Executive Committee of Central Board in its meeting held today accorded in-principle



approval for initial public offer (IPO),. The board has given approval to initiate process for offer for sale of 10 per cent of shares through initial public offer

SBI is also exploring the possibility of diluting 8 per cent stake sale of SBI Life through IPO out of 10 percent Offer for Sale.

SBI Life Insurance is a joint venture between the bank and BNP Paribas Cardif. SBI owns 74 percent of the total capital and BNP the rest.

BNP ruled out increasing its stake in SBI Life to 49 percent ahead of the proposed initial public offering slated for next year.

The insurer has an authorised capital of Rs 2,000 crore and a paid up capital of Rs 1,000 crore.

SBI had last year sold 3.9 percent stake in SBI Life to global private equity major KKR and the Singaporean sovereign fund Temasek Holdings for Rs 1,794 crore or USD 264 million, valuing the country's third largest private life insurer at around Rs 46,000 crore.

After this stake sale, SBI's stake in the arm came down to 70.1 percent from 74 per cent while BNP Paribas Cardif still holds 26 percent.

Source: <http://www.moneycontrol.com/news/business/ipo-business/sbi-life-plans-ipo-sbi-to-dilute-10-stake-in-insurer-2246939.html>

Date : 24th March 2017

### General insurance premium set to go up from April 1

Car, motorcycle and health insurance will cost more from April 1 with regulator Irdai giving go-ahead to insurers for revision in commission for agents. The change in premium after modification will be limited to +/- 5 per cent of the existing rates. The increase will be in addition to the enhanced third party motor insurance rates, which too will come into effect

from April. The Irdai (Payment of Commission or Remuneration or Reward to Insurance Agents and Insurance Intermediaries) Regulations, 2016 comes into effect from April 1, 2017.

The regulations bring about certain revisions in commission/ remuneration rates and also introduce the reward system. It may trigger insurers to revisit the pricing of their products in so far as the costing input relating to commission or remuneration is concerned. However, the change in premium due to the new regulations should be limited to +/- 5 per cent of the existing premium rates of products/add-ons. Further, insurers will have to give a certificate that there is "no detrimental change" in premium rates or any other provision of policies already sold.

Source: [http://economictimes.indiatimes.com/articleshow/57837909.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](http://economictimes.indiatimes.com/articleshow/57837909.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)

Date: 26th March 2017

### Health insurance among women growing: Survey

Even as 95 per cent of women are aware of health and fitness, only 74 per cent go for a checkup when they are unwell, according to a recent survey. Even as 95 per cent of women are aware of health and fitness, only 74 per cent go for a checkup when they are unwell, according to a recent survey. However, when it comes to health insurance, women are on top of their game — 47 per cent have medical insurance, 65 percent have full awareness of insurance, and 77 per cent knew how to submit a claim, according to a ICICI Lombard survey – Women Health and Insurance.

The survey was done among 1,500 housewives, self-employed and working women in the 22-55 year age group from the four metro cities and Bengaluru, Hyderabad, Chandigarh and Lucknow. It revealed that more women are taking their

health and wellness seriously as 35 per cent said they have not fallen ill in the last six months. Claims for top five women related ailments are decreasing year on year, it added. Further, the survey said, there is a change in behavior towards health insurance amongst women, as 29 per cent surveyed have bought a health insurance policy themselves, which was earlier majorly influenced by fathers and spouses. This considerable increase can be a result of a gradual increase in the awareness on policy information, as 65 per cent women are aware of their policy details, it said. And from these well-aware customers, 77 per cent can make a claim on their policy, it added.

ICICI Lombard GIC is a joint venture between ICICI Bank and Fairfax Financial Holdings, a Canada-based diversified financial services company engaged in general insurance, reinsurance, insurance claims management and investment management.

Source: <http://www.financialexpress.com/money/insurance/health-insurance-among-women-growing-survey/604861/>

Date: 27th March 2017

### **Reliance Insurance deposits Rs 8.69cr after Haryana CM Khattar intervenes**

**A**fter intervention of chief minister Manohar Lal Khattar for action and fearing blacklisting, Reliance General Insurance Company of Reliance Group has deposited Rs 8.69 crore under Rajiv Gandhi Parivar Bima Yojna (RGPBY) after eight years. The Memorandum of Understanding (MoU) with the company was signed on March 28, 2008, for one year and Rs 17.85 crore was paid to the company in two instalments (Rs 12.53 crore and Rs 5.32 crore) for this coverage.

A letter was issued by Haryana Social Justice and Empowerment director Sanjiv Verma on December 20, 2016, threatening the company with blacklisting if it did not clear dues till

December 31, 2016. The company had rejected over 1,423 claims on its own in violation of the MoU. The clause 8 of MoU said “the insurer shall not reject any claim at its own level. In case of any doubt, the claim shall be referred to the nodal department i.e. director of Social Justice and Empowerment, Haryana, who shall consider the whole matter and pass a speaking order and his order shall be final.”

Haryana CM Manohar Lal Khattar intervened and passed orders on February 27 for blacklisting the company and approaching Insurance Regulatory and Development Authority against it if it did not clear the dues. On March 6, another notice was issued to the firm, which granted 10 days time, failing which the department again threatened with “blacklisting for all government business/transactions in Haryana”. Next day, the company deposited 212 cheques amounting to Rs 2.05 crore for payment and further sought another 90 days time to settle claims vide their letters dated March 9 and March 14 respectively. But the department gave just seven days on March 16 as there was “inordinate delay” in settlement of claims.

Finally, the company submitted claims for 674 people, which were found eligible by the department and in that regard the firm paid Rs 6.64 crore more. In total, Rs 8.69 crore have been paid against 886 claims.

### **Purpose of scheme**

**R**GPBY’s purpose was to provide immediate relief to poor and helpless families whose members were killed in accidents. It was an insurance policy in which in case of death and 100% permanent total disability, Rs 1 lakh, in case of loss of two limbs, Rs 50,000, and loss of one limb, Rs 25,000, as compensation was to be granted. Although in such cases benefits are provided by Motor Accident Claims Tribunals

but it takes a long time to settle the claims and involved a lot of paper work and court proceedings. Keeping in view of the above difficulties, the scheme was introduced for immediate relief and to save families from court proceedings and other formalities.

Source: <http://www.hindustantimes.com/chandigarh/reliance-insurance-deposits-rs-8-69cr-after-haryana-cm-khattar-intervenes/story-zthTIPLivgaraQ7UGkQqhP.html>

Date : 29th March 2017

### **Fairfax needs to sell 25% stake in ICICI Lombard to get a new permit**

The insurance regulator has asked the promoter of Oben General Insurance to comply with regulations before applying for the next stage of approvals for its second licence in the general insurance industry.

Canada-based Fairfax Financial Holdings, the promoter of Oben General Insurance, will have to sell 25% stake in ICICI Lombard, its joint venture with ICICI Bank, over the next two months to be able to apply for an R2 licence to operate another general insurance company. According to IRDA, Fairfax need to comply with regulations before they apply for R2 licence. The second-stage approvals will be taken up for discussion at Irda's next board meeting, which is over two months away.

Earlier this month, the regulator gave its preliminary nod to Oben General Insurance. For an R2 licence, the regulator looks at the business model of the company, including shareholding compliance. In the final stage of the three-part approval system, the regulator looks at the formation of the company. There are three large private equity companies in the final race to acquire 35% in ICICI Lombard. According to the last deal, the joint venture was valued at Rs 17,225 crore. In 2015, Fairfax had bought 9% stake in ICICI Lombard, raising its stake in the

company to 35%.

While Fairfax is looking to sell 25% and retain 10% in the largest general insurance company, ICICI Bank is looking to sell 10% in the process to monetise some part of the sale. If not now, in case of a listing, Fairfax will have to sell stake in the JV. The Insurance Act requires an Indian promoter to own 51% in any joint venture.

Source: [http://economictimes.indiatimes.com/articleshow/57909084.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](http://economictimes.indiatimes.com/articleshow/57909084.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)

Date: 30th March 2017

### **Telangana State pitches for insurance to crops sown under Kharif**

Telangana government had asked the Centre not to consider area factor as a criteria for deciding crop insurance. The government wants the Centre to calculate the crop loss based on the number of crops sown during the Kharif season.

According to the officials of Agriculture Department, the insurance companies implementing the National Agricultural Insurance Scheme (NAIS) have calculated the total number of farmers affected due to the drought as 3,30,570 and considering the area factor the amount calculated is Rs 242 crore. If the Centre accepts the proposal sent by the State government, then the farmers would be benefitted by another Rs 153 crore for the 2015 Kharif season. Sources said that they had sent two sets of calculations to the Centre. One based on area factor and another based on the number of crops sown and explained how the area factor would cause loss to the farmers.

The variation between the two factors is huge, they said. When calculated on the basis of area factor, some farmers had sown two different crops in their land and due to drought both withered in 2015. It be noted here that, the NAIS is no more a player in Telangana after

new scheme Pradhan Mantri Fasal Bima Yojana (PMFBY) was launched from 2016.

But interestingly, the National Agriculture Insurance Company of India which took part in the bidding process for the last two decades in the two Telugu States, to implement NAIS did not participate in the bidding process of PMFB. The State government is now contemplating to take up the issue with the Union Ministry of Agriculture, sources said.

Source : <http://www.thehansindia.com/posts/index/Telangana/2017-03-30/Telangana-State-pitches-for-insurance-to-crops-sown-under-Kharif-/289872>

Date : 30th March 2017

### Investment in MFs, insurance surged during demonetisation

While Prime Minister Narendra Modi's historic announcement of scrapping high denomination notes led to an acute cash crunch since November 9, investment in insurance and mutual fund schemes surged as cash transactions in other assets such as real estate and gold were crimped. Investment in mutual funds jumped 37% and insurance premium payment was up by 31% during April to February 2016-17, data from financial regulators show.

Separately, Insurance Regulatory and Development Authority of India (IRDAI) data reveals that investment in insurance policies jumped 113% to Rs 16,100 crore in November, 18% in December and 27.8% in January. The first premium collections, however, fell 4.5% in February.

Still, the total investment in insurance schemes jumped 31% to Rs 1.4 lakh crore during April-February 2016-17.

"Premiums collected by life insurance companies more than doubled in November. Premiums collected by Life Insurance Corporation of India (LIC) increased by more than 140% in

November 2016 as compared with less than 50% by private sector life insurance companies,"

Prime Minister Narendra Modi's historic move to scrap old Rs 500 and Rs 1,000 notes on November 8, led to a mad rush at banks for depositing close to Rs 15.44 lakh crore or 86% of the currency in circulation. A significant portion of the deposit has found way into the capital market through mutual funds, insurance and pension funds, analysts say. Most important, the demonetization slowed investment of black money in gold and real estate, forcing many Indians to look for high-yielding financial assets like equity mutual funds. Demonetisation has accentuated this trend as some return seeking flows have been diverted from other areas of the economy to the equity market.

Source: <http://www.hindustantimes.com/business-news/investment-in-mfs-insurance-surged-during-demonetisation/story-UObRx97EQwnBaUbcpeBgtJ.html>

Date : 30th March 2017

### Insurance IPOs: Theme for 2017

Stock market investors are eagerly awaiting a new sector category of insurance as more insurance firms get listed in 2017-18. ICICI Prudential Life Insurance, the largest private sector insurer, came out with its public issue in September 2016, while HDFC Life and Max Life announced a merger in August, which is yet to receive regulatory approval. In this year's Union Budget, Finance Minister Arun Jaitley announced the listing of state-owned general insurance companies, now preparing for their initial public offerings (IPOs).

After the IPO of public sector banks in the past few decades, the listing of insurance players will be the next big change in the country's financial services sector.

While the insurance sector is as old as banking in the country, it is only in the past 10-15 years

that the sector has undergone a sea change in terms of standards of expansion and disclosures. The Insurance Regulatory and Development Authority of India (Irdai), set up in 2000, opened insurance to the private sector and allowed foreign firms to partner with Indian players.

The process to successful listing might not be easy for all. The insurance business, especially life, has a unique way of publishing its financials. The format followed by insurers is far different than that of banks and non-banking financial companies, and has several layers of incomes and expenses that one needs to be mindful of. EY India insurance company financial statements generally have many assumptions around the actuarially computed provisions, though the disclosure requirements of these assumptions can be benchmarked.

For an investor looking at insurance players, general insurance is an easier business to understand over life insurance as the financials

are more straightforward. “Emergence of profit or loss is more immediate in general insurance and so value discovery should be easier.

In his opinion, the disclosure levels for general insurers is very detailed and contrary to popular belief, this holds true even for the public sector general insurers. When these insurers get listed, data is expected to be real time, which will help investors analyse companies better.

This year is expected to be a turning point for insurance companies and investors can expect at least two major issuances—New India Assurance and General Insurance Corporation in the public-sector general insurance space. SBI Life is also a possible candidate. The current buoyancy in the stock markets should also help these public issues.

*Source: [http://www.business-standard.com/article/markets/insurance-ipos-theme-for-2017-117033100016\\_1.html](http://www.business-standard.com/article/markets/insurance-ipos-theme-for-2017-117033100016_1.html)*

*Date : 31st March 2017*

## INSURANCE DEVELOPMENT

### **ETMONEY joins forces with HDFC Life to bring India's first data-led life insurance policy for millennials**

**E**TMONEY, the Times Internet backed financial services app, today announced the launch of an exclusive data-led group term insurance plan in partnership with HDFC Life, one of India's leading private life insurance companies. This is India's first term insurance plan which is based on the spend pattern of the users.

Offered as an exclusive benefit to ETMoney's 1 million+ users, the group term life insurance plan offers coverage between Rs. 25 lacs to Rs. 50 lacs that is calculated based on the user's spend pattern. Secondly, ETMoney users can also save upto 30% of the premium paid as a tax benefit under section 80C of the Income Tax Act. With first-time insurance buyers in mind, this plan simplifies the policy buying process by eliminating all paperwork, medical tests, income requirements and manual intervention that is common in a regular insurance policy. The easy workflow within the app makes it possible to buy a plan in less than two minutes. As Young earners in India are significantly under insured. The term plan is designed grounds up for this segment and it acts as a simple, paperless & 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 proud to work with HDFC Life to design this digital policy"

In keeping with endeavour to be a digital first organization, we have undertaken multiple initiatives and harnessed various innovations to transform the way we do business through digitization and achieve customer delight. 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 fingertips of the discerning new-age generation.

*Source: [http://economictimes.indiatimes.com/articleshow/57426170.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](http://economictimes.indiatimes.com/articleshow/57426170.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)*

*Date: 2nd March 2017*

### **HDFC Life brings country's first life insurance Chatbot with Haptik**

**H**DFC Life, one of India's leading private life insurance companies, announced the launch of India's first life insurance chatbot in collaboration with Haptik, India's largest chatbot platform. The chatbot will act as a financial guide to help users choose the most suitable life insurance plans and solutions.

This chatbot aims to assist the customers with insurance advice - ranging from Health to Tax Planning & Retirement, based on a simple 60-second quiz which enables it to compute their Insurance Quotient. Calculated using different parameters under each insurance category, the Insurance Quotient is an indicative score for each individual, based on which, HDFC Life can recommend the best-suited insurance plans for the user. The chatbot not only works as a personal financial advisor but also brings to the forefront the universal need for life insurance.

Talking about the need for this platform, Mr Suresh Badami, CDO - HDFC Life, said "Many of us in our country, particularly the millennials, are under insured and need a simple platform

to access relevant information about insurance. We at HDFC Life have invested heavily in the adoption of cutting-edge technology to offer insurance solutions across customer segments through multiple touch points. One such initiative is to pilot the use of artificial intelligence to act as personal assistant to the discerning new age customer. Haptik's chatbot enables us to do this and reach the millennials through the medium that they are most accustomed to and are comfortable with."

Aakrit Vaish, CEO, Haptik, added that they are extremely excited to partner with HDFC Life to build the India's first Life Insurance chatbot. We believe chat as an interface simplifies tons of complex everyday experiences, and nothing gets more complex than the process of understanding Life Insurance.

Source: [http://economictimes.indiatimes.com/articleshow/57518145.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](http://economictimes.indiatimes.com/articleshow/57518145.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)

Date : 7th March 2017

### Canara HSBC OBC Life to launch term insurance with return of premium:

Canara HSBC Oriental Bank of Commerce Life Insurance Company plans to launch a pure term insurance product, with return of premium, in April in the wake of the insurance regulator coming out with guidelines for the same.

In this particular product, the upper limit for sum assured is 15 lakh. And there is no underwriting. Just walk into the branch and give your particulars to the branch manager. So, this product will be technology driven, with online submission of particulars, online (Aadhaar-based) authentication and across the counter policy issuance. There will be no medical (test) is required because the company has that kind of risk appetite and the policy volumes will be big too.

Source: <http://www.thehindubusinessline.com/money-and-banking/canara-hsbc-obc-life-to-launch-term-insurance-with-return-of-premium/article9582301.ece>

Date: 14 March, 2017

### New norms for selling insurance online:

IRDAI has published the norms for selling insurance online but it's not what some stakeholders were waiting for. In order to create a digital platform for the insurance industry, the Insurance Regulatory and Development Authority of India (Irdai) issued guidelines for insurance e-commerce on 9 March.

This means that any entity that wants to offer policies online will do so through an insurance self-network platform (ISNP)—this can be your regular website, a mobile app or both. "Any insurers or intermediaries like web aggregators or insurance brokers—who have a website—will now have to get an ISNP license.

In terms of pricing, the rules state that insurers can offer discounted pricing on a product when it is sold through its ISNP. However, the differential price for products offered on the digital platform will remain the same, whether it's offered through the insurer or the distributor.

The guidelines make an e-insurance account mandatory. An e-insurance account lets you hold your policy in a digital format. As per the notification, creation of an e-insurance account will have to be done within 15 days of selling the insurance policy on the applicant's ISNP.

Source: <http://www.livemint.com/Money/ipyoe0mzVQkDLofXZd5Vvl/New-norms-for-selling-insurance-online.html>

Date: 16 March, 2017

### Paytm launches e-wallet insurance

Digital payments firm Paytm, run by One97 Communications Pvt. Ltd, on Tuesday announced an insurance cover for users of its mobile wallet services against unlawful debits

from the wallet. The facility will be given free of cost. Customers using Paytm wallet will be insured up to Rs20,000 or the last recorded balance in their wallet, whichever is lower, the company said.

Paytm will refund money the user claims to be unlawfully debited from his or her e-wallet as a result of theft, burglary, loss of device or unauthorized access of Paytm account. In the case of such an event, the user will have to notify Paytm through email or call its customer care centre within 12 hours. Paytm has over 200 million wallet users doing about 8.5 million transactions every day, One97 Communications chief executive officer Vijay Shekhar Sharma had tweeted last month. He said the company had Rs899.11 crore deposited in 106.8 million wallet accounts.

Paytm wallets are also used by small- and mid-sized businesses to accept payments. The company said its QR code-based (quick response code) payment solution, which it launched in October 2015, was used by five million merchants and allows consumers to pay at kirana stores, tolls, food courts, hospitals and other retail outlets.

Paytm claims it is acquiring at the rate of one million merchants a month and is aiming to bring on board 10 million merchants by the end of this year.

Source: <http://www.livemint.com/Industry/nLfw4ceoa66e5XENCKFPpN/Paytm-launches-ewallet-insurance.html>

Date : 21st March 2017

### **GIC may be 1st PSU general insurer to launch IPO next fiscal**

**G**eneral Insurance Corporation (GIC Re) is likely to be the first PSU insurer to tap the capital market as the Finance Ministry has started scouting for merchant bankers to manage its IPO.

Two months after the Union Cabinet gave a go ahead to the listing of five general insurance companies, the Department of Investment and Public Asset Management (DIPAM) has set the ball rolling for listing of GIC Re. The government holds 100 per cent stake in GIC Re, which provides reinsurance support to 54 general and life insurance companies, both public and private, in the Indian market.

The authorised and paid-up share capital of the reinsurance company was Rs 1,000 crore and Rs 430 crore, respectively, as on March 31, 2016. The share sale could hit the market only in the next fiscal.

In mid-January, the Cabinet had approved listing of general insurance companies -- New India Assurance Company, United India Insurance, Oriental Insurance Company, National Insurance Company and General Insurance Corporation of India (GIC Re). It had approved dilution of up to 25 per cent equity stake in the five companies. DIPAM in its request for proposal (RFP) said the size of the IPO and its structure shall be decided by the government or the company in consultation with selected bankers and legal advisors.

Besides underwriting the IPO, the merchant bankers would advise GIC Re and the government on the timing and the modalities of the IPO. They would also undertake due-diligence activities and prepare the draft prospectus, among other things. The bankers would also organize both domestic and international road shows and ensure best return from the IPO to the government and the company.

The government has set a steep disinvestment target of Rs 72,500 crore for the next fiscal, of which Rs 11,000 crore is expected to come from listing of PSU general insurance companies. DIPAM has come out with guidelines for



mechanism and procedure for time-bound listing of CPSEs on stock exchanges under which the government has mandated launch of initial public offer (IPO) within five-and-a-half months of a nod from the ministry concerned.

Source: [http://economictimes.indiatimes.com/articleshow/57837334.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](http://economictimes.indiatimes.com/articleshow/57837334.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)

Date : 26th March 2017

## IRDA CIRCULAR

Date	Ref. No	Title	Short Description
30-03-2017	IRDA/ INT/ CIR/ COMM/ 069/ 03/ 2017	To CEO's of all Insurers Principal Officers of all Insurance Intermediaries All Individual Agents	Clarification on Regulation 6(d)(ii), 6(e)(ii) and 5(f) of the IRDAIs
14-03-2017	IRDAI/CIR/F&I/ INV/056/03/2016-17	Circular	Investment in Units of "Real Estate Investment Trusts (REIT) & Infrastructure"
03-03-2017	IRDAI/Life/Cir/ GDL/049/3/2017	To all Life Insurers	Guidelines on Claim processing for Group Insurance Policies – Addition of

## ASSOCHAM's NATIONAL COUNCIL FOR INSURANCE

<p><i>Chairman,</i> <b>ASSOCHAM's National Council for Insurance</b></p> <p><b>Shri G Srinivasan</b> CMD, New India Assurance Co Ltd</p>	<p><i>Co-Chairman</i> <b>ASSOCHAM,s National Council for Insurance</b></p> <p><i>To be appointed</i></p>
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### Forthcoming Program and Bulletins

<b>Bond Market Series</b>		07th April 2017, Hotel Taj Vivanta, Bangalore
<b>ASSOCHAM Banking Bulletin</b>	Vol 4	10th May 2017
<b>ASSOCHAM Insurance Bulletin</b>	Vol 24	10th May 2017
<b>ASSOCHAM Insurance Council Meeting</b>	ASSOCHAM's National Council Meeting on Insurance	April 2017, Mumbai
<b>International Conference on Insolvency and Bankruptcy Code</b>		New Delhi 28th & 29th April 2017