Featured Articles

Digital tech set to transform insurance business: Report

The next wave of digital technologies will transform insurance companies but they need to revamp their workforce and cultures to take full advantage of the shift, says the Accenture Technology Vision for Insurance 2016 report.

The next wave of technology i.e. Internet of Things (IoT), platform based ecosystems and artificial intelligence - is maturing and expected to ultimately transform the very nature of the insurance organization and what it does. According to the report, 90% of the insurers surveyed said they expect the pace of technology change to increase rapidly or at an unprecedented rate over the next three years. In addition, more than 83% of insurers see IoT bringing about significant change or complete transformation in the industry.

The insurance industry report is based on a sample of 445 respondents from insurance companies across the world, including in India.

The report states that the digital trends identified - intelligent automation, liquid workforce, platform economy, predictable disruption and digital trust - offer insurers an opportunity to shift from their traditional business model to one where they can automatically assess and price risk directly, individually and in real-time, as well as help customers avoid losses in the first place. However, taking full advantage of these trends will require insurers to dramatically transform their workforce and culture.

Digital insurers are already hiring employees who are more tech savvy, creative and analytical, and they are now competing for top scientific, engineering, technology and mathematics talent. Insurers are also increasingly introducing intelligent automation that can consume and analyze vast amounts of data and perform complex processes to complement this new workforce.

India-UAE insurance regulators' cooperation MoU approved

The government has approved a memorandum of understanding (MoU) to enhance cooperation between India's insurance regulator and Insurance Authority of United Arab Emirates (UAE).

The decision was taken by the union cabinet which was chaired by Prime Minister Narendra Modi.

"The Union Cabinet has given its ex-post facto approval for the MoU between Insurance Regulatory and Development Authority of India (IRDAI) and the Insurance Authority of United Arab Emirates," a cabinet statement said. The MoU was signed in February, 2016.

According to the statement, the MoU provides for enhanced cooperation between the two authorities in the field of insurance supervision by providing a framework for co-operation such as channels of communication.

"It will also result in increasing mutual understanding through the exchange of regulatory and relevant supervisory information including confidential information to enforce or ensure compliance with their respective laws and regulations," the statement added.

AIA increases stake in Tata AIA life to 49%

American insurance major AIA group has completed raising stake in the Indian life insurance venture with Tata Sons -Tata AIA Life Insurance Company to 49% from 26%. Neither company has divulged financial details of the transaction which was first announced last year in December. The deal signals the significance of the fast growing $50 billion Indian insurance market.

Many overseas insurance companies have been increasing stake in Indian ventures after the government allowed foreign investments in Indian ventures to 49% in 2015. In December last year Standard Life paid Rs 1,705 crore for a 9% additional stake in HDFC Life, increasing its stake from 26% to 35%. Recently, HDFC Ltd also announced its plans to list its insurance venture, making it India's first insurance IPO.

On December 3 last year, Canadian insurance major Sunlife Financial Inc increased its stake to 49% in its Indian insurance venture with the diversified Birla group by purchasing 23% from its Indian partner for Rs 1664 crore. On March 12 last year, the Rajya Sabha passed the amendment to raise the overseas investment limit in insurance to 49%, a measure that had been pending for seven years.

HDFC Life ties up with Indiabulls Housing Finance Limited for distribution of insurance products

HDFC Life, India’s leading private life insurance company, today signed a corporate agency agreement with Indiabulls Housing Finance Limited, India’s second largest private housing finance company, to distribute HDFC Life individual insurance products to their customers.

HDFC Life's existing partnership with Indiabulls Housing has been providing their home loan and loan against property buyers with ‘Credit Protect Plus’ group policy of HDFC Life that gives the customers an option to protect their outstanding loan in case of an unforeseen event. With this new tie up, HDFC Life and Indiabulls Housing are taking their partnership to a new level by distributing individual life, health and pension products of HDFC Life to Indiabulls Housing customers throughout India. This tie up will help increase HDFC Life's reach by getting access to new customers across geographies.

Commenting on the partnership, Amitabh Chaudhry, MD & CEO, HDFC Life said, “This partnership with Indiabulls provides an ideal solution where we are providing a suitable cover for the customer's housing finance. This will help us deepen our insurance reach in the country.”

Glad to embark on a new association with HDFC Life, Mr. Gagan Banga, Vice Chairman and Managing Director, Indiabulls Housing Finance Limited said, “Our foremost effort has always been to maximize the value that we can provide to our customers. Having already partnered with HDFC Life to provide customers the facility to protect their home loan, we feel it is a natural extension to provide the ease and convenience to explore further options in insurance from HDFC Life for our customers.”

HDFC Life's ‘Credit Protect Plus’ policy in partnership with Indiabulls is a comprehensive benefit plan which offers financial protection in event of death by providing a risk cover against the loan amount.

Quick News

Shriram Life Insurance posts 38% growth in FY16

Private sector life insurance firm Shriram Life Insurance Company Ltd has posted 37.7% growth in gross premium at Rs 1,020 crore during the year 2015-16, as against Rs 741 crore registered during 2014-15. The new business premium has increased 37.9% at Rs 706 crore during 2015-16, as against Rs 512 crore registered during 2014-15. Renewals were of Rs 314 crore during 2015-16, as against Rs 230 crore during 2014-15, an increase of 36.5%.

IOA provides life insurance cover of Rs 1 crore

In a first of its kind move, the Olympics-bound Indian athletes have been presented life insurance cover worth Rs 1 crore even as the Indian Olympic Association roped in three sponsors in its quest for financial independence. Edelweiss Tokio Life Insurance, which will be the principal sponsor of the Indian contingent at Rio Olympics, today offered a life Insurance cover of Rs 1 crore for each athlete representing India at the Rio Olympics. The IOA has also roped in sporting goods company Li Ning as the apparel partner and Herba Life as the nutrition partner.

Max Bupa wins ‘IT Management Best Practices’ award at Celent Model Insurer Asia 2016

Max Bupa Health Insurance has been recognized for ‘IT Management Best Practices’ at the Celent Model Insurer Asia Awards 2016 that were held in Singapore recently. The award was presented to Max Bupa for implementation of its integrated operational CRM solution which enables convenient, faster and more accurate services to customers, agents and partners. CRM solution implemented by the company that provides a single integrated view of the customer is a step ahead in the direction to acknowledge and serve the need.

80% of Indian population not covered under any health insurance

People in villages mainly depend on `household income or savings' (68%) and `borrowings' (25%) to fund hospitalization expenses, reflecting the failure of the agencies in expanding the reach of government health facilities and insurance cover in rural areas. In cities, people rely much more on their 'income or savings' (75%) than on 'borrowings' (18%) to fund their treatment, reveals a government survey. The survey confirms earlier studies that have repeatedly shown that India has among the most privatized healthcare systems in the world with 'out of pocket' expenses accounting for bulk of medical spending. The NSSO survey also found that around 1% of the poor in rural areas have to sell their physical assets to meet health expenditure. Also, more than 5% seek help of friends and relatives. This is also in line with earlier studies which have concluded that millions are pushed into poverty each year due to medical expenditure and that such expenses are among the leading causes of indebtedness among the poor in India.

The survey found that as high as 86% of rural population and 82% of urban population were still not covered under any scheme, public or private, to support health expenditure. "It was observed that such coverage was broadly correlated with levels of living in both rural and urban sectors," noted the survey, conducted during January to June 2014.The poorer people appear unaware or beyond the reach of such coverage, both in rural and urban areas, it said. The reach of private insurance players seems to be very limited as only 12% of the people falling in the highest income group (5th quintile class) in urban areas had some arrangement of medical insurance from private providers. For all others, the share of private medical insurance is negligible.

The government, however, was able to bring about 12% urban and 13% of rural population under health protection coverage through Rastriya Swasthya Bima Yojana (RSBY) for unorganized workers and Below Poverty Line (BPL) families, ESI for organized workers, CGHS for government employees and other state-level insurance plans that cover BPL. The survey reflects that more and more people are accessing healthcare from private facilities, which puts them under massive financial burden as it pointed out that more than 70% (72% in rural and 79% in urban) spells of ailment were treated in the private sector.

It was noted that reimbursement of hospitalization expenses was also not very encouraging which suggests that even those who were covered under some scheme could not get back their money.

Exide Life Insurance announces launch of Exide Life Income Advantage Plan

Exide Life Insurance today announced launch of “Exide Life Income Advantage Plan” a unique savings cum insurance plan which works to your advantage by providing regular guaranteed income and life cover. Under this plan, you can choose from two income payout options as per your life stage needs, helping you benefit from the bonus payouts. The plan is affordable and caters to every individual’s need for a second income.

Under Exide Life Income Advantage Plan, you are required to pay premiums only during the first half of the policy term. During the second half of the policy term you receive regular guaranteed income on an annual basis. In Addition, you benefit from additional income every year that is paid to you on account of applicable bonuses. A choice of 3 policy terms offered under the plan is 16, 24 and 30 years during which the customer enjoys life insurance cover.

You can enhance protection under this plan by opting for riders by paying a nominal additional premium. You can choose from Exide Life Critical Illness Rider, Exide Life Accidental Death, Disability and Dismemberment Rider or Exide Life Term Rider to increase your life cover.

How does the plan work? The plan offers flexibility of two options to receive the annual guaranteed income. Once you select your chosen policy term from a choice of 16, 24 and 30 years, you pay premium for first half and receive income during the second half of the policy term. You can receive the regular guaranteed income along with applicable bonuses every year during the benefit payout period under Pure Income Benefit option. Under Income with Maturity Benefit option, you avail income during the benefit payout period and all applicable bonuses accumulated over the period of time are paid as maturity benefit. Based on your life stage need, you can choose between the two options.

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