Featured Articles

New India Assurance Offers Upto 50% Discount To a Girl Child

The New India Assurance Company Limited, a public sector general insurer, on Monday announced an exclusive health insurance plan, Asha Kiran, for families that have a girl child. There would be 50 per cent discount on the premium covering girl child, the company said.

Under Asha Kiran plan, parents of the girl child would have a personal accident benefit. On occurrence of any accident to parents, the sum insured under the policy would be parked as a fixed deposit in the name of the girl child.

Besides, this policy has daily cash benefit on hospitalisation, cashless hospitalization, critical care benefit of up to 10% of sum insured and emergency ambulance allowance.

Announcing the plan, the Chairman and Managing Director of the company Mr. G Srinivasan said, "We have launched the plan for families having girl children and kept premium at reasonable rates."

The insurer had its tie up with Bhartiya Mahila Bank. It also announced health insurance policies for the women customers of the bank with added benefits.

HDFC Standard, Birla Life Among Bidders To Buy Aviva Life

Leading private sector players HDFC Life Insurance Company and Birla Sun Life Insurance Company are among the 6 firms including Samsung Life and Manulife, in race to buy Aviva Plc's Indian business Aviva Life Insurance, a joint venture with Indian conglomerate the Dabur Group.

The UK-based insurer has appointed JP Morgan and Deutsche Bank to sell its stake in the Indian joint venture.

As foreign insurers are losing their confidence in Indian insurance market, the Dabur Group will also sell its stake in the JV.

"We have received bids from six companies, both existing and new," said Aviva Life Chairman Mr. Mohit Burman, adding, "If the valuation is right, we may look at exiting from the business, too."

The company has performed very poorly with its total premium income falling 11 per cent in the previous financial year to Rs 2,140 crore. As of March 2013, the company equity share capital of Rs 2,005 crore. It has an embedded value of Rs 1,800 crore.

SBI Life To Appeal Against Regulator's Refund Order Of Rs 275c

Private sector life insurer SBI Life Insurance has said it would appeal against the Insurance Regulatory and Development Authority's (IRDA's) order in which the regulator has asked the insurer to refund Rs.275.29 crore to the policyholders within six months as the amount was collected from them in violation of norms.

SBI Life Insurance Company is a joint venture between public sector leading lender State Bank of India and BNP Paribas Cardif, the insurance arm of BNP Paribas.

The regulator issued this order following an enquiry which unveiled that the insurer was charging the second year premium along with the first year premium on its Dhanraksha Plus Limited Premium Paying Term (LPPT), a group insurance policy. It relates to policies issued between 2008-11.

The order had charged SBI Life Insurance Company of misrepresenting the nature of the policy, paying excess commission to agents and not providing buyers of an informed choice.

"Had the single premium version of product been offered to the policy holders, the actual commission payable would have been only 2 percent," the IRDA said in its order.

SBI Life Insurance had adopted business practices in violation of prescribed regulatory norms, it added.The regulator had approved both the products- the single-premium and two-year premium plans -- and appeared to suggest that the premium collected on the policies was far less than the Rs 625-crore amount that the regulator has mentioned in its order, Mr. Sen added.

Max Life Insurance Joins Hands With Toyota Financial Services India Ltd.

With a view to provide insurance cover to car loan customers of Toyota Financial Services, Max Life Insurance, a leading private sector life insurance company has signed an agreement with Toyota Financial Services India (TFSIN) Limited.

Toyota Financial Services India Limited is a non-banking financial company which provides auto finance solely to Toyota customers in India. It is the subsidiary of Toyota Financial Services Corporation (TFSC), a wholly-owned subsidiary of Japan-based Toyota Motor Corporation (TMC). Toyota Financial Services Corporation is present in over 30 countries across the globe.

This alliance has been formed to provide insurance cover for car loan customers of Toyota Financial Services under a Max Life group product called 'Max Life Group Credit Life Secure', a joint statement of the companies said.

Max Life Insurance will issue a Group Credit Life Secure policy, where Toyota Financial Services India will be the master (group) policyholder, said the agreement. Hence, the customers of Toyota Financial Services can enroll themselves as members within the policy in order to cover their financial liability pertaining to their car loans.

This policy is a single premium insurance plan which will provide financial coverage to secure the car loan against eventuality of death of the customer. The sum insured for the customer at any point throughout the policy would be equivalent to the outstanding principle amount as per the loan schedule.

Insurers May Be Permitted To Infuse More Funds In Banks, Financial Institutions

The Congress-led UPA government has asked the Insurance Regulatory and Development Authority (IRDA), the insurance regulator in India, to make ways for insurance companies to infuse more of their funds in banks and financial institutions.

As per the media, the government has asked the regulator to raise insurance companies' exposure limit to the banking sector to 30% from 25%.

The government allocated Rs 11,200 cr towards capital infusion in banks in FY 2014-15 against Rs 14,00 0 cr last fiscal. The Finance Minister Mr. P. Chidambaram, last week, had said that the time has come to look for new or innovative ways to raise more capital for banks.

As per the bank regulator, the Reserve Bank of India (RBI), public sector banks will need about Rs 4.15 lac crore to meet the Basel-III norms, of which equity capital will be of the order of Rs 1.5 lac crore while non-equity capital will be about Rs 2.75 lakh crore.

Basel-III capital adequacy ratios will be fully phased in by March 31, 2018.

The government has committed to keep 51% stake in public sector banks and maintain their capital adequacy ratio (CAR) at 8%.

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