

60 years of Insurance
Education & Training



Diamond Jubilee
[1955 - 2015]

Insurance Institute of India

C-46, G Block, Bandra – Kurla Complex, Bandra (E), Mumbai – 400 051.

www.insuranceinstituteofindia.com

i-Think Monthly Magazine – April 2015

Editorial

Dear Friends,

When speaking of the insurance community in India, what normally comes to the mind is the set of people engaged in various functions in the insurance industry in India – sales force, back office workers, actuaries etc. However India also has a vast workforce of several thousand professionals who are engaged in the Insurance and financial services vertical of India's Information and Communication Technology Industries. These include Software companies like TCS, Infosys and Mastek, as also a large number of KPOs and BPOs. Many of the ITC companies typically serve insurance company clients around the world, especially in the developed markets. Insurance Institute of India, as part of its diamond jubilee celebrations recently [on 25th April] organized a one day seminar on 'IT as an enabler o Insurance' at Bengaluru. The purpose of the seminar was to connect with the broad community of ICT professionals. It was only a beginning and we take this opportunity to call on all our I Think readers to help us reach out to this segment. The local Institutes affiliated to III should especially seek to include professionals from these segments in institute activities.

As a first step we would call on you to make our on line publications available to your friends and associates who are engaged in these industries and invite them to be part of our circle. Let us tell them about the institute's courses and activities and make them part of the dialogue we want to carry out through the pages of I Think and other publications. Your support is our strength.

Editorial team
i-Think

Thought For The Month

Recently, while lying on my bed at night I had a sudden sense of boundless peace and inexplicable joy. I woke up with a thrill, wanting to go back to that state. Two images, from out of nowhere, flashed through my mind. One was that of St. Francis of Assisi fondly referring to his body as "Brother Ass" – whose destiny it is to work and work until it falls dead of exhaustion. The other picture was that of Aadi Shankara who, in Shivanandlahiri, exclaims in a state of elation, "There is only one thing I can offer you. I have a monkey" He was referring to his mind, whom he called a drunken monkey.

Like these masters, I also have these two animals who often do not listen to me. I also have a third creature – a dog, who rules over the other two and keeps barking all the time. I am his turf.

As I shivered, enthralled in my experience, I too decided to let go of these animals – give them to the chap who had visited me and put me in this reverie. The dog [someone I know once referred to him as **Edging God Out**] of course would not let go without a fight. It still barks a lot. But nowadays I don't jump around as much as I used to, when I hear its bark. I just look at it, as I look at my donkey and monkey. Now that I know. They don't belong to me, life is a lot more fun.

I hope you get my point. These animals are good for carrying out your daily chores. But keep them tethered outside, don't bring them home. And for god's sake, don't go about worshiping them and doing "Aarti" for their sake.

Of course, good folk will say that my point does not make much sense. It is not 'practicable' and easy...But still try it out. Sometimes you need to go mad in order to listen to birds sing and the wind whistling away.

Dr. Shashidharan Kutty
Consultant
Insurance Institute of India

Importance of Month – April

In the initial Roman calendar April was the second month of the year until January and February were added in 700 BC. It is thought that the name April comes from the Latin word "to open" and describes the trees opening at springtime. It could also be that the name comes from the Greek goddess Aphrodite.

Season (Northern Hemisphere): Spring

Symbols of April:

- Birthstone: Diamond
- Flower: Daisy and the sweet pea
- Zodiac signs: Aries and Taurus

April in Other Languages

- Chinese (Mandarin) - sìyuè
- Danish - april
- French - avril
- Italian - aprile
- Latin - Aprilis
- Spanish - abril

Historical Names:

- Roman: Aprilis
- Saxon: Eosturmonath (Easter month)

- Germanic: Oster-mond

Sr No	Event	Date
1	Bahlul Khan Lodhi ascends the throne of the Delhi sultanate starting the Lodhi dynasty	19 April 1451
2	Guru Nanak, the founder of Sikhism is born	15 April 1469
3	William Shakespeare died	23 April 1616
4	Shivaji dies of fever at Raigad	3 April 1680
5	George Washington becomes the first President of the USA.	30 April 1789
6	First Railway established between Bombay and Thane	16 April 1853
7	Death of Taty Tope	18 April 1859
8	B. R. Ambedkar is born (to 1956)	14 April 1891
9	World War I: United States declares war on Germany	6 April 1917
10	The World Trade Center in New York is officially dedicated.	4 April 1973
11	Apple Computer Company is formed by Steve Jobs and Steve Wozniak	1 April 1976
12	The computer mouse is introduced	27 April 1981
13	Intel introduces the Pentium 4 Processor	23 April 2001
14	India's first commercial space rocket is launched, carrying an Italian satellite	April 2007
15	Trial of sole surviving suspect in Mumbai attacks begins	April 2009

Compiled by Mrs. Sneha Pednekar
i-Think Member

Pension

Defined Ambition / CDC – Is the UK and the world going the Dutch way?

When the Queen recently unveiled the Dutch-style private pension plan for the UK pensions system, there was global uproar. Just a couple of months ago, the Unisuper of Australia requested the financial system inquiry to consider the best features of The Netherlands and Canadian pension systems. Clearly there is momentum across the global pension system towards the Collective Defined Contribution (CDC) or defined ambition (DA) plan. There is no doubt that CDC has some major attractions and so far it has been a success story in The Netherlands and Canada, but when other countries start to move towards CDC it is important to take the lessons from those countries before embarking on it fully.

You may now start thinking what CDC is and how it distinguishes itself from defined benefit (DB) and defined contribution (DC) plans. The best way to understand the CDC is to see it as being halfway between a DB and a DC scheme. From the employer perspective the contributions are fixed similar to a DC scheme, from an employee perspective the benefits are targeted which looks like a defined benefit scheme, but not the same. The crucial point here is the benefit is targeted and not promised. A CDC plan is, by definition, run on a collective basis, so investment decisions would be made by a board of trustees, side-stepping one of the pointed issues with DC pensions on member engagement in investment decisions. A CDC pension would be payable out of the plan, not via purchasing an annuity.

On the basis of stochastic modelling, a whopping 29% to 50% increase in the returns is predicted by the UK proponents when compared to the conventional DC scheme. The biggest advantage of CDC is the sharing of risk with similar professionals which doesn't happen in the conventional DC. It is called a collective scheme because it works across an industry - such as taxi drivers, doctors - rather than a single company.

Critics argue that The Netherlands and Canada have a different social structure; members will lose their

choice of investment option in CDC, chances of not reaching the target benefit, regulatory creep by subsequent governments will all be a hindrance to the CDC structure.

The Department of Works and Pension (DWP) UK highlights the four potential benefits offered by the CDC.

Area	Points to consider
Collectivisation	<ul style="list-style-type: none"> - Collective investment compared to small pots - Far less record keeping than the DC - Long term investment, no need for daily liquidity
Scale	<ul style="list-style-type: none"> - Scale permits lower charges and hence higher investment returns
Not-annuitising	<ul style="list-style-type: none"> - No need to buy annuity - CDC scheme pensions could provide significantly more than the annuity
Intergenerational risk sharing	<ul style="list-style-type: none"> - Principle advantage of CDC - Average outcome might improve in greater scale - Similar to the way the 'with profits' are managed

The fundamental fact that CDC is DC from an employer perspective is clearly attractive. From an employee perspective, the targeted pension should look clearer than DC's vague projections. Let us look out for the interesting drive in the industry for this initiative

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Article

Walk More.....Talk More

Two news items attracted me-the first an advertisement from a mobile service provider where a film Celebrity recommends-Walk and Talk, don't stand and talk, thereby the walk can go on along with talking-the advertisement ends with a famous byline-What an idea Sirji. This was special for me as I am a regular Walker, the day starts for me with a morning walk only which keeps me refreshed throughout the day-whichever day I missed my morning walk, the whole day I remain dull and lazy. I am happy that many people have become health-conscious by undertaking a lot of walking, jogging, breathing exercises etc. More about the morning walk later on but now let us go to the second item which drew my attention.

A news item appeared recently in the Media regarding Walkers in different cities in India-Mumbai leading with a whopping 55% of people walking-not necessarily as an exercise in the morning, but this includes people who walk to reach their work-places or homes, may be it is easier and faster by walking than by any transport, followed by Ahmedabad with 40%-here may be by nature, Gujaratis are highly money-conscious with a lot of saving habits, followed by Delhites (32%), then comes Bangalore(17%) and Kolkata(12%). Chennai was not mentioned in the news, may be less than 10%.The reason why I am mentioning this is the position of Bangalore as the fourth instead of 1st or 2nd as Bangalore is famous as a city of lakes and gardens with a salubrious climate-the reason for my re-location on retirement from active service and I was under the impression that Bangalore would top the list of Walkers. May be, people don't find enough Parks to walk or the pavements are dug up and not suitable for walking-you may have to do hop-step and jump while walking on the pavements.

It is highly encouraging to see a lot of people undertaking walking as a regular habit-the Park or Maidan is full of people-gents, ladies, children, among the gents-Corporate officers, retired persons, low, middle and high income Groups-very rich people don't come to Parks - they have their own Gyms-excepting a few who do come to Marine Drive, Mumbai for morning jogs followed faithfully by their car-among the ladies, it is mostly

the middle class people-for the Low Income Group, the morning walk is not needed as they are walking and working throughout the day and for the High Income Group, it is mostly the Gyms where they go to exhibit their beautiful walking track-suits and high-end shoes.

You can easily recognize the group if you just over-hear a few words of their conversations: You can't do anything in this country-no values at all-you must see during our times, how disciplined we were.....well, it is the Senior Retired Group, When the Seventh Pay Commission salary scales will be implemented in our Organization.....well, it is the group of people in service expecting some salary increases, What is the PLI-Performance Linked Incentives you got this year, what about the other perks?.....it is undoubtedly the young and middle-aged persons, employed in the Private Sector.....like this you can identify the persons in a moment if you happen to follow their conversation. I won't venture this for the ladies as they speak in low tones and I can't hear them-you will agree that whenever the men speak over mobiles, the whole world can hear, but not when ladies speak,. I can't omit mentioning about the important Tribe who goes for walking mainly for their dogs so that the dogs can complete their morning ablution during their walk. I saw recently some news item that there would be some penalty for such people for polluting the atmosphere-for a moment I wonder how funny it will be to see the people keeping a paper bag ready for the proper "occasion". Anyways, it is good for both the human and the animal to have some exercise in the morning. That's why, the proverb says-Walk a Hound, Lose a Pound.

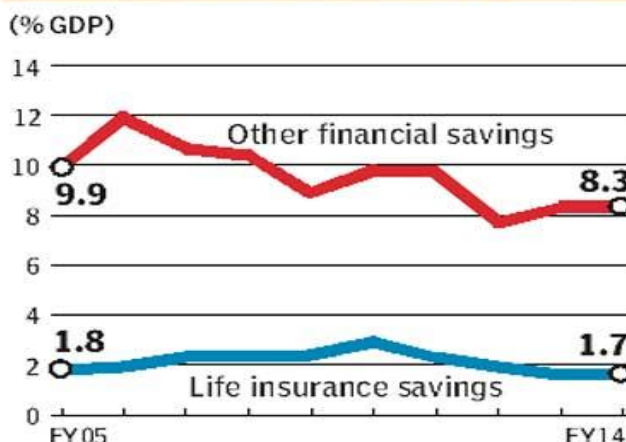
In earlier times, the slogan was-Talk Less, Work More. Now it looks we have to talk more-then only selling and marketing can take place. Earlier, only the Medical Representative will speak non-stop in front of the Doctor, recommending his new medicine or tablet-since he is given only five minutes' time to complete his job, but even here the Doctor is only looking at what gifts would be given at the end of the talk. But now every person speaks non-stop, especially when you hear the anchor-person in the F.M. Radio, not only non-stop but also in two three languages-English, Hindi and the local tongue-what a great feat indeed. This is the compulsion of the Times, I accept. Shall we add one more slogan-Walk More, Talk More and Work More-will it not be for the benefit of the Individual, Organization, Society and Nation at large?

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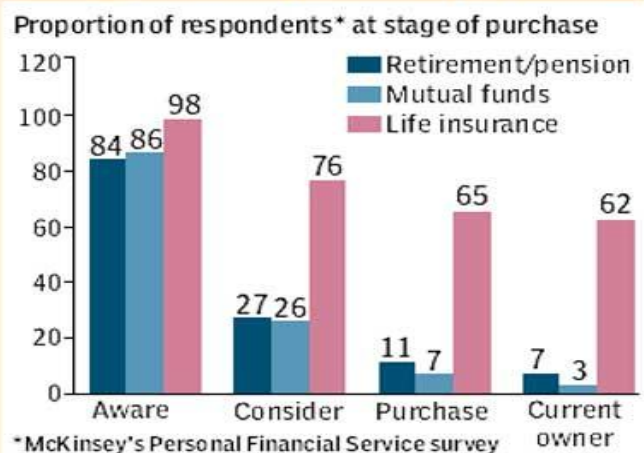
Surveys and Trends

Life Insurance

Share of life insurance in household savings has declined over last 4 years...



...yet it is one of the most penetrated categories among financial products



Investments of insurance cos.

Insurance cos hold 20% of outstanding state and central govt securities

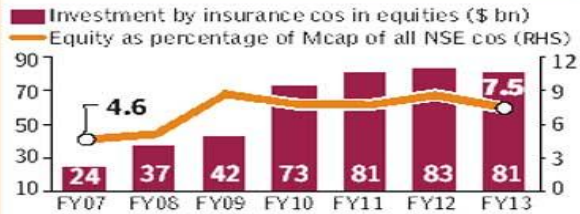
AUM (\$bn)

	State govt	Central govt	Total
FY07	10	43	53
FY08	11	50	61
FY09	14	55	69
FY10	19	63	82
FY11	25	74	99
FY12	32	81	113
FY13	35	73	108
FY14	58	107	165

Note: For FY07 and FY08, only life insurance companies' data available

Source: Irdai, RBI, McKinsey

Insurance industry has helped deepen capital markets with equity investments

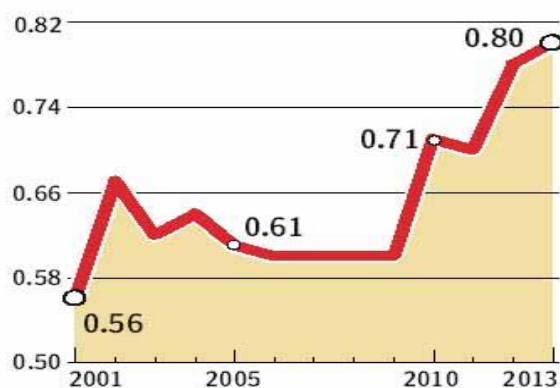


Note: Approximated for all companies based on the ratio of life insurance companies' investment in equities to approved investments

Data based on market cap of all NSE-listed companies at the end of each financial year

Non – Life Insurance

Overall reach of non-life insurance has not increased over the years (%)



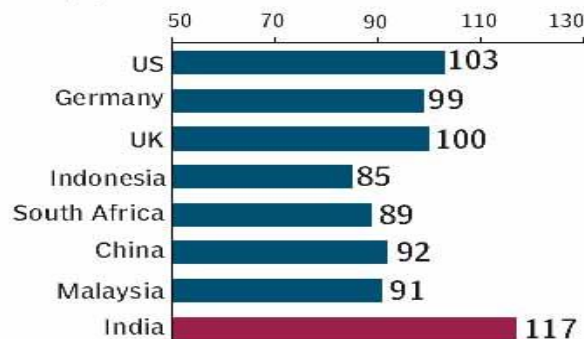
General insurance penetration levels are low in India compared to global benchmarks

(in %)	Penetration	Global benchmark
Vehicles		
Cars (new)	80	85
Two-wheelers	25	90
Home	1	95
Health		
Mass affluent	20	90
Group health	70	80
Accident	0.02	0.07
Asset protection—Fire	0.83	3.5

Non – Life Industry

India has the highest combined ratio across developed & developing countries

CoR (%) 2010-13



Note: In non-life insurance, the combined ratio is claims and operating expenses as a percentage of premium income

The industry has delivered low returns on equity in the last five years

RoE (%)



Sigma Report

Natural catastrophes and man-made disasters in 2014: convective and winter storms generate most losses_Sigma_No2/2015

As per Sigma research, total catastrophe events were 336 in 2014. Out of Total, 189 were natural catastrophe and 147 were man-made disaster events.

In Sigma terminology, an event is classified as a catastrophe and included in the Sigma database when insured claims, total losses or the number of casualties exceed certain threshold.

The Sigma event selection criteria, 2014.

Insured loss thresholds	
Maritime disasters	19.6 million
Aviation	39.3 million
Other losses	48.8 million
Or Total economic loss threshold	97.6 million
Or casualties	
Dead or missing	20
Injured	50
Homeless	2000

Source – Swiss Re Economic Research & Consulting and Cat Perils

In 2014, more than 12700 people lost their lives or went missing in natural and man-made catastrophe events. Globally more than 7000 peoples were killed or went missing in natural disasters and man-made disasters claimed 5700 lives.

Estimated total economic losses from natural catastrophes and man-made disasters were USD 110 billion in 2014. Natural catastrophes-related losses were around USD101 billion and man-made disasters were USD 9 billion of the total losses.

Total losses, in USD billion and as a % of GDP, 2014

Regions	in USD bn*	in % of GDP
North America	29	0.15%
Latin America Caribbean	8	0.15%
Europe	16	0.07%
Africa	1	0.06%
Asia	52	0.21%
Oceania / Australia	2	0.14%
Seas / space	2	
Total	110	0.14%
10 – year average**	200	0.30%

* rounded numbers

** inflation adjusted

Source: Swiss Re Economic Research & consulting and Cat Perils.

The insurance industry covered an estimated USD 35 billion, or one-third of the total losses from natural and man-made disasters In 2014. Natural catastrophes resulted in claims of USD 28 billion and man-made disasters let to claims of USD 7 billion.

Severe thunder storms and hard winter conditions in the US and Europe caused the biggest losses globally in 2014. In Asia, Cyclone Hudhud and other major storms led to the highest losses in the region, while an

earthquake in China and monsoon floods in India and Pakistan took most lives.

Number of events, victims, economic and insured losses by region, 2014

Region	Number	Victims	In%	Insured losses		Total loss	
				In USD bn	In %	In USD bn	In %
North America	51	206	1.6%	17.5	50.4%	28.6	26.0%
Latin America & Caribbean	31	883	6.9%	2.3	6.5%	8.2	7.4%
Europe	37	763	6.0%	6.6	19.1%	15.9	14.5%
Africa	47	2506	19.6%	0.8	2.3%	1.5	1.3%
Asia	130	7093	55.5%	5.2	15.0%	51.7	47.0%
Oceania / Australia	7	206	1.6%	1.0	2.9%	2.3	2.1%
Seas / space	33	1120	8.8%	1.3	3.8%	1.7	1.5%
World	336	12777	100.0%	34.7	100.0%	109.9	100.0%

North America

The insured losses were USD 17.5 billion in 2014. Losses were primarily caused by convective activity and by a series of winter storms in the US. Tornadoes and hail in May and June caused major damage. The total number of tornadoes in the US in 2014 was well below the annual average but even so, the year ranks fourth highest in terms of tornado-induced insurance losses. The losses from harsh winter conditions were above average.

Heavy rainfall triggered severe flooding in parts of Northeast, and Arizona had its rainiest day on record. However, California had its driest year ever leading to an estimated total loss of USD 2.2 billion, mainly in agriculture. The North Atlantic hurricane season was very quiet in 2014. Stable weather conditions limited the formation of storms. The South Napa earthquake caused limited losses. In Canada, insured losses were below average but 17 peoples died in a fire at a home for the elderly.

Europe

Hail, wind and flooding caused the heaviest losses in Europe. The Balkans was hit by devastating floods while severe hail and winds struck France, Belgium and Germany. Multiple low pressure systems from the North Atlantic let to cluster of windstorm and heavy precipitation in northwest Europe.

Mediterranean cyclone activity triggered convective precipitation and flash flood events in France and Italy. Winter weather caused severe forest damage in Slovenia and Croatia. Europe was hit by deadly and costly man-made disasters.

Asia

The Asia region has suffered the most loss of life from catastrophic events for three years running. Snow covered and damaged parts of Japan. Heavy monsoon rains hit northern India and Pakistan. Cyclone Hudhud caused the largest loss from a tropical cyclone.

Typhoon Rammasun hit China and the Philippines. An Mw 6.1 earthquake in China killed 617 people. An explosion at a metal factory in china caused the biggest loss of life.

Latin America and the Caribbean

Insured losses in Latin America were over USD 2.3 billion in 2014. Hurricane Odile in Mexico caused the biggest insured losses while drought impacted other countries in the region. More than 500 people died in a cold snap in Peru.

Oceania

Hail was the main driver of large insured losses in Australia.

Africa

In Africa, 2500 people died in disaster events in 2014 of whom 900 were victims of terrorist incidents.

Severe convective storms: a growing global risk

Severe convective storms include tornados, hail, thunder and lightning, wind, heavy rains and flash floods. The damage inflicted by and costs of severe convective storms are on an upward trend. The number of severe convective storms resulting in insured losses of at least USD 1 billion is also rising.

The rising losses are due to the growing exposures that come with economic development. Insurers need to be able to model a broad range of weather perils but the localized nature of sub-perils makes modeling difficult.

According to Sigma records, 2011 was the record year in the US in terms of insured (USD 28 Billion) and total losses (USD 39 billion) from severe convective storms.

The increasing losses from severe convective storms are a growing challenge for society and insurers alike. Added complications are that severe convective storm losses are generally aggregated, and the reporting thresholds can change.

The localized nature of severe convective storms makes it difficult to build up a full overview of events. There are some models to assess convective storm risk on the market but with recurring shortfalls in all. Much more need to be done to improve severe convective storm risk assessment modeling.

List of major losses in 2014 according to loss category

	Number	In %	Victims	In %	Insured loss (in USD m)	In %
Natural Catastrophe	189	56.3%	7066	55.3%	27749	80.0%
Floods	61		3064		2162	
Storms	85		1195		18397	
Earthquakes	15		897		313	
Droughts, bush fires, heat waves	10		335		150	
Cold, frost	6		745		53	
Hail	5		7		6641	
Other natural catastrophes	7		823		34	
Man-made disasters	147	43.8%	5711	44.7%	6958	20.0%
Major fires, explosions	43	12.8%	490	3.8%	4257	12.3%
Industry, warehouses	12		152		1278	
Oil, gas	18		40		2928	
Other buildings	9		296		50	
Other fires, explosions	4		2			
Aviation disasters	12	3.6%	960	7.5%	916	2.6%
Crashes	7		940		337	
Explosions,	1		20			

<i>fires</i>						
<i>Space</i>	4				579	
<i>Maritime disasters</i>	39	11.6%	2118	16.6%	783	2.3%
<i>Freighters</i>	3		8		156	
<i>Passengers ships</i>	28		2000		231	
<i>Drilling platforms</i>	4				326	
<i>Other maritime accidents</i>	4		110		70	
<i>Rail disasters (incl. cableways)</i>	5	1.5%	127	1.0%		0.0%
<i>Mining accidents</i>	7	2.1%	400	3.1%	110	0.3%
<i>Collapse of buildings / bridges</i>	3	0.9%	42	0.3%		0.0%
<i>Miscellaneous</i>	38	11.3%	1574	12.3%	893	2.6%
<i>Social unrest</i>	1		21		350	
<i>Terrorism</i>	28		1361		543	
<i>Other miscellaneous losses</i>	9		192			
Total	336	100.0%	12777	100.0%	34708	100.0%

Source –Swiss Re Economic Research & Consulting and Cat Perils

The 10 most costly insurance losses in 2014

<i>Insured loss (in USD m)</i>	<i>Victims</i>	<i>Date (start)</i>	<i>Event</i>	<i>Country</i>
2935	-	18.05.2014	Severe thunderstorms, large hail	US
2502	26	08.02.2014	Snow storm	Japan
2190	6	08.06.2014	Wind and hail storm Ela	France, Germany, Belgium
1700	6	14.09.2014	Hurricane Odile	Mexico
1669	21	05.01.2014	Winter storm	US
1269	2	03.06.2014	Severe thunderstorms, large hail, tornadoes	Us
1220	33	27.04.2014	Thunderstorms, large hail, 83 tornadoes, severe flash floods	Us
1084	-	02.04.2014	Severe storms, large hail, tornadoes	Us
905	7	15.06.2014	Major fire and explosion at oil refinery	Russia
	-	27.09.2014	Thunderstorms with winds up to 108 km/67 miles per hour, hail, flash floods	US

Source –Swiss Re Economic Research & Consulting and Cat Perils

The 10 most worst catastrophes in terms of victims 2014

Insured loss (in USD m)	Victims	Date (start)	Event	Country
731	-	03.08.2014	Earthquake (Mw*6.1): aftershocks and landslides	China
665	237	03.09.2014	Severe monsoon floods	India, Pakistan
505	-	13.04.2014	Cold wave; freezing temperatures	Peru
304	ns	16.04.2014	Passenger ferry sinks	North Pacific Ocean, South Korea
301	-	13.05.2014	Fire at coal mine	Turkey
298	ns	17.07.2014	Malaysia Airlines Boeing 777-2H6ER (Flight MH17) crashes	Ukraine
256	-	02.05.2014	Heavy rains trigger massive landslide	Afghanistan
251	-	22.03.2014	Overcrowded boat carrying refugees capsizes on Lake Albert	Uganda
250	-	13.01.2014	Overcrowded boat capsizes on the Nile	Sudan
241	-	13.08.2014	Monsoon foods	Nepal
239	ns	08.03.2014	Malaysia Airlines Boeing 777-2H6ER (Flight MH-370) crashes	Indian Ocean

Source –Swiss Re Economic Research & Consulting and Cat Perils

Compiled by Mrs. Sneha Pednekar
i-Think Member

Benefits of food

BENEFITS OF FOOD



Bottle Guard

- Bottle gourd juice helps to reduce the weight
- Best remedy for the urinary infections
- Reduce the blood sugar levels
- Easily digestive food.
- Keeps your body temperature at normal level.



Dalchini

- Reduce the risk of cardiovascular disease
- Maintain blood sugar levels in the body
- Helpful in treating cough, cold and even sore throat
- Controls hair fall and even gives bright look.



Pomegranate

- Prevents heart disease
- Lowers blood pressure
- Keeps you looking younger
- Improves immunity
- Rejuvenate your skin



Coconut Water

- Drink it for your heart's sake
- Reduce risk of kidney stones
- Remedy for diarrhea
- Hydrate on a hot day
- Refuel during and after exercise

Compiled by Mrs. Kavita Pawar
i-Think Member

Happenings at Institute

Seminar/Conference/Workshop

Seminar on Synergizing Insurance and Information Technology Industries

The time has come for the Insurance industry and Information Technology industry to work together to realize the Government's objective of achieving insurance and financial inclusion in the country, pointed out Mr. D. D. Singh, Member (Life and Distribution), Insurance Regulatory and Development Authority of India. Mr. Singh was inaugurating a seminar on 'Synergizing Insurance and Information & Communication Technology Industries' as part of the Diamond Jubilee celebrations of the Insurance Institute of India (III) on 25th April 2015 at Hotel Howard Johnson, Bengaluru.

Mr. A. K. Roy, Chairman and Managing Director, General Insurance Corporation of India (GIC Re) and President, Insurance Institute of India in his presidential address, stated that the credit for the country's Insurance industry growing at the current level goes to the various ICT interventions that happened over the last decade.

Welcoming the august audience, Mr. P. Venugopal, Secretary General, Insurance Institute of India stated that as part of the ongoing initiatives of the Institute over the six decades of its existence, the Institute would continue to respond to the industry's academic needs and support all the initiatives made by the Regulator. Setting the tone of the seminar, Dr. Shashidharan Kutty, Consultant, hailed the seminar as a unique step by III as the sole certificatory body in insurance in the country.

In the 1st technical session of the Seminar, Mr. Rishi Raj Singh, Head of Operations & Principal Officer, CSC e-Governance Services India Ltd., Mr. Surendra Babu Assistant Director General, Unique Identification Authority of India shared the path breaking experiences of these two organisations in terms of actually connecting the country's length and breadth through two specific interventions – (i) providing the Universal Identification Number 'Aadhar' and (ii) connecting and mainstreaming around 6 lakhs villages through 'Common Service Centres & Village Level Entrepreneurs' (CSC/ VLE).

Mr. V. Krishnamurthy, CFO, L&T General Insurance evaluated the challenges faced by the insurance industry, reviewed the achievements through IT and flagged for attention the unfinished task of making insurance a product which would be bought by people for their needs than the push product that it is today. Mrs. Vijaya Deepti, V.P., Tata Consultancy Services spoke about the various interventions done by the ICT industry in putting effective and robust systems in place for the insurance industry. Mr Amit Kalra, Swiss Re pointed out that the international concerns and the B to B models which also needed to be looked into, especially across continents. Endeavors by LIC of India and many of the PSU insurers in integrating their systems to reap the benefits of IT and private companies being able to start with modern systems ab initio, were cited by Mr. A. R. Sekhar, Head – Assurance Division of Apps Daily.

Standardization of data and technology processes has been gathering importance globally. In the 3rd Technical Session, the importance of data standards was discussed by Mr Puneet Bharal of ACORD, UK, the widely respected Standard setting body. He stated that the country had possibly the largest number of ACEs (Acord Certified Experts) in the world. Mr. R. Raghavan, CEO, Insurance Information Bureau, the sole custodian and user of the country's insurance data, detailed the various steps taken by IRDA and IIB in implementing data standards. It was pointed out that GIC Re was the only organization that has a fully ACORD certified data exchange model for reinsurance. Ms. Pandula Sreelakshmi, COO, SHCIL Projects narrated the initial travails and related the success story of the five insurance data repositories approved by IRDA for dematerialized electronic storage of insurance policies.

In the Thematic Session on New Vistas Mr. Praveen Sandri, Managing Director, AIR Worldwide India Pvt. Ltd. informed the audience about the immense potential of data modeling and using geo-spatial technologies in insurance. Mr. Rama Warriar highlighted the myriad possibilities of business analytics and product research presented to the insurance industry in doing a better all their spheres of activity. Dilating on actuarial and analytical aspects of Valuation and Asset Liability Management Mr. B. N. Rangarajan, CRO & Appointed Actuary, Exide Life Insurance Co. pointed out the great potential that insurance as an academic branch offers to the ICT industry. Mr. Avinash Kadam, In Charge, India Task Force, ISACA pointed out to both insurers and ICT professionals about the ticking time bomb that they were dealing with in terms of securing personal information under the Indian I.T. Act. Mr. Frederick Wharton, NATG – USA brought into limelight the big challenge posed by insurance fraud and how insurance in a sitting duck for organized fraudsters in many countries. He pointed out that fighting fraud was everyone's business as part of the insurance premium paid by honest policy holders were going to subsidize fraud even in more developed markets. Mr. Peter Lynch, EVP Insurance International, TransUnion, USA spoke of the big data interventions that was happening globally and the power that it gave to insurers to deepen their insights into fraudulent practices in every aspect of insurance.

Mr. Arindam Mukerjee, Director of the Institute's College in his valedictory address placed on record that the seminar was arguably the first of its kind to have attracted a large number of senior practitioners from both industries as speakers and participants. ACORD and ISACA were the Knowledge Partners for the seminar.

Mr. P.Venugopal, Secretary-General, III delivering the Welcome Address



Mr.A.K.Roy, President, Insurance Institute of India and CMD, GIC Re, delivering III President's Address



Mr.D.D.Singh, Member (Life & Distribution), IRDAI, giving Inaugural Address



Mr. R. Raghavan, CEO, Insurance Information Bureau explaining the Benefits of standardisation – User perspective



Presentation on Consumer Connect through ICT in Insurance by Mr. A. R. Sekar, Head -Assurance Division, Apps Daily



Mr. Krishnamoorthy, Chief Financial Officer, L&T General Insurance spoke about Connecting to customers : The Insurance story



Panel Discussion on New Vistas for Synergy – (L to R) Mr. Rama Warriar, Management Consultant, Conzulting, Mr. B. N. Rangarajan, CRO & Appointed Actuary, Exide Life Insurance Co, Mr. Avinash Kadam, Advisor, ISACA India Group Task Force, Mr. Frederick Wharton, President, North American Training Group and Mr. Peter Lynch, Executive Vice President, Insurance TransUnion International

Panel Discussion on Synergy for Consumer Connect – (L to R) Ms. Vijaya Deepti, Vice President, Tata Consultancy Services, Mr. V. Krishnamoorthy, Chief Financial Officer, L&T General Insurance, Mr. Amit Kalra, Senior Vice President, Swiss Re, Mr. A. R. Sekar, Head - Assurance Division, Apps Daily

Audience



Launch of 'III Brokers Digital' – e - Learning Course

Chairman IRDAI Launched 'III Brokers Digital' e-Learning Course

'III Brokers Digital', the Insurance Institute of India's e-Learning course to impart Pre-licensing Training for Insurance Brokers across the country on a digital platform was formally launched by Shri. T. S. Vijayan, Chairman, IRDAI at Hyderabad on 19th April 2015 on the occasion of the Regulator's Foundation day.

The Insurance Institute of India's efforts to create "III Brokers Digital" follow the vision of the IRDAI Chairman to make insurance brokers' training available to those across the country at an affordable cost. Shri. R. S. Jagpal, Joint Director, IRDAI in his pre-launch briefing, stated that IRDAI has already demonstrated its commitment to this vision by revising the syllabus and making the pre-licensing examination of insurance brokers online from 1st June 2014.

Shri. P. Venugopal, Secretary General, III who presented the e-Learning Course to the Chairman, IRDAI stated on the sidelines of the launch that the course is designed to primarily address the academic needs of the candidates and provide them with a strong technical knowledge base to serve customer interests better. He explained that the course was designed in accordance with the syllabus prescribed by IRDAI to provide a comprehensive learning experience for those who aspire for a career in insurance broking. III was committed to ensure that the new generation of brokers would have a firm grounding in insurance. Shri. Venugopal acknowledged that in creating the course well ahead of IRDAI's road map, III was at an advantageous position on two counts, being the pioneer in providing e-Learning in the insurance domain and being actively involved in providing Pre-licensing Training for Insurance Broker aspirants. He recalled that III had initiated this project more than 8 months ago, soon after Chairman, IRDAI announced, at the time of launching the online examination for Brokers, that Brokers' training would be made available online by May 2015.

"III Brokers Digital" is designed as four modules, viz., (i) Compulsory, (ii) Life Insurance, (iii) General insurance



and (iv) Reinsurance with around 1250 pages with sub-modules on Compulsory, Motor, Marine, Health, Fire & Engineering, Liability, Miscellaneous, Life and Reinsurance.

Shri. P. Venugopal placed on record the contributions of Shri. A. G. Krishnan, Ex. Deputy General Manager of New India Assurance who was the main architect of the course who contributed immensely in designing and developing the e-Learning Course. He acknowledged the contributions of III Faculty Members, Dr. George E Thomas and Prof. Archana Vaze on the general insurance part and those of Prof. Pranab Misra and Shri. R. R. Siddiqui, LIC-Retired on the life insurance side. Shri. Venugopal acknowledged the efforts put in by Smt. Chitra Raikar, Administrative Officer in persistently coordinating the work with the resource persons and the Service Provider. The Secretary General appreciated the work of Shri B. S. Rathaur, Secretary and the support provided by M/s. Learning Mate Solutions Pvt. Ltd. in ensuring smooth and timely completion of the work. The Course will be revised periodically.

Inaugural speech by Mr. E.S.L. Narasimhan, Governor of A.P. and Telangana	Shri P. Venugopal, Secretary-General, III with Shri T. S. Vijayan, Chairman, IRDAI	Shri P. Venugopal, Secretary-General, III with Shri T. S. Vijayan, Chairman, IRDAI
		

Quiz Competition

PAN-India Quiz Competition By IRDAI

The finals of the Pan-India Quiz Competition organized by the IRDAI for employees and distribution verticals of all insurance companies was held at Hyderabad on 19-4-15.

Reliance General Insurance, Exide Life Insurance, Max Life Insurance and National Insurance had qualified for the finals at Hyderabad.

Exide Life Insurance emerged champions with Reliance General Insurance being runners-up in the finals.

Issue of Associateship and Fellowship Diploma

Process of issuing Associateship & Fellowship Diploma, candidates are requested to download the election forms by click the below given link & send a scan copy after duly filled and signed at mrm@iii.org.in or hard copy directly to Insurance Institute of India.

The links for the forms are given below :-

<https://www.insuranceinstituteofindia.com/web/guest/apply-for-diploma>

Training Program

Upcoming Program for June - August 2015

Sr. No.	Program	Date From -To	Fees with Residence	Fees without Residence	Designed For
01	25 Hours Renewal Program	8-11 June 2015	-	Rs.10500 + S.T.	Broking Companies as per IRDAI Guidelines
02	International Reinsurance Management Program	8-13 June 2015	\$600	-	International Executives working in General Insurance Companies and looking after Re-insurance
03	Crop and Weather Insurance	15-16 June 2015	Rs.7800 + S.T.	Rs.5600 + S.T.	Middle Level Executives in Insurance Companies, Broking Companies, NGOs and in related areas.
04	Agency Management (General Insurance)	15-17 June 2015	Rs.11700 + S.T.	Rs.8400 + S.T.	Middle Level Executives in General Insurance Companies
05	Appreciation Course- Actuarial Science for Non-Life Insurance	22-24 June 2015	Rs.11700 + S.T.	Rs.8400 + S.T.	Managers from Non-life Insurance Companies
06	Bancassurance	22-24 June 2015	Rs.7800 + S.T.	Rs.5600 + S.T.	Middle Level Executives including Banking Officials dealing with this channel
07	Health Medical Management including Fraud Control	22-24 June 2015	Rs.11700 + S.T.	Rs.8400 + S.T.	Middle Level Executives dealing with Health Insurance Claims and those in TPAs
08	Marketing Strategy for Life Insurance	22-24 June 2015	Rs.11700 + S.T.	Rs.8400 + S.T.	Middle Level Executives from Life Insurance Companies
09	Mega Risk Insurance (Non-Project)	1-3 July 2015	Rs.11700 + S.T.	Rs.8400 + S.T.	Middle Level Executives in General Insurance Companies
10	Marine Cargo Insurance	1-4 July 2015	Rs.15600 + S.T.	Rs.11200 + S.T.	Middle Level Executives dealing with Marine Cargo Companies
11	Cyber Crime and Liability	6-7 July 2015	Rs.7800 + S.T.	Rs.5600 + S.T.	Middle Level practitioners in Insurance, Information Technology and related areas
12	Marine Hull Insurance	6-9 July 2015	Rs.15600 + S.T.	Rs.11200 + S.T.	Middle Level Executives in General Insurance Companies



13	<i>C.I.E. Workshop</i>	<i>13-15 July 2015</i>	<i>Rs.12000 + S.T.</i>	<i>Rs.10000 + S.T.</i>	<i>Certified Insurance Executives of Corporate Agents as per IRDAI Guidelines</i>
14	<i>Risk Management and PML - Significance</i>	<i>13-15 July 2015</i>	<i>Rs.11700 + S.T.</i>	<i>Rs.8400 + S.T.</i>	<i>Middle Level Executives in General Insurance Companies</i>
15	<i>Motor Insurance (Own Damage) Workshop</i>	<i>20-23 July 2015</i>	<i>Rs.15600 + S.T.</i>	<i>Rs.11200 + S.T.</i>	<i>Middle Level Executives of General Insurance Companies</i>
16	<i>Information Security (General Insurance)</i>	<i>21-21 July 2015</i>	<i>Rs.3900 + S.T.</i>	<i>Rs.2800 + S.T.</i>	<i>Insurance professionals working in IT, CRM, Claims, Underwriting, Operations, etc.</i>
17	<i>Regulatory Compliance (Life Insurance)</i>	<i>20-21 July 2015</i>	<i>Rs.7800 + S.T.</i>	<i>Rs.5600 + S.T.</i>	<i>Middle Level Executives dealing with Regulatory and Compliance in Life Insurance Companies</i>
18	<i>Challenges in Management of Project Insurance</i>	<i>27-29 July 2015</i>	<i>Rs.11700 + S.T.</i>	<i>Rs.8400 + S.T.</i>	<i>Middle Level Executives in General Insurance Companies</i>
19	<i>Handling of Marine Cargo Claims</i>	<i>27-28 July 2015</i>	<i>Rs.7800 + S.T.</i>	<i>Rs.5600 + S.T.</i>	<i>Middle Level Executives of General Insurance Companies, Brokers and Surveyors</i>
20	<i>Takaful Insurance</i>	<i>27- 31 July, 2015</i>	<i>\$450</i>	<i>-</i>	<i>Middle Level Executives from Insurance Companies (dealing with Takaful)</i>
21	<i>International Program on Life Insurance (Focus -Reinsurance)</i>	<i>27 - 01 Aug 2015</i>	<i>-</i>	<i>-</i>	<i>International Executives working in Life Insurance Companies and those looking after Re-insurance</i>
22	<i>Handling of Consumer Courts and Ombudsman - Legal Scenario (Life Insurance)</i>	<i>03 - 04 Aug 2015</i>	<i>Rs.7800 + S.T.</i>	<i>Rs.5600 + S.T.</i>	<i>Middle Level Executives dealing with Ombudsman and the Consumer Courts</i>
23	<i>25 Hours Renewal Program</i>	<i>03 - 06 Aug 2015</i>	<i>-</i>	<i>Rs.10500 + S.T.</i>	<i>Broking Companies as per IRDAI Guidelines</i>
24	<i>Engineering Project Claims</i>	<i>10-11 Aug 2015</i>	<i>Rs.7800 + S.T.</i>	<i>Rs.5600 + S.T.</i>	<i>Middle Level Executives in General Insurance Companies</i>
25	<i>Cattle Insurance</i>	<i>10-11 Aug 2015</i>	<i>Rs.7800 + S.T.</i>	<i>Rs.5600 + S.T.</i>	<i>Middle Level Executives in General Insurance Companies</i>

26	Information Security (Life Insurance)	10-11 Aug 2015	Rs.7800 + S.T.	Rs.5600 + S.T.	Insurance professionals working in IT, CRM, Claims, Underwriting, Operations etc.
27	International Life Insurance Program	17-29 Aug 2015	\$900	-	International Participants dealing in Life Insurance
28	Clinical Trial Policy (Focus: Liability Insurance)	24-25 Aug 2015	Rs.7800 + S.T.	Rs.5600 + S.T.	Middle Level practitioners from Insurance, Broking Companies and from the Clinical Trial Industry

NB :- ST - Service Tax which will be payable over and above Tuition Fees mentioned in each Program.

Associated Institute

Rajahmundry Insurance Institute

Rajahmundry Insurance Institute conducted an insurance awareness programme at various school and college as follows;

Date	School/college	No of Participants	Speakers of Program
20.02.2015	Govt. Autonomous College	200	Shri Ch. Tatarao-Admn officer-LIC, Shri M Kodandaram-Hon Secretary, Rajahmundry
25.03.2015	Smt Addepallig Mahalakshmidevi College of women, Danavaipet	200	
30.03.2015	Lalacheruvu Muncipal corp High school	120	

Shri Ch.Tata Rao, Admn Officer, LIC of India, Divisional office made a presentation on insurance.

Shri M. Kodandaram, Hon. Secretary, Rajahmundry Insurance Institute made a presentation on insurance in General and also on Insurance Institute of India courses.

The programme was well received by the students.

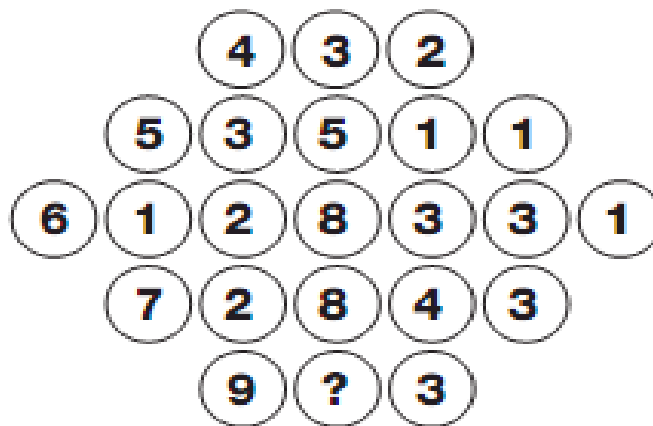
Program dated 20.02.2015	Program dated 25.03.2015	Program dated 30.03.2015
		



Refresh Corner

Puzzle

What number comes inside the circle?



Answers of Last Month's Puzzle:



Compiled by Mr. Rajesh Sawant
i-Think Member

Moral Story

Father was a hardworking man who delivered bread as a living to support his wife and three children. He spent all his evenings after work attending classes, hoping to improve himself so that he could one day find a better paying job. Except for Sundays, Father hardly ate a meal together with his family. He worked and studied very hard because he wanted to provide his family with the best money could buy.

Whenever the family complained that he was not spending enough time with them, he reasoned that he was doing all this for them. But he often yearned to spend more time with his family.

The day came when the examination results were announced. To his joy, Father passed, and with distinctions too! Soon after, he was offered a good job as a senior supervisor which paid handsomely.

Like a dream come true, Father could now afford to provide his family with life's little luxuries like nice clothing, fine food and vacation abroad.

However, the family still did not get to see father for most of the week. He continued to work very hard, hoping to be promoted to the position of manager. In fact, to make himself a worthy candidate for the promotion, he enrolled for another course in the open university.

Again, whenever the family complained that he was not spending enough time with them, he reasoned that he was doing all this for them. But he often yearned to spend more time with his family.

Father's hard work paid off and he was promoted. Jubilantly, he decided to hire a maid to relieve his wife from her domestic tasks. He also felt that their three-room flat was no longer big enough, it would be nice for his family to be able to enjoy the facilities and comfort of a condominium. Having experienced the rewards of his hard work many times before, Father resolved to further his studies and work at being promoted again. The family still did not get to see much of him. In fact, sometimes Father had to work on Sundays entertaining clients. Again, whenever the family complained that he was not spending enough time with them, he reasoned that he was doing all this for them. But he often yearned to spend more time with his family.

As expected, Father's hard work paid off again and he bought a beautiful condominium overlooking the coast of Singapore. On the first Sunday evening at their new home, Father declared to his family that he decided not to take anymore courses or pursue any more promotions. From then on he was going to devote more time to his family.

Father did not wake up the next day.

Source: <http://academictips.org/blogs/>

**Compiled by Mr. Rajesh Sawant
i-Think Member**