Featured Articles

Citibank Joins Hands With Apollo Munich To Offer Specialised Health Insurance Services

Citibank India has joined hands with Apollo Munich to offer healthcare cum insurance services to the emerging urban affluent and high net worth customers.

Citibank India is an Indian private sector bank, and is a subsidiary of Citigroup, a multinational financial services corporation headquartered in New York City, United States.

The services will target about 1.6 crore households. The services would combine financial protection and health & lifestyle management support for non-communicable diseases such as hypertension, diabetes, heart disease, cancers and tumours.

Director of Apollo Munich Health Insurance Shobana Kamineni said, "Our lifestyles have drastically changed over the last few years and the direct outcome is a significant increase in lifestyle diseases. India has been hit by a double whammy of high incidence of communicable diseases, along with a rising burden of chronic diseases.

"The higher out-of-pocket expenditure of around 61% incurred by consumers to address medical and health needs, coupled with around 38 % of emerging affluent without health insurance, demonstrates the potential to serve this segment," Kartik Kaushik, Deputy Country Business Manager, Global Consumer Bank, Citibank India said.

ICICI Pru Rolls Out iCare –II, An Improved Online Term Plan

One of country's largest private sector insurers ICICI Prudential Life Insurance Company Limited has launched iCare II, an improved online term insurance plan. Earlier, in 2011, the insurer had launched iCare, which was the first no-medical online term insurance plan.

ICICI Prudential Life Insurance Company is a joint venture between ICICI Bank, India's biggest private sector bank, and Prudential plc, a UK-based leading international financial services group.

With this new offering, ICICI Pru has started price war. Its premiums are attractively lower and now competing within the top 5 low premium online term plans. Unlike iCare, which has a maximum limit of sum assured of Rs 1.5 crore, iCare-II has no maximum limit of sum assured.

In other significant changes, the insurer has reduced the maximum entry age to 60 (from 65 in iCare) and therefore, the maximum maturity age to 65 years (from 70 in iCare).

With growing number of internet users, the online term insurance market has witnessed a rapid growth. As of now, there are approximately 25,000 online term plans of more than 15 life insurance companies.

Insurance Marketing Firms To Submit Their Views On Draft Guidelines By April 15

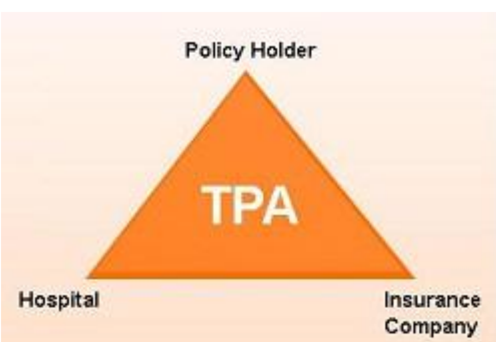
The insurance watchdog Insurance Regulatory and Development Authority (IRDA) has asked Insurance Marketing Firms (IMFs) to submit their views on draft guidelines by April 15, 2014. The draft issued recently by the regulator, advocates setting up new distribution system allowing IMFs to market and service insurance, apart from marketing other financial products. These include products of mutual fund companies; pension products of PFRDA; and other financial products marketed by Investment advisors of Securities and Exchange Board of India through the financial service executives (FSE) engaged by an IMF.

The regulator had been considering over allowing distribution companies to have multiple tie-ups with insurers- a model akin to independent financial advisor, based on the recommendations of the Govardhan Committee on distribution. In this connection, meetings were held with representatives of life and non-life insurance companies and with a cross-section of marketing personnel in life and general insurance industry at Hyderabad. A working group was constituted having five CEOs each from life and non-life insurance companies to study the concept and recommend a suitable model.

Here, insurance sales person (ISP) will be an individual employed by IMF to undertake solicitation or marketing of insurance products who is granted a certificate issued by the authority. Further, FSE would be an individual employed by an IMF authorised to undertake financial service activities such as investment advice through an investment advisor who is granted licence by Sebi, mutual fund salespersons holding a certification under Association of Mutual Funds in India (AMFI) and registered with an association of asset management companies of mutual funds.

Health Insurance TPA For PSU Insurers Likely To Become Operational By The Year End

The much awaited Health Insurance Third Party Administrator (TPA) for state-run general insurance companies will start operations only by the end of the year, as against the scheduled April 2014. The TPA is waiting for the necessary regulatory license from the Insurance Regulatory and Development Authority (IRDA).



The Health Insurance TPA of India is the in-house third party administrator to handle health insurance claims of the state-run insurers, and was incorporated in August 2013. Currently, these claims are handled by external TPAs.

The Health Insurance TPA of India Ltd is a joint venture of four state-owned insurers-National Insurance, Oriental Insurance, United India Insurance and New India Assurance. Each holds 23.75 % stake in the joint venture, while the state-owned reinsurer General Insurance Corporation (GIC) of India holds the rest 5%.

Once the TPA starts its operation, the claim settlement from external agencies will gradually be transferred to the Health Insurance TPA of India.

As per the industry experts, the common in-house TPA will reduce the claims ratio of insurance companies. Also, it will reduce expenditure for the member insurance companies; as they pay about 6% of premiums to TPA for settling claims. Currently, most companies in the health insurance space dependent on TPA for claim processing, which leads to delay in claims settlement.

Chairman and Managing Director of New India Assurance, Sri G Srinivasan has been appointed as the chairman of the board of the TPA Company.

SBI General Hopes To Grow Premium By 60% In The FY' 2014-15

Private sector leading insurer SBI General Insurance Company has set a 60% target in premium growth in the fiscal year 2014-15 by maintaining its growth momentum of recent years.

SBI General Insurance is the joint venture between State Bank of India, the country's largest lender and Australian insurer Insurance Australia Group. SBI holds the majority stake in the joint venture.

SBI General had a gross written premium of Rs. 770.85 crore in fiscal year 2012-13, and has registered about 55 % growth in premium of around Rs. 1,200 crore in fiscal year 2013-14.

Speaking to the reporters, SBI General Managing Director & Chief Executive, Mr. Bhaskar J. Sarma said, "In this fiscal we expect to grow at around 60 per cent, which we feel is reasonable."

"This fiscal, our focus will be on the motor, health and commercial lines among other things," Mr. Sarma said, adding, "SBI General will also focus on increasing the marine insurance pie during this period."

The insurer which draws around 60 % of its business from banking channel also said it would focus more on the other channels like brokers.

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