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Public sector general insurers to debut on bourses this fiscal



The government is finalizing plans to list all four public sector general insurance companies on the bourses this fiscal, according to Shaktikanta Das, the Economic Affairs Secretary. While Das declined to comment on the exact proposals, sources said that 10% of the government equity in each of the public sector general insurers would be divested.

The move follows Finance Minister Arun Jaitley's announcement in the Union Budget 2016-17. Sources indicated that New India Assurance may be the first to hit the street. The revenue raised through the listing would be used for business expansion where required, while the balance would be credited to the exchequer. Highlighting the progress in implementation of various government reforms, Das also said that the Finance Ministry is talking to various foreign investors for the National Investment and Infrastructure Fund.

Commenting on the recent measures unveiled by the government to further liberalize the country's foreign direct investment (FDI) regime, Das said the government inflows to exceed to \$55 billion last fiscal. Stressing that the intention was to simplify government processes, he said the objective would be to fast track all applications in the Foreign Investment Promotion Board (FIPB).

Star Health, IndiaFirst Life Insurance join hands to offer combi plans

Star Health and Allied Insurance and India First Life Insurance have collaborated to launch Star First Combi Plans. These will be a combination of health and life insurance plans. The Star First Combi Plans are a suite of five plans that provide combined benefits of health and life cover under a single offering.

The key features include life cover for the policyholder along with a health cover (for self as well as family). The sum assured ranges from Rs 1 lakh to Rs 15 lakh for health cover and from Rs 3 lakh to Rs 9 lakh for life cover.

StarFirst Combi Plans will be available in 5 variants – Star First Comprehensive, Star First Classic, Star First Care, Star First Delite and Star First Optima. The companies are hoping to create value for the customer – for a lifetime and beyond - through a single offering.

This will cover 400+ day care procedures and will provide the benefit of automatic restoration of the health sum insured up to 100 per cent upon exhaustion of the basic sum insured and bonus. Further, hospital cash is also available for each completed day at hospital. Also, dental / ophthalmic cover is available on OPD basis. Cover is available for delivery and new born baby.



ICICI Lombard Long Term Two Wheeler Insurance (LTTW) Crosses 500,000 Policy Mark in the First Year of Launch



The first of its kind, long term two wheeler insurance launched by ICICI Lombard, has crossed the 500,000 plus policy mark. ICICI Lombard was among the first companies to have launched the product in India. The product allows two wheeler owners to purchase a policy with a longer duration cover of two or three years instead of the conventional annual renewal duration. The milestone achieved in the

very first year of product launch proves that an innovative yet simple product can go a long way in reinvigorating a category. To understand the customer response in detail, the Company conducted a comprehensive research with over 900 customers who had purchased the product.

The findings reveal that 90% of customers are satisfied with their purchase. A whopping 94% would recommend the product to others. Separately, 80% customers believed that people who had hitherto not renewed their insurance would now do so given the long term duration benefit. The customer feedback revealed that 51% would want to buy 3 year duration policy, when their existing policy tenure ended. Further, 1 out of 4 customers in fact wanted a two-wheeler insurance with an even longer duration i.e. 4 or 5 years. The positive response is not limited to two wheeler insurance, 4 out of 5 customers would be interested in longer duration cover in other segments such as Health and Car insurance. Delving into the reasons why customers preferred a longer duration two wheeler policy, customer feedback showed that 71% customers had liked the one time premium payment feature that allowed them to stay worry free for two–three years. In fact, 77% customers had thought of renewing their two wheeler insurance given the risk of vehicle theft but were deterred by the hassle of annual renewal.

Insurance penetration rises to 3.4% in FY16

Insurance penetration in India has risen partially to 3.4% in financial year 2015-16 compared to 3.3% in 2014-15, according to Swiss Re's latest sigma report. The report said that total insurance premiums in India grew by 7.9% in 2015 owing to stronger growth in life and non-life premiums. Insurers said that this was owing to the Jan Suraksha insurance schemes.



In FY15, insurance penetration had hit a 10-year low in India dropping to 3.3% of gross domestic product (GDP). Insurance penetration refers to premiums as a percentage of GDP, whereas insurance density (measured in \$) refers to per capita premium or premium per person.

Global insurance premiums grew by 3.8% in real terms in 2015, amidst variations in regional growth rates. The overall performance was steady after a 3.4% gain in direct insurance premiums written in 2014, and coming in an environment of just moderate (2.5%) global economic growth, the latter a key driver of insurance demand according to the report.

Quick News

Spice Digital Limited partnership with policybazaar.com for insurance cover

Spice Digital Limited, India's leading Mobile Value Added Services (MVAS) and Fintech Services Provider, has entered into an exclusive partnership with Policybazaar.com for offering personal accident cover to its customer base. This move is expected to benefit more than five lakh customers. This benefit would also be extended to the company's 10,000+ channel partners. The policy will be activated through registration process under loyalty program. Under the tie-up, Policybazaar.com will help craft the coverage along with insurance company as per the requirement, and also manage personal accident coverage of up to Rs.1 lakh to Spice Digital's loyal customers using various services at Spice Money counters and Rs.5 lakh for their premium channel partners in the event of permanent disability or death due to an accident. Policybazaar.com will also take care of the enrollment, issuance and other processes of the insured as per the partnership.

United India Insurance to go in for price rationalization

United India Insurance Company Ltd. has decided to go in for rationalization of product pricing to improve profitability, according to a top official. "Our thrust will be on charging appropriate rates for our products," United India Chairman-cum-Managing Director A. Hoda said. He also said price rationalization was a part of an exercise to beef up the profitability of the insurer. Mr. Hoda said the focus this year would be on improving both the bottom and top lines. He asserted that right pricing of assorted risks was a key to this objective.

Bajaj Finserv likely to buy out Allianz's stake in insurance joint ventures



Bajaj Finserv Ltd is likely to buy out its German partner Allianz SE's stakes in two insurance units — Bajaj Allianz Life Insurance Co. Ltd and Bajaj Allianz General Insurance — in a deal estimated at as much as Rs.10,000 crore. Bajaj Finserv Ltd, the financial services arm of Bajaj Holdings and Investments Ltd, owns 74% and Allianz SE holds 26% in both the ventures. Allianz has been in discussions with Bajaj to increase its stake in

the two insurance firms to 49% after the government raised the foreign investment limit in Indian insurers to 49% from 26% in March 2015.

To increase the stake by 23% in the two firms, Allianz will be required to spend a much larger amount as per the fair-valuation method as compared to the pre-determined rate according to the call-option clause in the agreement between Bajaj and Allianz. Hence, the deal is not being preferred by Allianz at all. Bajaj is willing to buy Allianz's 26% stake each in the two firms.

Sanjiv Bajaj, managing director at Bajaj Finserv, said: "Theoretically, there are many options that can be thought upon. The discussions between Bajaj and Allianz are on. No final decision has been taken yet on whether Bajaj will buy Allianz's stake or a third party will come and acquire Allianz's holding in the two insurance JVs. If the final decision at all happens to be Bajaj buying any stake in the insurance JVs, we will have to go to the next stage and appoint a fair valuer for the stake."

NCDRC asks insurance firm to pay Rs 1 crore to dead man's kin

The apex consumer commission has asked an insurance company to pay over Rs one crore to the kin of a man who died in 2007, rejecting its contention that the death was a suicide and did not attract the claim. National Consumer Disputes Redressal Commission (NCDRC), presided over by Justice J M Malik, asked the Oriental Insurance Company to pay Rs 1 crore and a compensation of Rs 50,000 to the wife and two minor daughters of Anil Kumar Malik, whose dead body was found lying near a railway track in West Delhi in 2007. The commission passed the order while rejecting the firm's contention that the death was unnatural and did not call for insurance, noting that "due to lack of evidence, the factum of suicide hardly stands proved."

According to the complaint, the dead body of Anil, who was working as a Development Officer with the Life Insurance Corporation of India Limited, was found lying on the railway track near Brar Square in West Delhi in February 2007. He had obtained a policy of Rs 1 crore from the Oriental Insurance Company Ltd. The firm asked the complainant to submit the viscera report which was the prerogative of police and was lying within their domain. In September 2009, the company closed the case for 'Non-submission of Viscera Report'.

The complainant later obtained a copy of the viscera report from police and handed it over to the firm which even then did not take any action, following which a complaint was filed by his family members seeking the claim. The firm contended before the commission that Anil's death clearly suggested that it was a case of suicide. It also claimed that the complainants did not cooperate with it in furnishing the requisite documents to enable it investigate their claim.



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